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REPUBLIC OF NORTH MACEDONIA

ACTION DOCUMENT <NUMBER>: EU FOR RULE OF LAW

1. SYNOPSIS

1.1. Action Summary Table¹

Title of the action	EU for Rule of Law
Beneficiary(y)/(ies) of the action	Republic of North Macedonia
Proposed year of financing	2026 2027
OPSYS	[OPSYS business reference]: <reference>
ABAC	ABAC Commitment level 1 number: <reference>
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)
Economic and Investment Plan (EIP)	Yes Priority: “Rule of law, governance and public administration reform” (100%)
EIP Flagship	No
Team Europe	No
Programming document	IPA III Programming Framework
PRIORITY AREAS AND SECTOR INFORMATION	
Window and thematic priority	Window 1: Rule of Law, Fundamental Rights and Democracy (100%) Thematic Priority 1: Judiciary (percentage TBD) Thematic Priority 2: Fight against corruption (percentage TBD) Thematic priority 3: Fight against organised crime/security (percentage TBD) Thematic Priority 5: Fundamental rights (percentage TBD)
Sustainable Development Goals (SDGs)	Main SDG (1 only): 16. Peace, justice and strong institutions Other significant SDGs (up to 9) and, where appropriate, targets: 8. Gender equality (Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels)

¹ This section is to be completed by the EU Office/Delegation.

DAC code(s)	Main DAC Code: 151 Government & Civil Society-general (100%) 15113 Anti-corruption organisations and institutions (percentage TBD) 15130 Legal and judicial development (percentage TBD)			
Main Delivery Channel	12000 Recipient Government			
Targets	<input type="checkbox"/> Climate <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity			
Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers @	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Internal markers and Tags	Policy objectives	Not targeted	Significant objective
EIP		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EIP Flagship		NO <input checked="" type="checkbox"/>		YES <input type="checkbox"/>
Tags:		NO		YES
Transport		<input checked="" type="checkbox"/>		<input type="checkbox"/>
Energy		<input checked="" type="checkbox"/>		<input type="checkbox"/>
Environment and climate resilience		<input checked="" type="checkbox"/>		<input type="checkbox"/>
Digital	<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Economic development (incl. private sector, trade and	<input checked="" type="checkbox"/>		<input type="checkbox"/>	

macroeconomic support)			
Human Development (incl. human capital and youth)	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Health resilience	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Migration and mobility	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Agriculture, food security and rural development	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Rule of law, governance and Public Administration reform	<input type="checkbox"/>		<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Digitalisation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tags	NO		YES
digital connectivity	<input checked="" type="checkbox"/>		<input type="checkbox"/>
digital governance	<input type="checkbox"/>		<input checked="" type="checkbox"/>
digital entrepreneurship	<input checked="" type="checkbox"/>		<input type="checkbox"/>
digital skills/literacy	<input checked="" type="checkbox"/>		<input type="checkbox"/>
digital services	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tags	NO		YES
digital connectivity	<input checked="" type="checkbox"/>		<input type="checkbox"/>
energy	<input checked="" type="checkbox"/>		<input type="checkbox"/>
transport	<input checked="" type="checkbox"/>		<input type="checkbox"/>
health	<input checked="" type="checkbox"/>		<input type="checkbox"/>
education and research	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Migration_ @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

Amounts concerned	<p>Budget line: <budget line></p> <p>Total estimated cost: 15 000 000.00</p> <p>Total amount of EU budget contribution EUR 15 000 000.00</p> <p>The contribution is for an amount of EUR 12 000 000.00 from the general budget of the European Union for financial year 2026 and for an amount of EUR 3 000 000.00 from the general budget of the European Union for financial year 2027, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p>
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MANAGEMENT AND IMPLEMENTATION

Implementation modalities (management mode)	<p>Direct management through:</p> <p>- Twinning grants</p>
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and delivery methods)	- Procurement - Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.3.
Final Date for conclusion of Financing Agreement	At the latest by 31 st December 2027 At the latest by 31 st December 2028
Final date for concluding contribution / delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the financing agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
Indicative operational implementation period	72 months ² following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement

1.2. Summary of the Action

The action is designed to promote the rule of law by strengthening the capacities of the stakeholders in the justice system and their ability to develop and implement key reforms thereby contributing to the EU's founding values. The overall objective of the action is to strengthen the rule of law, democracy, the respect of human rights and international law, and ensure security, as one of the key priorities in North Macedonia's accession process.

The specific objectives to be achieved by the action include:

1. Improved independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime
2. Strengthened state response to organised crime, money laundering and trafficking drugs and psychotropic substances

The action will focus on promoting law enforcement and judicial cooperation in criminal matters, with particular emphasis on organised crime and high-level corruption. It will accelerate North Macedonia's efforts to implement judicial reforms by strengthening the efficiency, effectiveness and independence of the judiciary. The action will strengthen the country's system for preventing and fighting corruption and support its capacity to enforce the anti-corruption legal framework in line with the EU acquis and European standards. It will promote fundamental rights through the promotion of children's rights by providing access to a fair justice system for every child at risk, in contact or in conflict with the law. It will support the strengthening of police capacities to use digital forensics and modern techniques and tools in the fight against organised crime, money laundering and drug trafficking by investing in their operational capacity to proactively investigate and gather evidence. Finally, the action will accelerate the country's progress towards EU membership and support its progress in Chapters 23 and 24.

The action is linked to the IPA III Programming Framework. Activities focusing on increasing the effectiveness, efficiency and independence of the judiciary, fighting organised crime, combating corruption

² Number of months should not exceed 72 months.

and improving cooperation and coordination between the institutions and bodies involved, and improving the operational capacity of the police to fight organised crime and drug trafficking directly contribute to the thematic priorities listed under Window 1.

The action is based on North Macedonia's Strategic Response and its identified priorities under IPA III actions. By strengthening the judiciary and its capacity to deliver services to citizens, improving the fight against corruption and organised crime, and strengthening democracy and human rights, the action complements the indicative interventions defined in the Strategic Response.

The action is designed to support the sustainability and increase the impact of investments in the rule of law made through the Reform Agenda and relevant EU and other donor projects and programmes.

Furthermore, the action is in line with Goal 16 of the UN Sustainable Development Agenda 2023: Promote peaceful and inclusive societies for sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels, as follows 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all, 16.6 Develop effective, accountable and transparent institutions at all levels, 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels. The action is indirectly contributing to the goal 8. Gender equality (Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels). The action will contribute to the objectives of the Economic and Investment Plan (EIP) for the Western Balkans, as the rule of law, respect for human rights and the functioning of democratic institutions are considered to be the main drivers of economic recovery in the region.

1.3 Beneficiar(y)/(ies) of the Action

The action shall be carried out in the Republic of North Macedonia.

2. RATIONALE

2.1. Context

In July 2022, the Intergovernmental Conference on opening the accession negotiations was held with North Macedonia. A year later, the European Commission presented the Council with the screening report on Cluster 1 – Fundamentals, with included benchmarks for opening accession negotiations on this cluster. As emphasised in the Screening Report, the Constitution of North Macedonia establishes the fundamental principles of a democratic state, including the separation of powers and the implementation of checks and balances. The country is pursuing the consolidation of its democratic institutions. The fundamental values of the constitutional order are defined through the principles enshrined in the Constitution.³

Progress in the accession negotiations have put an emphasis on the country's ability to fulfil the accession criteria, with fundamental principle of the rule of law at its core.⁴ As iterated by the new government formed in 2024, North Macedonia is focused on internal reforms to meet EU membership criteria, with confirmed dedication in increasing its ability to deliver strong results in judicial reform and the fight against corruption and organised crime. The country has undertaken several rounds of judicial reforms and introduced a new justice strategy aimed at improving the judiciary's independence, efficiency, and professionalism⁵, with judicial system being placed in between some and moderate level of preparation in the European Commission's 2023 North Macedonia Report. For a significant period, North Macedonia has been developing the strategic framework in justice sector, harmonising the legislation and making efforts in its enforcement.

³ Screening Report Cluster 1

⁴ Chapter 23 has been repositioned as the key determinant of the entire negotiation process based on lessons learned from past accession negotiations. It is opened first and together with Chapter 24 (justice, freedom and security), it remains under scrutiny until all other chapters have been closed.

⁵ European Commission: 2024 Rule of Law Report Country Chapter on the rule of law situation in North Macedonia

The reforms included amendments to the Law on Courts and the Law on the Judicial Council, which led to a certain degree of approximation to European standards in the field of justice.⁶ Progress was noted in the implementation of the recommendations addressed to North Macedonia in the GRECO Fourth Round Evaluation Report.⁷

The 2022 TAIEX Case-based Peer Review Mission on Countering Organised Crime and Corruption has concluded that there are positive signals indicating that all levels of the criminal justice system in North Macedonia can function effectively. The police, prosecution and court demonstrated their ability to achieve results, with the exception of asset recovery (seizure and confiscation). The 2022 Twinning Review Mission on Building Institutional Capacity of the Investigative Centre concluded that the 4 investigative centres established with EU support are functional and have become an integral part of the law enforcement in North Macedonia.

The country has established good cooperation with Member States and EU law enforcement agencies leading to results in the fight against organised crime and is continuing its efforts to develop strategic framework and further align its legislation⁸, as well as implement the laws on asset recovery and finalise the adoption of the law on drugs⁹.

The country is in between some and moderate level of preparation in the prevention and fight against corruption and is continuing to investigate, prosecute and try corruption cases.¹⁰ Positive developments were noted in strengthening the country's capacities to implement relevant anti-corruption instruments.¹¹ North Macedonia is party to all international anti-corruption conventions, including the United Nations Convention against Corruption.

Consolidating democratic structures, upholding the rule of law and protecting fundamental rights is at the heart of the EU's engagement with enlargement countries through providing strategic direction and substantial financial and technical support. In that respect, this Action is linked with the **IPA III Programming Framework**. Interventions focusing on increasing independence of justice, fight against organised crime, fighting corruption and improving cooperation and coordination among involved institutions and agencies are directly contributing to the thematic priorities listed under Window 1.

The action is emerging from the **North Macedonia's Strategic Response** and its identified priorities under IPA III actions. By strengthening the judicial system and its services to the citizens, improving the fight against corruption and organised crime, bolstering democracy, human rights and fighting discrimination, the action is complementing the indicative interventions defined in the Strategic Response.

Democracy and the rule of law are critical components in ensuring the enforcement of existing laws, strengthening the position and security of businesses, and empowering community approaches that are essential for the implementation of Green Deal and corresponding **Western Balkans Green Agenda**. Therefore, the action will deal with improvements of the rule of law and the fight against corruption in order to avoid unnecessary obstacles to the implementation of the Green Agenda. The interventions foreseen under this Action will contribute to the achievement of the objectives of the **Economic and Investment Plan (EIP)** for the Western Balkans. The EIP states that the rule of law and respect of human rights, functioning of democratic institutions and public administration are not only at the heart of the accession process, but also the main engines for the economic recovery of the region.

⁶ Ibid

⁷ GRECO: Second addendum to the second compliance report, published in March 2024: Fourteen of the nineteen recommendations have been implemented satisfactorily or dealt with in a satisfactory manner, four recommendations have been partly implemented and one recommendation has not been implemented.

⁸ 8th meeting of the Stabilisation and Association Agreement Subcommittee with North Macedonia on Justice, Freedom and Security; March 2024

⁹ The Law on the Asset Recovery Office (ARO) and the Law on the Management of Confiscated Property, Proceeds and Seized Objects in Criminal and Misdemeanour Procedures were adopted on 13 March 2024; the Law on confiscation with non-conviction verdict in civil procedures was adopted on 28 February 2024; the Law on Drugs is in the governmental procedure

¹⁰ North Macedonia Report 2023, page 21

¹¹ GRECO: Second Compliance report North Macedonia published in October 2023

The action is part of the Commission Communication "**A credible enlargement perspective for and enhanced EU engagement with the Western Balkans**" and its initiative to strengthen the rule of law. Equally, the action is linked to the requisitions of the **2020 Commission's Communication "Enhancing the enlargement process- A credible EU perspective for the Western Balkans"** defining fundamental democratic, rule of law and economic reforms as the core objective of the accession process. The document stressed the need for the Western Balkans countries to deliver more credibly on the reforms in the rule of law, fighting corruption and functioning of democratic institutions. In this regard, Member States will provide more structured support to the accession process, including through on-the-ground monitoring by their experts, direct contributions to the annual enlargement package, and sectoral expertise. It is recommended that stronger political steering should include the creation of new opportunities for peer-to-peer exchanges, as well as the implementation of recommendations following expert input. The action will directly contribute to the country's progress in **Chapters 23 and 24** and address the recommendations provided in the **2023 North Macedonia Report**.¹²

The action is aligned with the Agreement on Operational and Strategic Cooperation with EUROPOL, which aims to regulate the cooperation between Europol and North Macedonia in combating severe forms of international crime through the exchange of information and regular contact. Furthermore, it facilitates the implementation of North Macedonia's agreement with EUROJUST, which establishes a framework for structural judicial cooperation in the fight against serious cross-border crime between the EU Member States and North Macedonia. The agreement enables partner states to utilise all the practical cooperation tools provided by Eurojust for the prosecution of severe, transnational crime cases.

The action will address the findings and apply recommendations given in the 2022 TAIEX Case-based Peer Review Mission on Countering Organised Crime and Corruption and the 2022 Twinning Review Mission on Building Capacities of Investigative Centres. The action will focus on improving operational abilities of the criminal justice system to investigate and prosecute serious and organised crime cases, as well as fight against high level corruption and improve their cooperation and coordination to obtain tangible results.

The action is supporting the implementation of the national strategic framework. The action's underlying intention is to horizontally strengthen the ability of national institutions and agencies to enforce the objectives postulated in the **National Strategy for Prevention of Corruption and Conflict of Interests 2021-2025** and its main objectives: *Increasing the level of political accountability and demonstrated willingness to fight corruption, Strengthening the supervisory and control mechanisms strengthening the capacity and commitment of the law enforcement bodies, the prosecution and the judiciary in the detection and sanctioning of corruption and strengthening the resilience to corruption in their ranks, as well as Raising public awareness and conducting anti-corruption education.* With donor support, national institutions are currently preparing to start developing a new strategy for anti-corruption that will cover the period 2026-2030.

The action is contributing to the **Development Sector Strategy for the Judiciary 2024-2028's** vision of independent, accountable, transparent and accessible judiciary, that is resilient to internal and external influences, protects human rights, and efficiently safeguards the rule of law. This comprehensive strategy, consisting of 130 measures aims to address normative and institutional shortcomings¹³ and has an Action Plan for the implementation period with specific indicators necessary to monitor its implementation. This Action will specifically focus on the priority area 1: *Judiciary and public prosecution in line with EU standards* by strengthening the country's pillars of the justice system. The action is also relevant for the priority area 2: *Strengthening the capacities, effectiveness and efficiency of judicial institutions* by further improving the ability of key justice system institutions to administer justice in a transparent and accountable manner.

The action will contribute to the North Macedonia's commitment to consolidate its system for systematic implementation of parallel criminal and financial investigations, followed by seizure and confiscation of criminal assets, and the cooperation and coordination of relevant institutions and agencies across the entire

¹² https://neighbourhood-enlargement.ec.europa.eu/document/download/28a9322a-3f18-434e-89d2-0890c90b2f96_en?filename=SWD_2023_693_North_Macedonia_report.pdf

¹³ Annual Report on the implementation of the Instrument for Pre-accession Assistance, February 2024

chain. The new **Strategy for strengthening the capacities for conducting financial investigations and confiscation of property for the period 2024-2028** is in the final stage of development. The interventions will support the enforcement of relevant legislation in that respect and will contribute to the implementation of the policy document.

The action is contributing to the objectives set in **the National Strategy for the Prevention of Money Laundering and Financing Terrorism 2021-2024** and increased coordination for efficient enforcement of the corresponding **Law on Prevention of Money Laundering and Financing of Terrorism**. The interventions envisaged in the action document are complementary to the **National Drug Strategy (2021-2025)** for the country to further align with the relevant EU acquis and international standards and pursue their enforcement. **The Strategy for Organized Crime (2025-2028)** is in the development process with the support of the IPA project "EU support for the rule of law", and it should be finalised by end 2024.

The action is in line with the national **Strategy for Cooperation with and Development of Civil Society 2022 – 2024** and its key priority of the advancement of the institutional framework for cooperation between state institutions and CSOs.

The action will build on the results of the Commission's **Growth Plan for the Western Balkans 2024-2027**¹⁴ and the accompanying **Reform Agenda 2024-2027** submitted by North Macedonia. The Growth Plan is promoting economic convergence as a means of bringing the Western Balkans countries closer to the EU. The functioning rule of law is the key element of this endeavour. The action is designed to complement the activities outlined in the **Reform Agenda (RA)**, which is scheduled for implementation between 2024 and 2027, in the following way:

- a) The interventions use the results of the RA as a basis for further improvements of the system
- b) The interventions are targeting the remaining gaps
- c) The interventions are planned to maintain the RA results or upgrade them due to external changes and materialisation of certain risks.

In that respect, the action will support maintaining and follow up the results achieved under the objective the Fundamental and Rule of Law and its sub-areas tackled by the Reform Agenda: independence, quality and integrity of the judiciary, consolidation of the functioning of Judiciary Council, efficiency of the judiciary, fight against corruption and organised crime and asset recovery issues.

The action is complementary to the **IPA III multi-country priorities proposed for 2025-2027** and its Priority area 1 Rule of law, fundamental rights and democracy and Priority area 2 - Security, including cybersecurity that are focused on contributing to regional cooperation and integration. This Action will complement those efforts by focusing on challenges specific to North Macedonia, thus building its capacities to move forward on the issues of rule of law, democracy, fundamental rights and fight against corruption and organised crime.

The action is complementary to a number of **donor projects** implemented in the area of rule of law, such as Germany, US, Netherlands, UK, Council of Europe, etc. EU's IPA 2020 Rule of Law project is targeting the efficiency of judiciary, fight against corruption and organised crime, and promotion of fundamental rights. The action will complement the results to be achieved by the project by 2028 and will further invest in strengthening the criminal justice system and judiciary, corruption prevention, fight against organised crime and drug trafficking and advocating for children's rights.

2.2. Problem Analysis

Short problem analysis

¹⁴ The Plan is based on four pillars, aimed at: 1) enhancing economic integration with the European Union's single market; 2) boosting regional economic integration within the Western Balkans; 3) accelerating fundamental reforms, improving sustainable economic growth including through attracting foreign investments and strengthening regional stability and 4) increasing financial assistance to support the reforms through a Reform and Growth Facility for the Western Balkans

Area of support #1: Criminal justice

Corruption in general is facilitated through financial systems, weak oversight mechanisms, and inadequate enforcement of anti-corruption laws. This requires a robust legal and institutional framework, sufficient administrative and judicial capacity, effective investigations and prosecutions and the political will to enforce the anti-corruption framework. The 2023 North Macedonia Report identifies that corruption remains prevalent in many areas and is an issue of concern. The Report emphasizes that in 2023, there were eight investigations opened on high-level corruption cases, one indictment was formulated, and four first-instance judgments were handed down. There were no final convictions for high-level corruption cases in 2023.¹⁵ There is a need for improvement in several areas, namely in the capabilities of key stakeholders to conduct and collaborate in complex criminal and financial investigations, and their ability to impose penalties for serious crimes.

The Public Prosecutor's Office (PPO) is facing challenges due to a shortage of staff. The Academy for judges and prosecutors doesn't have the capacity to produce a sufficient number of prosecutors to meet the demand, particularly in light of the number of prosecutors who are retiring. At the same time, the public's trust in prosecution was reported to be the most important challenge for the future of the PPO.¹⁶ The 2020 Law on Public Prosecutors paved the way towards independence of the institutions. However, the Council of Public Prosecutors does not have sufficient capacity to safeguard the prosecutors' profession. In order to protect the integrity and reputation of prosecutors, the Prosecutorial Council needs to be strengthened to ensure presence of the most efficient, high quality performing prosecutors with integrity in the system.

In terms of operational capacities, the 2022 Peer Review Report identified a lack of adequate budget for investigative bodies in the police, obsolete equipment and few resources for digital forensics. Reform Agenda will be used to tackle the issue of equipment and facilities, but the law enforcement will still need support to improve the quality of investigations through capacity building, knowledge exchange and peer to peer learning. The law enforcement agencies will need support in upgrading the human resource management and retention policy and further developing the investigations capacities, particularly hybrid and organised crime investigations skills, with pre-emptive, preventive, strategic and tactical approaches.

The National Coordination Centre Against Organised Crime that has the role to improve cooperation and coordination among law enforcement authorities has not been used to its full potential, with lack of assigned liaison officers and lack of proper tools that would enable data sharing and storage. Collaboration between the prosecution and the police is perceived as bureaucratic, with enhanced efficiency achieved through established four investigative centres that require further support to optimise their capabilities¹⁷. The Twinning Review Mission on Building Capacities of Investigative Centres identified inadequate equipment, limited career perspective of the staff, limited operational analysis capacity to evaluate and analyse large amounts of data and access to data bases, as the main challenges faced by the centres. Even though there are some improvements in the matter, the centres still have limited specific expertise, particularly in financial investigations and analysis. This is because all prosecutors are responsible for all types of criminal offences. Similarly, there is a lack of strategic planning to prioritise cases. The introduction of greater specialisation, together with a strategic focus and the concentration of resources on the most complex cases, would enhance operational efficiency. The 2020 Peer Review highlighted that the public prosecutor's office and the police did not demonstrate the use of proactive investigations. The investigations are too narrow in scope and don't cover the full range of potential areas. The case management system lacks the possibility to monitor the work of prosecutors in a more in-depth way. Equally, the current case management system provides information on number of investigations and contains an electronic filing system but cannot be used as a basis to identify the performance of prosecutors in terms of quality or more detailed quantitative information.¹⁸ There is room for

¹⁵ 2024 Rule of Law Report Country Chapter on the rule of law situation in North Macedonia

¹⁶ 2022 TAIEX Case-based Peer Review Mission on Countering Organised Crime and Corruption

¹⁷ There are 4 operational investigative centres. One is located within the Basic Public Prosecutor's Office for Prosecuting Organised Crime and Corruption (BPPOCC), three in the Basic Prosecution Office of Skopje, Tetovo and Kumanovo

¹⁸ 2022 TAIEX Case-based Peer Review Mission on Countering Organised Crime and Corruption

improvement in the way evidence is built up and the quality of investigations, particularly in the case of high-level crimes.

A number of reports¹⁹ have highlighted shortcomings in the use of financial investigations, which are only conducted in the most serious cases. These investigations are not as thorough as they could be and there is a lack of effort in identifying money flows, mainly due to a lack of capacity, an insufficient number of financial experts and a lack of access to databases. Consequently, there is a need for investigators and prosecutors to improve knowledge and to support a more professional workflow in the chain of justice.²⁰

Furthermore, there is a lack of cooperation on the issue of money laundering. Despite the Financial Investigation Office (FIO) in the Ministry of Finance demonstrating a high level of capability, there is a lack of collaboration with the BPPOOCC, which is not initiating a sufficient number of cases based on FIO reports.

The Law on Criminal Procedure (LCP) includes a provision for the temporary seizure of property or objects for their safekeeping, in order to ensure that the assets are not available to the suspects. The new LCP and the Criminal Code (which was amended in September 2023 but did not reflect the European Commission's recommendation on corruption-related issues) are part of the Reform Agenda to be adopted by December 2025 and are expected to be aligned with the EU *acquis* and European standards. According to the current LCP, once the investigation has commenced, the property in question should be located and the public prosecutor should then present it to the court as potential confiscation property in criminal proceedings. The Standard Operating Procedures for the seizure of assets between the PPO, law enforcement agencies, the FIU, the Public Revenue Office and Customs include provisions on how to carry out joint financial investigations, identify and seize proceeds of crime. However, these agencies and institutions require further support to successfully implement these procedures since there are limited results in the area of asset recovery (seizure and confiscation).

In 2019, North Macedonia has established the Asset Recovery Office that is part of the Unit for International Legal Assistance in the Public Prosecutor's Office and is a national central contact points to facilitate the tracing of criminal assets. ARO Office has the obligation to regularly collect, process and analyze comprehensive statistical data regarding temporary measures for security and confiscation. It is expected that ARO will be fully staffed and equipped through Reform Agenda implementation, but given the complexity of its competences, the institutions will need continuous support to improve their capacities and adapt to changing EU legislation (such as the adoption of Directive 2024/1260), as well as to further improve cooperation with relevant agencies.

In the part of judicial system that is deciding upon complex cases of organised crime and high-level corruption there is high workload due to lack of judges, with insufficient number of candidates applying for the position. In addition, the Academy for Judges and Prosecutors doesn't have the capacity to produce a sufficient number of judges in general, what exacerbates the systemic challenge. According to the 2022 Peer Review, the judges involved in complex cases have the knowledge and the tools to bring the case to a final verdict. However, there are still deficiencies in the system, namely in the legislation and the root cause of the lengthy procedures.

Once the verdict in an organised crime and/or corruption is given, it can include asset confiscation. In that case, that asset is managed by the Agency for Management of the Confiscated Property (AMO) whose effectiveness is considered a major stake in fighting corruption and organised crime. Their effectiveness also strengthens the position of law enforcement in the eyes of the general public, which interprets the credo that crime does not pay. The agency conducts all procedures related to property management, including storage, appraisal of condition and value, recording of all properties it manages and sale of property. It is also responsible for making statistical, financial and other reports for the managed property. According to the data from the State Statistics Office, in the period from 2017 to 2022, 308 property confiscations were imposed, as well as 3749 seized items²¹. Currently, North Macedonia is in the process of providing sub-legal instruments

¹⁹ Such as 2023 North Macedonia Report, 2024 TAIEX Peer to Peer Mission Report, 2024 Rule of Law Report Country Chapter on the rule of law situation in North Macedonia

²⁰ Twinning Review Mission Building institutional capacity of the Investigative Centre 2023

²¹ <https://pep.scoop.mk/the-confiscation-of-property-acquired-through-criminal-acts-continues-to-be-ineffective/>

(bylaws) for the functioning of the AMO. Once those are in place, the Agency will need to build its capacities to be able to perform its role in the complicated chain of agencies and institutions fighting organised crime and corruption.

In view of the above, it is clear that closer collaboration between the various parties involved in the process, including prosecutors, judiciary, law enforcement investigators, financial intelligence units and improvement of their operational capabilities, would strengthen the response to high-level corruption and organised crime activities. Consequently, this would require further support to remedy the situation.

Area of support #2: Reform of the judiciary

52% of EU citizens rate the justice system in their country - in terms of the independence of courts and judges as good. On the contrary, only 25% of the North Macedonia citizens have positive opinion of the country's justice system²², where a perception of interference or pressure from the government and politicians are cited as the main reasons for a low confidence vote. The reform in the judiciary in that respect is still ongoing, with positive development in building the capacity of the Judicial Council to move forward towards safeguarding judicial independence. However, there will be a need for safeguarding the positive developments and continue investments in promoting judicial independence, efficiency and effectiveness, for the sake of North Macedonia's accession to the EU. Hence, judiciary will require further support to become more efficient and the support for continuous reforms in the judiciary and implementation of its policy documents is needed. This includes the entire system from Judicial Council, Ministry of Justice as the policy maker, to courts and judges.

The government of North Macedonia has adopted a new Strategy for the Judiciary for the period 2024-2028 that should be primarily implemented through the national budget and the Reform Agenda. The Strategy has been developed on the basis of an assessment of the implementation of the previous strategy, and the lessons learned have been incorporated into the new document. There is a need to continue the practice of regular assessment of policy documents, to support the development and implementation of subsequent strategies, to continue the process of harmonisation and revision of legislation to meet EU requirements, as well as to implement the Rule of Law Roadmap. This Action will contribute to the further legislative reforms and relevant strategic and analytical reports steering the reforms in Chapter 23 towards North Macedonia's EU membership. The action will support the implementation of the new strategy post-2028.

Finally, the action will start immediately after the implementation of the Reform Agenda, which will provide the necessary legal and operational framework and resources for the implementation of this Action. Thus, the action will assist the country in sustaining the results of the reforms achieved through the Facility and enable it to accelerate its progress towards the EU.

Area of support #3: Prevention of corruption

North Macedonia has the general strategic and legal framework in place and the established institution with a mandate to prevent and combat corruption. Criminal Code that was amended in September 2023, did not reflect recommendation of the European Commission for the corruption related issues. The new Criminal Code and the Law on Criminal Procedures, which will be in line with the EU acquis and European standards, is part of the Reform Agenda for adoption by December 2025. Human and financial resources of the State Commission for Prevention of Corruption (SCPC) have been increased, and the development of its internal capacities has been supported by the EU and various donors. The institution has a comprehensive human resource management system in place with strengthened internal systems and procedures, creating the capacities to perform its tasks. For example, the obligation of public officials to declare their assets and interests helps to detect illicit enrichment and prevent conflicts of interests and it an important tool to prevent corruption. In that respect, SCPC will introduce internal procedures for asset declarations checks and verifications, establish a red flag system and will have a fully operational ICT solution for processing and

²²Eurobarometer 2024 Perceived independence of the national justice systems among the general public <https://europa.eu/eurobarometer/surveys/detail/3193>

controlling assets declarations in place.²³ According to the GRECO Report²⁴, administrative checks performed by the SCPC have enabled greater level of compliance with the reporting obligation by MPs, judges and prosecutors. However, in- depth scrutiny by the SCPC is limited, since its work is still hampered with limited cooperation with other relevant institutions, along with limited access to databases and official records of public authorities and private entities with public competencies listed in the Law on Prevention of Corruption and Conflict of Interest.²⁵

Each electoral cycle poses a considerable challenge in the oversight of public resources and the operations of state institutions. To prevent corruption and the misuse of public funds, it is essential to implement effective oversight and adhere strictly to legal regulations. In this context, the SCPC plays a pivotal role in ensuring the legality, objectivity, and transparency of all activities conducted during the election period. The election campaign is a process that significantly influences the financial expenditures of the candidates and shapes public perception regarding specific candidates among the electorate. Consequently, the legality of campaign finance sources and their expenditures is a critical prerequisite for ensuring fair political competition among candidates. North Macedonia still faces significant challenges in the area of political party financing²⁶. Systemic issues such as the regulation of third-party financing of campaigns, the reporting of in-kind contributions and loans, and the harmonisation of timeframes and deadlines for the receipt and publication of reports, in order to allow for meaningful scrutiny, still require attention.

The SCPC, in accordance with its responsibilities as outlined in the Law on the Prevention of Corruption and Conflict of Interest and the Electoral Code, was involved in combating and preventing corruption throughout the electoral process for the parliamentary elections in the country in 2024. Electoral legislation will be revised as part of the implementation of the Reform Agenda in line with the recommendations of the OSCE/ODIHR and the Venice Commission²⁷. The current system lacks a mechanism for electronic submission of campaign financial reports, which is a source of inefficiency. For example, 180 participants took part in the last local elections, and their financial reports had to be manually scanned and uploaded.²⁸ The State Audit Office carries out ex post checks and publishes annual reports on its website. In November 2022, the State Audit Office sent the Public Prosecutor's Office two requests for them to take action in response to alleged irregularities which came to light during the audit of two participants in the election campaign. No requests for public prosecutorial action were submitted following the audit performed on political parties' financial statements and accounts. In its recent Report, the SCPC emphasized the importance of improving monitoring systems and oversight mechanisms to foster greater transparency and accountability in the funding of election campaigns.²⁹. Furthermore, it presented various conclusions and recommendations aimed at enhancing the overall electoral process. A precondition for the systemic improvements of the financial reports submission is the changes in the Law on financing of political parties, so further support will be needed in the medium term to enable a fully functioning, efficient and transparent system. At the same time, legislation governing the scrutiny of operations by independent oversight bodies, notably the State Audit Office and the Ombudsperson, is in place. It is essential to implement a more structured follow-up process to ensure that the findings and recommendations of these audits are effectively addressed by the government and law enforcement agencies. This will help to prevent further irregularities and ensure accountability.

As highlighted in the 2024 Rule of Law Report, there are significant concerns regarding the independence of the judiciary and the ability of the relevant institutions to protect it against undue influence. The 2023

²³ Rule of Law project: 1st Interim Report

²⁴ GRECO: Second addendum to the second compliance report, published in March 2024

²⁵ In the next 3 years, it is expected that SCPC will have access to maximum 1/3 of 65 databases in total, resulting in the need to invest further in the interoperability of these systems, for the SCPC to be able to perform the tasks under its competence.

²⁶ Ibid

²⁷ International Election Observation Mission Republic of North Macedonia – Parliamentary Elections and Presidential Election Second Round, 8 May 2024, Preliminary conclusions: *The legal framework for the parliamentary and presidential elections establishes the basis for holding democratic elections; however, some provisions do not comply with international standards, and persisting inconsistencies, gaps and ambiguous formulations undermine legal certainty and merit further revision. Regrettably, the Electoral Code was recently amended through expedited processes lacking transparency and public consultation, which is not in line with international standards and OSCE commitments.*

²⁸ Information obtained from the State Audit Office.

²⁹ SCPC Special Report concerning the regulatory framework for financing election campaigns in the year 2024

Corruption Risk Assessment of the Judiciary in North Macedonia³⁰ revealed that over a third of judges surveyed reported experiencing external influence attempts, with a similar situation among prosecutors. A significant proportion of judges (59%) and prosecutors (49%) believe that the current mechanisms in place to safeguard the judicial and prosecutorial function from external pressures or attempts to influence are ineffective. However, the data shown in the Risk Assessment Report is based on perceptions. There is currently no analysis or anticorruption proofing of the entire existing legislative framework in the judiciary that would cross-reference the Risk Assessment Report and paint a realistic picture.

Furthermore, the Judicial Council lacks resources to identify and verify elements of corruption within the judicial system. There is also a lack of collaboration and coordination with the SCPC and other pertinent entities and limited information sharing for signalling potential corruption in the judiciary. The country is currently preparing the new strategy for the prevention of corruption in the judiciary, which should be more closely aligned with the National Strategy for the Prevention of Corruption and propose concrete measures to strengthen the overall system. North Macedonia will need further support to protect the judiciary from undue influence and to implement changes in the system of prevention, detection and punishment of corruption in the judiciary. SCPC will sign a Memorandum for Cooperation with PPO and establish procedures in the direction of improved cooperation regarding the submitted initiatives for criminal prosecution³¹. Equally, the coordination mechanisms between SCPC and PPO as well as training on improved knowledge for the competences of both institutions will be improved³².

In addition, cooperation should be strengthened with PIFC institutions and the State Audit Office. Monitoring systems should be strengthened and mechanisms to monitor the number of cases investigated, prosecuted and subject to court resolutions as a result of internal audits or inspections should be developed. A step in that direction was signing of a Memorandum of Understanding to exchange information and standardise procedures between the Public Procurement Bureau, the State Appeals Commission, the Commission for the Protection of Competition, the State Audit Office and the State Commission for Preventing Corruption, but the cooperation with law enforcement and judiciary should be strengthened further. This should result in a more effective exchange of data and information with the objective of enhancing consistency and integrity in pursuing high level corruption cases.

The new cycle of development of the policy framework for the prevention of corruption will start in 2025 and is expected to be supported by donor initiatives. However, support will still be needed to strengthen the system for monitoring the implementation of the strategy, as well as to develop the new strategy for the 2031-2035 cycle. In addition, North Macedonia will need further support in advancing in the EU negotiating process in the areas relevant for prevention of corruption to successfully meet all the requirements posed through the process.

The development of new legislation, as well as existing one should be accompanied with the process of corruption proofing. This encompasses “the review and evaluation of the form and content of the regulations that are in preparation or have already been adopted to detect and prevent risks of possible corruption and conflicts of interest in laws, by-laws and other general acts.”³³ Priority is given to the legislation with financial implications. Currently, there is no legal obligation for the institutions to implement the recommendations of the SCPC. Furthermore, even if there were, the Parliament could still adapt the proposed legislation through amendments. In that respect, North Macedonia needs support to change the approach for anti-corruption proofing and build capacities of relevant institutions, including the government services to conduct corruption risk assessments and prepare the legislative acts that take into account corruption preventive measures and to act upon the recommendations of the SCPC.

³⁰ OSCE Mission to Skopje 2023. In this Assessment, corruption risk is defined as any practice that may have a negative impact on the functioning and impartiality of courts and public prosecution offices. Such practices may include a wide range of actions, from any form of undue influence on the work of judges and public prosecutors to corrupt exchanges, such as bribery, exchange of favours, or trading of influence.

³¹ With support from EU project IPA 2020 RoL

³² USAID PAC project

³³ Methodology for Anti-corruption Review of Legislation, State Commission for Prevention of Corruption

Finally, the action will be implemented immediately after the implementation of the Reform Agenda, which will provide the necessary legal and operational framework and resources for the implementation of this Action. However, it will be necessary to assist the country in sustaining the results of the reforms achieved through the Facility and to enable it to accelerate its progress towards the EU.

Area of support #4: Juvenile justice

In 2024, North Macedonia passed the Law on Justice for Children to ensure that every child at risk, in contact or in conflict with the law in the country, has equitable access to a fair justice system when their rights are violated, or their entitlements denied. Additionally, significant revisions of the Criminal Code have been made, and the revisions of the Law on Civil Registry and the Law on Execution of Sanctions, all aimed at improving access to justice and realization of the child's rights.

Yet, the number of institutions and entities involved in dealing with children in conflict or in contact with the law is broad and complex. Despite the investment made in the relevant institutions for improving their capacities when dealing with children in conflict or in contact with the law, additional investments are needed to further strengthen the institutional and technical capacities, ensure specialisation of the professionals working in the child justice system, and therefore reinforce implementation of the revised laws. Preventive mechanisms are lacking, and children in contact with the justice system are placed from one institution to another, with high levels of recidivism. Substantial reforms are also needed to ensure that detention and correctional facilities adhere to international standards, are gender sensitive and guided by the best interest of the child while promoting rehabilitation and resocialization instead of punishment and custodial sentencing.

Restorative justice practices, including mediation and alternative measures in the justice for children system remain scarce and are not implemented in practice.³⁴ Relying on best international practices, UNICEF is advocating for a specialized institution with trained professionals that will have the mandate to design, implement and monitor restorative justice practices, including alternative measures and probation for children.

While introduction of the trauma informed approach has commenced, further system capacity building and raising awareness initiatives are needed to ensure that majority of professionals working with children in contact with the justice system have an improved understanding of the nature and the effects of trauma on children. Additionally, ensuring adequate infrastructure, financial allocations and human resources for the implementation of Children's Houses model (Barnahus) services and enabling cross-sectoral collaboration will also be essential.

Area of support #5: Fight against organized crime - digital forensics and digital tools

North Macedonia is investing considerable efforts and resources in the fight against organised crime, which threatens the security of the population, economic development, the rule of law and democracy. In both organised crime and money laundering, the country has seen improvements in investigations, prosecutions and convictions, and in the exchange of information with relevant institutions, including Europol. However, despite these apparent improvements, police action and investigative techniques need to be constantly updated. As organised crime is dynamic, flexible, increasingly internationally linked, mostly invisible and often linked to legal structures, its fight requires a solid strategic vision, political consensus, regional cooperation and considerable state investment. In addition, successful investigations of organised crime require more training and persistence than investigations of conventional crime.

Conventional policing is primarily reactive, meaning that the police generally respond to crime after it has been committed and reported. The successful investigation of organised crime requires proactive approaches, usually based on criminal intelligence analysis. Organised criminal groups have committed many crimes that are not reported to the authorities, so it is often necessary to search financial records, interview informants and citizens, and conduct surveillance to determine whether a crime has occurred. The two general features of the proactive approach are intelligence gathering followed by criminal investigation. Intelligence gathering

³⁴ In 2017 no alternative measures have been issued, in 2020 only 5 were issued, while in 2021 there was an increase, when 25 alternative measures have been issued. In 2020, 11 children were referred to mediation, while in 2021 no children were referred to mediation.

involves the assessment of information, followed by analysis to support informed decision making. In some jurisdictions, intelligence gathering, and analysis is carried out by law enforcement agencies; in others, there are trained analysts who carry out intelligence analysis, often involving financial and business records, individual background checks, reports from police surveillance or the use of other special investigative techniques, interviews with informants and related information. The investigation determines whether the results of the intelligence gathering, and analysis can be linked to the criminal conduct of groups or networks.

Digital forensics focuses on the investigation and analysis of digital evidence following a cybercrime and is distinct from cybercrime, which deals with the acts and perpetrators involved in illegal online activity, and cybersecurity, which deals with the prevention and mitigation of those acts through protective measures. Each area plays a critical role in the broader landscape of information security and crime prevention.

Strengthening digital forensic capacity is a key strategy in the fight against organised crime. By increasing technical expertise, investing in technology, fostering cooperation and developing robust legal frameworks, law enforcement agencies can improve their effectiveness in detecting, investigating and prosecuting organised crime. As criminal enterprises increasingly rely on digital methods, the need for advanced digital forensic capabilities becomes even more critical. The interplay between organised crime modus operandi and digital forensics is critical in the ongoing battle against these criminal enterprises. By understanding how organised crime operates and using digital forensic techniques, law enforcement can better disrupt and dismantle these networks, ultimately enhancing public safety and justice. The goal is to investigate cybercrime or incidents involving digital data while ensuring the integrity and authenticity of the evidence.

Digital forensics ensures that data is collected in a forensically sound manner, preserving the integrity of evidence for legal proceedings. Digital technology assists in the collection, storage and analysis of evidence. Tools such as forensic software can recover deleted files and analyse digital footprints, which are crucial in building cases against organised crime.

The use of digital tools in the fight against organised crime is becoming increasingly important for a number of reasons:

- Digital tools allow law enforcement to efficiently analyse large amounts of data. Advanced analytics can identify patterns, trends and links between criminal activities, helping to pinpoint organised crime networks and their operations. This immediate access to information can lead to faster responses and more effective interventions.
- Digital platforms facilitate better communication and cooperation between law enforcement agencies. As organised crime increasingly moves online, digital tools are essential for investigating and preventing cybercrime such as hacking, online trafficking and money laundering. Specialised software can detect suspicious online behaviour and transactions.
- Digital tools can empower the public to more easily report suspicious activity. Mobile apps and online platforms for anonymous tips encourage community involvement and can lead to valuable leads. Virtual training programmes and simulations can prepare law enforcement officers to deal with complex organised crime cases. These tools enhance skills in negotiation, investigation techniques and crisis management.

In addition, North Macedonia will need to speed up its reforms to accompany the requirements of EU accession and obligations stemming from the Chapter 24. This Action will contribute to the further legislative reforms and relevant strategic and analytical reports steering the reforms in Chapter 24 towards North Macedonia's EU membership. Finally, the action will start immediately after the implementation of the Reform Agenda, which will provide the necessary legal and operational framework and resources for the implementation of this Action. Thus, the action will assist the country in sustaining the results of the reforms achieved through the Facility and enable it to accelerate its progress towards the EU.

Area of support #6: Fight against drug trafficking

The 2017 Report of the Institute of Public Health (IJZ) on drug use among the general population in the Republic of North Macedonia shows the following trends. The prevalence of drug use among the general population is as follows 8.9 % have used drugs at any time in their lives, 6.9 % have used drugs at least once

in the past year, while 4.3 % reported having used drugs at least once in the past month. Among those who have used drugs at least once in their lives, cannabis is the most commonly used drug, with young people aged 15-34 most likely to use it. Given its geographical location in the central part of the Balkan peninsula and at the crossroads of the main east-west and north-south corridors, Northern Macedonia is a transit area for all types of drugs. It is expected that organised crime groups will continue to bypass Macedonia in their efforts to facilitate the transport of drugs. The demand for Macedonian citizens to act as transporters or street dealers in Western European countries is expected to continue. The National Drugs Monitoring Centre was established in 2007, but its operational capacity remains limited.³⁵ It lacks the resources to carry out its daily drug monitoring tasks. There is still no national early warning system capable of linking with relevant national bodies to enable rapid exchange of information on illicit production and trafficking at national and international level.³⁶

The European Monitoring Centre for Drugs and Drug Addiction has had technical cooperation agreements with North Macedonia since 2007. The focal point for this cooperation is the Ministry of Health, which also cooperates with the International Narcotics Control Board and the United Nations Office on Drugs and Crime. National legislation on drugs, psychotropic substances and precursors is not in line with the EU acquis or international standards and needs support for further harmonisation. In addition, preparatory work on the register of drug users has been carried out by the Institute of Public Health in cooperation with the Ministry of the Interior. The register now needs to be finalised. The EU is actively supporting North Macedonia in its fight against drug trafficking, recognising the country's strategic location in the Balkans as a major transit route for illicit drugs. This assistance covers a range of areas, including capacity building, policy development and regional cooperation, and further support is needed to achieve better and more comprehensive results.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action

The main stakeholders in the action have been actively involved in the development of the action and the measures reflect their areas of competence, thus underlining their commitment. Roles and responsibilities are clear and reflected in the relevant organisational frameworks, procedures and legislation.

The Ministry of Justice (MoJ) is the leading policymaker in the justice sector, responsible for preparation, implementation and monitoring of justice sector reforms, strengthening access to justice and legal aid system, approximation of sectoral legislation with EU and international law, and international judicial cooperation. The role of the Ministry of Justice is central to the implementation of the Chapter 23 Action Plan by ensuring the functioning of the entire delivery chain from the adoption of the action Plan to the closure of the sub-chapters and finally Chapter 23. While the Ministry has enabled a system leap reform for justice for children, also with the adoption of the new Law on Justice for children, additional efforts are required to ensure the implementation of the Law and the overall pertinent legislative framework, especially in terms of the best interest of child victims, alternative measures and restorative justice. Additionally, to ensure a holistic restorative justice approach, there is a need to introduce probation for children, through changes in the Law on Probation.

The Supreme Court is the highest court in the state and is responsible for ensuring a unified implementation of laws by courts. Its competences include decisions in second instance against the decisions of its councils, decision in third and last instance upon appeals against the decisions of the courts of appeal, as well as decisions upon conflict of competences between different courts.

The Ministry of Interior (MoI) is the leading policymaker in the home affairs sector, also responsible for coordinating and supervising the implementation and reporting of the sector reforms including Chapter 24. Overall, the MoI plays a crucial role in ensuring the safety and security of citizens. Its diverse competencies cover a wide range of public safety and security areas. Main competencies of the Department for Suppression of Organised and Serious Crime (DSOSC) within the Bureau for Public Security (PBS) of the Ministry of

³⁵ 2023 North Macedonia Report

³⁶ 2023 North Macedonia Report

Interior is suppression of organised criminal groups, which are active on national and international level. The Digital Forensic Sector is part of the Forensic Department and has a role in the collection and handling of digital evidence. The Department for Suppression of Organised and Serious Crime is one of the main pillars in the fight against organised criminal groups and is composed of several sectors depending on the typology of crime. The police also play a key role in preventing children from coming into contact with the law and the justice system. Police officers and youth inspectors are usually the first point of contact for child victims, child witnesses and children in contact with the law. As such, their ability to manage a child-focused and trauma-informed process is key to ensuring the protection of children and preventing re-victimisation and re-traumatisation. With the new reforms, there is a critical need for capacity building and awareness raising among police officers and youth inspectors.

The State Commission for the Prevention of Corruption (SCPC) is an autonomous body with responsibilities outlined to prevent corruption and conflict of interests. The Commission is comprised of a president and six members. Additionally, it includes a Secretariat that serves as a professional service responsible for handling administrative duties within the Commission's jurisdiction, led by the Secretary General. Its functions includes adoption of the national strategy for the prevention of corruption and conflict of interests, with an action plan for these activities; anti-corruption inspection of laws, by-laws and other general acts, according to the methodology it adopts; responsibility for the process of registration and monitoring of asset declarations of elected and appointed public officials; monitoring and investigation of conflicts of interest, initiation of procedures for the dismissal, removal or criminal prosecution of public officials; initiation of controls on the financing of political parties and associations of citizens, the supervision of lobbying activities, the maintenance of a gift register and undertaking activities aimed at strengthening personal and institutional integrity. The objective of the State Commission for the Prevention of Corruption is to implement and advocate for the enforcement of laws, foster normative and institutional enhancement, formulate anti-corruption strategies and initiatives, facilitate cooperation among institutions and on an international level, and cultivate a legal culture. The aim is to create an effective framework for the prevention and suppression of corruption and conflicts of interest.

The Public Prosecutor's Office (PPO) is in charge of prosecuting perpetrators in criminal and other punishable acts determined by the law. The PPO's powers include criminal investigations conducted by the Judicial Police, which is composed of criminal police, financial police and investigative service of the Customs Administration. The specific departments of the institutions involved in the repression of corruption are the Specialised Unit for Organised Crime and Corruption in the Criminal Court Skopje, the Basic Public Prosecutor's Office for Prosecuting Organised Crime and Corruption (BPPOCC), the Specialised Police Unit under the Ministry of Interior, the Financial Police Office under the Ministry of Finance, the Customs Administration, and the Financial Intelligence Office in the Ministry of Finance. Strengthening the capacity of the PPO is key for the successful investigation of crimes against children as well as protection of child victims and implementation of restorative justice practices for children in conflict with the law – in line with the latest justice for children reform.

The Council of Public Prosecutors (CPP) is a body that appoints and dismisses public prosecutors, decides on the termination of a public prosecutor's function and, in the second instance, decides on the disciplinary responsibility of public prosecutors. It decides on the unprofessional and unethical conduct of a public prosecutor, monitors the work of public prosecutors on the basis of the evaluation of their performance in accordance with the Law on the Public Prosecutor's Office, decides on the temporary suspension of a public prosecutor.

The State Audit Office (SAO) is North Macedonia's supreme audit institution. Its objective is to provide the Assembly, the Government, other public officials and the general public with prompt and objective information about the findings of its performed audits. The SAO provides support to Parliament in the execution of its jurisdiction through the identification and presentation of irregularities and illegal operations of audited entities uncovered through the performance of audits. SAO is an active participant and plays a key role in the prevention of corruption through the implementation of international auditing standards for prevention of corruption, as well as by determining approaches for prevention of corruption as one of the key strategic objectives of SAO. SAO activities related to prevention of corruption are carried out in accordance with the powers and obligations defined in the State Audit Law, the Law on Prevention of Corruption and

Conflict of Interest, the international declarations against corruption, other relevant legislation, INTOSAI standards, manuals and guidelines. This makes it an integral part of the country's system for combating and preventing corruption. SAO is responsible for monitoring the financing of political parties and election campaigns through the financial reporting system established by the Law on Financing Political Parties and Electoral Code and subordinate acts. According to the methodology prescribed based on the State Audit Law and international auditing standards, SAO conducts regularity audit (financial audit together with compliance audit) of the financial report for the political parties and election campaigns.

The Asset Recovery Office forms part of the Public Prosecutor's Office. Its remit is to obtain information and data in order to facilitate the tracing and identification of proceeds of crime and other property related to crime, which may be subject to a freezing, seizure or confiscation order.

The Agency for the Management of Confiscated Property is the institution responsible for the confiscation of property acquired through criminal acts. It was established in January 2009 with the entry into force of the Law on Management of Confiscated Property, Property Benefit and Confiscated Items in Criminal and Misdemeanour Proceedings. The agency is responsible for the management of seized properties, proceeds from crimes and confiscated items. With the consent of the court and relevant authorities, it also oversees the temporary freezing and management of property, confiscated items and proceeds from crimes. The agency is responsible for all property management procedures, including storage, condition and value appraisal, property recording and property sale. Furthermore, it is responsible for producing statistical, financial and other reports relating to the managed property.

The Judicial Council (JC) is the body responsible for the governance of the judiciary, with the objective of guaranteeing the independence of the judicial system. The JC is responsible for appointing, appraising, disciplining and dismissing judges, monitoring the performance of courts, and handling complaints against courts and the distribution of judicial positions across the country.

The Academy for Judges and Public Prosecutors (AJPP) is the public institution responsible for the selection, organisation and implementation of initial training for the candidates for judges and public prosecutors in the basic courts and basic prosecution offices. It also oversees the continuous advanced training of judges, public prosecutors and judicial and prosecutorial clerks.

The Institute of Forensic Medicine, Criminalistics and Medical Deontology, Medical Faculty, within the University of St. Cyril and Methodius, is the highest-ranking institution in forensic expertise in North Macedonia. As a leading authority in this area of expertise, it is constantly upgrading its capacity and knowledge in the field of forensic sciences. Besides the scientific activities of the Institute, the core role of the Institute are the forensic laboratories dealing with the examination of evidentiary material and reporting findings to a responsible requesting institution (court/police/private person).

The Ministry of Health is responsible for implementing the Law on the Control of Opioid Drugs and Psychotropic Substances. It is responsible for data collection and reporting to international and European institutions, issuing permits for the production of medical cannabis, chairing the State Interdepartmental Committee for Combating Drugs, and playing one of the key roles in aligning national legislation with the EU legal framework under Chapter 24.

The Customs Administration of the Republic of North Macedonia is a body within the Ministry of Finance, having legal personality. The basic competences of the Customs Administration are: Customs supervision, customs clearance of goods, customs control, excise surveillance throughout the territory of the Republic of North Macedonia, investigative and intelligence measures to prevent, detect and investigate customs offenses and criminal offenses;

Financial Intelligence Agency basic mission is to protect the state's financial system from the threats of money laundering and terrorist financing by respecting international standards, improving human and technical capacities, in order to effectively recognize cases of money laundering and terrorist financing and consequently timely informing the competent authorities of persecution and repression.

The Ombudsman Office is a national human rights institution with a general human rights mandate. It has the competence to undertake actions and measures for protection of the principle of non-discrimination and

adequate and equitable representation of community members in the state administration bodies, the local self-government units and the public institutions and agencies.

Civil society organizations (CSOs) have a key role in the prevention, protection and access to justice for children in North Macedonia. Civil society organizations have been providing capacity building, awareness raising activities and expertise for the justice for children reform. Their role is essential also in the provision of programmes for prevention, reintegration, rehabilitation and resocialization of children at risk and children in contact with the law. CSO's support and capacity will be key in implementing restorative justice programmes and protection of child victims.

Directorate for Executions of Sanctions (DeS) is a body within the Ministry for Justice with the capacity of a legal entity. The Directorate is in charge of organizing, executing and monitoring educational correctional and correctional facilities and prisons, alternative measures, community work, pre-trial detention and probation. It is in charge of providing continuous capacity building of its staff, including prison police, probation officers and educators. As such, the role of the Directorate is key for the prevention of recidivism, restorative justice and impact of alternative measures and restorative justice approaches. The Directorate will be one of the stakeholders in the process of introducing probation for children and implementation of community work, which at the moment are non-existent.

2.3. Lessons Learned

It is vital that the design of activities incorporates the sustainable results achieved by national authorities, including those achieved with the support of international assistance. It is also important to consider that undertaking a thorough analysis and developing a robust plan with appropriate sequencing will enhance the sustainability of actions and absorption capacity. In light of the sector's inherent complexity and diversity, the success of any intervention hinges on meticulous planning and collaboration.

It is also crucial to ensure effective communication and coordination with the relevant negotiating structures in order to guarantee the quality of the programming and implementation process. Effective donor coordination and oversight are essential for achieving sustainable results. It is essential that policies are in place to ensure the sustainability of human resources and investments in new technologies, and that these are carefully planned during the process. It is important to plan and provide a sufficient financial framework in line with strategic prioritisation and to recognise the value of stakeholders taking a proactive role in project implementation. Moreover, with respect to monitoring the activities and implementation of strategic objectives, the role of the entities responsible for monitoring the national strategic documents is of significant importance. This also guarantees the sustainability of activities and a proactive approach from stakeholders throughout the process.

3. DESCRIPTION OF THE ACTION

3.1. Intervention Logic

The Overall Objective/(Impact)) of this action is to strengthen the rule of law, democracy, the respect of human rights and international law, and ensure security

The Specific Objective(s) (Outcomes) of this action are:

1. Improved independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime
2. Strengthened state response to organised crime, money laundering and trafficking drugs and psychotropic substances

The Outputs to be delivered by this action are:

Contributing to Outcome 1 (or Specific Objective 1):

- 1.1. Improved efficiency of the justice system against organised crime and high-level corruption
- 1.2. Enhanced impartiality, accountability, efficiency and professionalism of the judiciary

- 1.3. Strengthened system for prevention of corruption
- 1.4. Strengthened capacities for enforcing the Law on Justice for Children

Contributing to Outcome 2 (or Specific Objective 2):

- 2.1. Strengthened reforms and capacities of the law enforcement to improve techniques and technologies in digital forensic
- 2.2. Strengthened capacities of the law enforcement to combat and prevent crimes related to money laundering and drug trafficking

The underlying intervention logic for this Action is based on the premise that IF the efficiency of the justice system against organised crime and high-level corruption is improved AND adequate legislation is in place AND sufficient human and financial resources have been allocated to sustain the reform agenda results AND public scrutiny of the rule of law in the country is continuing AND improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation AND the stakeholders are committed to administer the systemic improvements for the benefit of citizens and society THEN independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime will be improved.

IF impartiality, accountability, efficiency and professionalism of the judiciary is enhanced AND adequate legislation is in place AND sufficient human and financial resources have been allocated to sustain the reform agenda results AND public scrutiny of the rule of law in the country is continuing AND improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation AND the stakeholders are committed to administer the systemic improvements for the benefit of citizens and society THEN independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime will be improved.

IF the system for prevention of corruption is strengthened AND adequate legislation is in place AND sufficient human and financial resources have been allocated to sustain the reform agenda results AND public scrutiny of the rule of law in the country is continuing AND improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation AND the stakeholders are committed to administer the systemic improvements for the benefit of citizens and society THEN independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime will be improved.

IF the capacities for enforcing the Law on Justice for Children are strengthened AND adequate legislation is in place AND sufficient human and financial resources have been allocated to sustain the reform agenda results AND public scrutiny of the rule of law in the country is continuing AND improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation AND the stakeholders are committed to administer the systemic improvements for the benefit of citizens and society THEN independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime will be improved.

IF the reforms and capacities of the law enforcement to improve techniques and technologies in digital forensic are strengthened AND adequate legislation is in place AND sufficient human and financial resources have been allocated to sustain the reform agenda results AND public scrutiny of the rule of law in the country is continuing AND improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation AND the stakeholders are committed to administer the systemic improvements for the benefit of citizens and society THEN the state response to organised crime, money laundering and trafficking drugs and psychotropic substances will be strengthened.

IF capacities of the law enforcement to combat crimes related to money laundering and drug trafficking are strengthened AND adequate legislation is in place AND sufficient human and financial resources have been allocated to sustain the reform agenda results AND public scrutiny of the rule of law in the country is continuing AND improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation AND the stakeholders are committed to administer the systemic improvements for the benefit of citizens and society THEN the state response to organised crime, money laundering and trafficking drugs and psychotropic substances will be strengthened.

IF independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime is improved AND the Government of the Republic of North Macedonia remains committed to achieving EU standards in the rule of law AND democratic processes in the country maintain positive direction, then the impact will be achieved *BECAUSE* facts already observed and past experience suggesting that with high level of commitment, coordination, cooperation and functioning institutions this change is possible.

If the state response to organised crime, money laundering and trafficking drugs and psychotropic substances is strengthened AND the Government of the Republic of North Macedonia remains committed to achieving EU standards in the rule of law AND democratic processes in the country maintain positive direction, then the impact will be achieved *BECAUSE* facts already observed, and experience of EU Member States is suggesting that this change is possible.

3.2. Indicative Activities

The indicative activities will involve different mechanisms of support:

- coaching, mentoring by / peer-to-peer exchanges with EU Member States officers/judges/prosecutors and experts, to ensure hands-on transfer of experience
- legal analysis, institutional, strategic and policy reviews, feasibility studies
- peer-to-peer exchanges, provision of expertise and recommendations, on the job training
- software solutions development
- targeted study visits to EU Member States
- trainings, workshops, on the job support

Activities related to Output 1.1:

- Support to improving operational capacities of law enforcement agencies and the prosecution office for running complex criminal and financial investigations
- Support to strengthening cooperation between law enforcement authorities, law enforcement authorities and prosecution office, and between prosecution offices
- Support for full enforcement of legislation under the mandate of Asset Recovery Office (ARO)
- Support to building capacities of the judicial system to manage complex cases of organised crime, high-level corruption and money laundering, implement Criminal Code and relevant legislation
- Support for full enforcement of legislation on the management of confiscated asset

Activities related to Output 1.2:

- Support to further reforms in the judiciary including building capacities of the Ministry of Justice as the lead institution
- Support to preparation (including assessments, evaluations, data collection, data analysis, surveys, studies, reports, etc.) and implementation of the national policy documents and programmes in judiciary
- Support to further legislation reforms and North Macedonia's progress in meeting the requirements under Chapter 23 and measures to sustain the results achieved through Reform Agenda implementation

Activities related to Output 1.3:

- Support to institutions managing the oversight mechanisms for political parties and election campaign financing
- Support capacity development of institutions that are integral part of the country's system for combating and preventing corruption, including improvement of their inter-institutional cooperation
- Support transparency and accountability in the management of public funds through efficient monitoring mechanisms by the executive and the Parliament and the effective implementation of audit recommendations
- Further development of the system for asset declaration and conflict of interests
- Support to implementation of the National Strategy for Prevention of Corruption 2026-2030 that will be developed in 2025

- Assessment, evaluation, analysis, research related to preparation and monitoring of national policy documents and support for corruption proofing of existing and anti-corruption proofing of new and amended legislation
- Support for preparation of policy documents (such as preparation of the national strategy for prevention of corruption post 2030 development of legislation and further harmonisation with EU and measures to sustain the results achieved through Reform Agenda implementation)

Activities related to Output 1.4:

- Support to the justice system to implement the Law on Justice for Children
- Support to enabling conditions for wellbeing of children who come in contact with the law or are victims of violence
- Measures to enable conditions to ensure children have access to justice, are empowered to seek justice and participate in the processes for the realization of their rights

Activities related to Output 2.1:

- Support to partnering with cybersecurity companies to share intelligence and tools in area of digital forensic
- Support to using software and hardware solutions with more advanced features for unlocking and extracting data from locked and encrypted mobile devices in digital forensic
- Participate in CTF competitions focused on digital forensics. These events often simulate real-world scenarios involving data recovery and analysis
- Support to capacity building in digital forensics (Basic computer forensic examiner, AD FTK, MAGNET AXIOM, MAGNET AUTOMATE, DVR examiner)
- Support in creating bit-for-bit copies of data from various devices while maintaining the integrity of the original evidence in the area of digital forensic
- Study techniques for recovering files from unallocated space or damaged storage media, which is crucial in digital forensic
- Accreditation of the methods for analysing mobile phones and computers according to relevant ISO standards with developing and drafting necessary documentation for accreditation of both methods in digital forensic of computers and mobile devices
- Support to further reforms and North Macedonia's progress in meeting the requirements under Chapter 24 and measures to follow up the results achieved through Reform Agenda implementation

Activities related to Output 2.2:

- Support to building capacities in exploitation, processing and analysis of digital data, using special investigative measures in the fight against cases of serious crime and undercover investigations through crypto platforms
- Support to using artificial intelligence in the fight against organized crime in criminal investigations and usage of special investigative measures to suppress organized crime (fictitious covert companies)
- Strengthening the institutional capacity, in the area of effective Witness Protection System in line with European standards
- Support to managing covert information (storage, processing, guarding information through signal intelligence in the fight against high-risk criminal networks and corruption)
- Support to interinstitutional cooperation in the area of cross-border covert joint investigations and international agencies and financial intelligence units (FIUs) to combat cross-border money laundering operations
- Support to acquiring capacities and new technologies and tools in the fight against drug trafficking and dark web investigations
- Use of new methods, techniques and technologies in investigations related to illegal drug trafficking

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

The action does not have direct influence on the environment considering the nature of the interventions. Therefore, a Strategic Environmental Assessment (SEA), an Environmental Impact Assessment (EIA) or a Climate Risk Assessment (CRA) is not required. However, the action is contributing to strengthening the rule of law on which environmental governance is based. Impartial, transparent, efficient and independent justice system, and corruption free institutions are viewed as crucial partners in promoting compliance with environmental law. In that respect, judges, prosecutors, legislators, and other critical persons should have sufficient knowledge, skills, and information to enforce environmental law effectively

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1³⁷. This implies that the proposed action has been screened against the markers and that gender equality is an important and deliberate aspect of the action, but its objectives (outcomes) and results (outputs) are not specifically designed to target gender equality. The interventions are contributing to the analysis conducted in the Gender Action Plan III – 2021-2025 Country Level Implementation Plan – CLIP for the Republic of North Macedonia.³⁸ The plan notes that *North Macedonia has clearly committed to achieving gender equality and women empowerment by becoming a signatory of the Convention on Elimination of All Forms of Discrimination against Women (CEDAW), the UN Beijing Platform for Action (BPfA), the Istanbul Convention, and by implementing EU related reforms in line with the National Programme for Adoption of the Acquis (NPAA)*. By strengthening the rule of law in North Macedonia, the action will have a positive impact on the implementation of the legal provisions on girls' and women rights.

Furthermore, the action will address gender equality directly through a gender-sensitive analysis, training, standards review, skills development and information generation and streamlining process, conducted during the implementation phase. It is anticipated that the improvements to the data collection and overall case management system will include the introduction of gender aspects in the judiciary statistics. All capacity-building activities will ensure gender balance. Training programmes will be designed to ensure a proportionate enrolment and participation of women. Where feasible, the project-related statistics (i.e. on beneficiaries) will be presented in a gender-segregated format.

Human Rights

The action is driven by the human rights based approach (HRBA) and its working principle of rule of law for all, as described in the Joint Communication and EU Action plan on Human Rights and Democracy 2020-2024.³⁹ The action's principal objective is to strengthen the rule of law in North Macedonia by enabling the state institutions to uphold to their highest standards in realising and protecting people's human rights, and promoting accessible, transparent and effective mechanisms of accountability. By improving the judiciary and strengthening mechanisms to fight organised crime and corruption, the action will open the possibility for the citizens of North Macedonia to have the ability to claim their rights and seek justice, including through the justice system for all. This includes a range of different stakeholders that play an important role in ensuring accountability, such as parliament, supreme audit institution, ombudsperson, Judicial Council and anti-corruption commission, as well as civil society.

Democracy

The action is focusing on the North Macedonia's advancement in the Rule of Law which is a "fundamental principle embraced in most modern democracies."⁴⁰ The action will contribute to the country's commitment to strengthening democracy by improving the overall framework for the functioning of the judiciary and institutions involved in the fight against organised crime and corruption. Investing in the independence and impartiality of the judiciary and strengthening the institutional chain for the fight against corruption will strengthen the country's democratic processes and enable its citizens to exercise their democratic rights and freedoms.

³⁷ Principal objective/significant objective/not targeted.

³⁸ https://www.eeas.europa.eu/sites/default/files/documents/EU_GAP_III_CLIP_for_North_Macedonia_2021-2025.pdf

³⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020JC0005>

⁴⁰ UN Chronicle No. 4 Vol. XLIX: Delivering Justice

Conflict sensitivity, peace and resilience

Strengthening the rule of law has been understood as crucial to conflict prevention: working towards effective, transparent, and inclusive rule of law institutions can reduce the risks of conflict, helping to address structural causes of social and political inequalities by building more resilient societies, while also bolstering the more immediate capacities of states to address conflict risks.⁴¹ The action will improve functioning of the North Macedonia's institutions directly involved in enforcing democratic processes, safeguarding fundamental rights and promoting a tolerant and inclusive society, thus reducing the grounds for potential conflict.

Civil society organisations

The action has been developed in an inclusive process with involvement of the civil society as part of the established sectoral policy dialogue. Moreover, CSOs will be one of the key stakeholders in the implementation of outcome 3. Civil society organizations have been providing capacity building, awareness raising activities and expertise for the justice for children reform. Their role is essential also in the provision of programmes for prevention, reintegration, rehabilitation and resocialization of children at risk and children in contact with the law. CSO's support and capacity will be key in implementing restorative justice programmes and protection of child victims and the action will develop a specific indicator to measure the CSOs contribution to the results of the intervention.

3.4. Risks and Assumptions

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
1-external environment	Elections cause delays in implementation and result in reduced political will to sustain the results of the action	Medium	Medium	Elections can directly influence the implementation of the action given the importance of the interventions, since elections cause changes among the decision-making staff in relevant institutions at the central level. This could have a significant impact on the implementation progress. The planning and implementation of activities will be adapted to suit the circumstances in order to minimise disruption to the delivery, scope and budget, while the interventions will be concentrated on the priorities identified by a range of stakeholders, regardless of their political affiliation. In addition, permanent coordination and dialogue with all stakeholders will be maintained to ensure the continued advancement of activities.
2-planning, processes and systems	Complexity of interventions involving many institutions and	Low	Medium	The action will address this challenge directly by enhancing the coordination among institutions. At the policy level, coordination and

⁴¹ UN Centre for Policy Research: Rule of Law and Sustaining Peace, 2021

	agencies with several competencies may jeopardize the effectiveness of interventions			policy dialogue will be channelled through Sector Working Groups, and at the project level, the Steering Committee will involve all relevant stakeholders that were actively involved in the preparation of the action and confirmed their commitment.
2-planning, processes and systems	Limited interest in the institutions to engage in the process of addressing the issues of gender perspective and fundamental rights.	Low	Medium	The relevant institutions were engaged in the development of the action and have expressed their commitment to the proposed interventions. Furthermore, the action includes a specific indicator to monitor progress on this point throughout the project period.
3-people and organisation	Lack of sufficient human and financial resources available for the implementation of the action related reforms lead to delays in reaching set targets.	Medium	Medium	The interventions will have a strong technical support element that will take into account workload analyses of all significant implementing institutions. Technical support element will closely engage with the beneficiaries throughout the implementation. Presence in the institutions will be ensured to enable on the job assistance and effective support.
3-people and organisation	Limited interest of CSOs to engage in the activities related to Implementation of the Law on Justice for Children	Low	Medium	CSOs have been crucial in the prevention, protection and access to justice for children. The action will have a dedicated activities of working with CSOs to provide capacity building, awareness raising activities and expertise for the justice for children reform, and their interest has been secured from the formulation of the action.
4- legality and regularity aspects	Policy and regulatory framework necessary to implement the action's activities is not developed	Low	High	During finetuning of the interventions, an analysis of the legislation that is essential for the implementation of the action will be conducted. This will enable any necessary adjustments to the activities in line with the actual situation.
5- communication and information	Due to complexity of the action's intervention, lack of communication among stakeholders limits the systemic improvements envisaged by the	Medium	Medium	The collaboration is already in place and should be reinforced to enhance its impact. The action will address this risk by facilitating discussions and cooperation at the technical and high levels, and by involving direct beneficiaries from the outset of the project implementation.

	action			Communication with all stakeholders will be essential to mitigate this risk.
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External Assumptions

Assumptions at Outcome level:

- The Government of the Republic of North Macedonia remains committed to achieving EU standards in the rule of law
- Democratic processes in the country maintain positive direction

Assumptions at Output level:

- Adequate legislation is in place
- Sufficient human and financial resources have been allocated to sustain the reform agenda results
- Public scrutiny of the rule of law in the country is continuing
- Improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation
- Stakeholders are committed to administer the systemic improvements for the benefit of citizens and society

3.5. Indicative Logical Framework Matrix

Results	Results chain: Main expected results [maximum 10 @]	Indicators [it least one indicator per expected result @]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To strengthen the rule of law, democracy, the respect of human rights and international law, and ensure security	1 2	1 2	1 2	1 2	<i>Not applicable</i>
Outcome 1	Improved independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime	1.1 1.2	1.1 1.2	1.1 1.2	1.1 1.2	The Government of the Republic of North Macedonia remains committed to achieving EU standards in the rule of law Democratic processes in the country maintain positive direction
Outcome 2	Strengthened state response to organised crime, money laundering and trafficking drugs and psychotropic substances	2.1 2.2	2.1 2.2	2.1 2.2	2.1 2.2	
Output 1 related to Outcome 1	1.1. Improved efficiency of the criminal justice system against organised crime and high-level corruption	1.1.1 1.1.2	1.1.1 1.1.2	1.1.1 1.1.2	1.1.1 1.1.2	Adequate legislation is in place Sufficient human and financial resources have been allocated to sustain the reform agenda results Public scrutiny of the rule of law in the country is continuing
Output 2 related to Outcome 1	1.2. Enhanced impartiality, accountability, efficiency and professionalism of the judiciary	1.2.1 1.2.2	1.2.1 1.2.2	1.2.1 1.2.2	1.2.1 1.2.2	
Output 3 related to Outcome 1	1.3. Strengthened system for prevention of corruption	2.1.1 2.1.2	2.1.1 2.1.2	2.1.1 2.1.2	2.1.1 2.1.2	
Output 4 related to Outcome 1	1.4. Strengthened capacities for enforcing the Law on Justice for Children	2.2.1 2.2.2	2.2.1 2.2.2	2.2.1 2.2.2	2.2.1 2.2.2	
Output 1 related to Outcome 2	2.1. Strengthened reforms and capacities of the law enforcement to improve techniques and technologies in digital forensic					Improved coordination and cooperation processes among national institutions and agencies upholding the rule of law are embedded in their methods of operation Stakeholders are committed to administer the systemic improvements for the benefit of citizens and society
Output 2 related to Outcome 2	2.2. Strengthened capacities of the law enforcement to combat and prevent crimes related to money laundering and drug trafficking					

4. IMPLEMENTATION ARRANGEMENTS⁴²

4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of North Macedonia.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of conclusion of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁴³.

4.3.1. Direct Management (Grants)

4.3.1.1. Twinning Grants

a) Purpose of the grant(s)

<Specify which objective and/or output in section 3 the grants will contribute to achieving>

b) Type of applicants targeted

Applicants must be EU Member State administrations or their mandated bodies.

4.3.2. Direct Management (Procurement)

<Specify which objective and/or output in section 3 the procurement will contribute to achieving>

4.3.3. Indirect Management with a pillar-assessed entity⁴⁴

A part of this action may be implemented in indirect management with a pillar assessed entity, which will be selected by the Commission's services using the following criteria:

<explain briefly the criteria to be used to choose this entity (e.g., in terms of the nature of the action, operational capacity, value added, transparency, absence of conflict of interest...)>.

The implementation by this entity entails <describe the (part of the) action to be implemented by the entity and cross-reference to the objective/output in section 3 to which this modality will contribute to achieving >.

⁴² This section is to be completed by the EU Office/Delegation.

⁴³ [EU Sanctions Map](#). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁴⁴ The signature of a contribution agreement with the chosen entity is subject to the completion of the necessary pillar assessment.

4.3.4. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances

If the implementation modality under direct management as defined in section 4.3.1 and 4.3.2 or indirect management with pillar assessed entity as defined in section 4.3.3 cannot be implemented due to circumstances beyond the control of the Commission, the Contracting Authority may decide, on case-by-case basis and at least 6 months before the expiry of the contracting deadline, to propose amendments of the programme vis a vis the implementing mode.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the Partners or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution 2026 (amount in EUR)	EU contribution 2027 (amount in EUR)
Methods of implementation – cf. section 4.3		
Outcome 1 Improved independence, efficiency and effectiveness of the justice system and the country's ability to fight against high level corruption and organised crime Outcome 2 Strengthened state response to organised crime, money laundering and trafficking drugs and psychotropic substances composed of	12 000 000.00	3 000 000.00
Grants (direct management) – cf. section 4.3.1	N.A.	N.A.
Procurement (direct management) – cf. section 4.3.2	N.A.	N.A.
Indirect management with pillar assessed entity – cf. section 4.3.3	N.A.	N.A.
Grants – total envelope under section 4.3.1	<amount>	<amount>
Procurement – total envelope under section 4.3.22	<amount>	<amount>
Indirect management with pillar assessed entity – total envelope under section 4.3.3	<amount>	<amount>
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision	may be covered by another Decision
Strategic Communication and Public Diplomacy – cf. section 6	will be covered by another Decision	will be covered by another Decision

Contingencies	0.00	0.00
Totals	12 000 000.00	3 000 000.00

4.6. Organisational Set-up and Responsibilities

The Delegation of the European Union (EUD) to North Macedonia is in charge of implementing the action. It will collaborate with the NIPAC Office within the Ministry of European Affairs, the line ministries, and all stakeholders and implementing partners.

At the programme level, the implementing partners will be accountable to the relevant Sector Working Group(s), the IPA Monitoring Committee and the respective Sector Monitoring Committee/s.

At the contract level, the implementation arrangements will be discussed through the Project Steering Committees having advisory functions and composed of EUD, the relevant national authorities and all relevant implementing partners.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible, at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the Logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring:

The European Commission will monitor the action using Result Oriented Monitoring (ROM), which includes on the spot monitoring visits, data collection, and analysis. Beneficiaries and the NIPAC Office will participate in the interviews and meetings as well as ensure provision of relevant data and documentation upon request, that shall provide an impartial assessment of the ongoing or post-action performance of the action.

The relevant data will be collected, processed and analysed by the EU Delegation on the regular bases in close cooperation with NIPAC Office. The main beneficiaries will have the obligation to collect and analyse data, and report on progress by indicators and towards the achievement of planned results to NIPAC Office. Monitoring of the action implementation will be ensured through the relevant semi-annual Sectoral Monitoring Committee (SMC) and annual IPA Monitoring Committee including follow up of the recommendations.

5.2. Evaluation

Having regard to the importance of the action, a mid-term or final and/or ex-post evaluation will be carried out for this Action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join. The Commission shall inform the implementing partner at least 2 months in advance of the dates envisaged for the evaluation exercise and missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the action/component.

Evaluation services may be contracted under a framework contract.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document Communicating and raising EU visibility: Guidance for external actions (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

Any actions related to communication and visibility will be coordinated with the strategic communication actions of the EU Delegations, to ensure coherence of narrative and message, as well as horizontal strategic communication.

7. SUSTAINABILITY

North Macedonia's firm political commitment to EU accession and to the implementation of the Chapters 23 and 24 of the Acquis has paved the way for sustainability of the action since its implementation is one of the flagship projects for the Fundamentals Cluster. Furthermore, the interventions were developed with a tailor-made approach, are based on existing national policies and legislation and are designed to support policy implementation. Consequently, the action is directly implementing policy and strategic objectives of the justice system and fight against organised crime, drug trafficking and corruption. All interventions will focus on the successful transfer of knowledge and the development of internal capacities of the country's institutions. The goal is to create know-how models in the respective institutions and staff, meaning that the results attained during the lifetime of a project should be preserved and further developed after the implementation ends. This would generate an environment needed to build a sustainable system. Special focus will be paid to the institutional ownership and memory, inclusive leadership and the quality of communication, as well as network and trust created. Finally, the sustainability of the action will be ensured through the continuation of a comprehensive policy dialogue between the EU and the main stakeholders, and by ensuring beneficiary ownership. The dialogue will focus not only on reinforcing the need to use the outputs of the action, but also

on the need to allocate sufficient funding in the annual and multi-annual budgets to ensure that the outcomes of the action are sustained.

Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention⁴⁵ (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

- ✓ Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
- ✓ Articulating Actions and/or Contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
- ✓ Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Please delete this box after filling in the section below

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

Please select in the left side column one of the four possible options for the level of the Primary Intervention(s).

In the case of ‘Group of actions’ level, add references to the present action and other action(s) concerning the same Primary Intervention.

In the case of ‘Contract level’ and ‘Group of contracts’, add the reference(s) to the corresponding budgetary items in point 4.5, Indicative Budget.

The present Action identifies as **<delete the options that are not applicable to the action>**;

Action level (i.e. Budget support, Blending)	
<input type="checkbox"/>	Single action Present action: all contracts in the present action
Group of actions level (i.e: i) top-up cases, ii) second, third, etc. phases of a programme)	
<input type="checkbox"/>	Group of actions Actions reference (CRIS#/OPSYS#): <Present action> <Other action>
Contract level (i.e. Grants, Contribution Agreements, any case in which foreseen individual legal commitments identified in the budget will have different log frames, even if part of the same Action Document)	
<input type="checkbox"/>	Single Contract 1 <foreseen individual legal commitment (or contract)>
<input type="checkbox"/>	Single Contract 2 <foreseen individual legal commitment (or contract)>

⁴⁵ For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including ‘Action’ and ‘Intervention’ where an ‘Action’ is the content (or part of the content) of a Commission financing Decision and ‘Intervention’ is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention \[to access the link an EU Login is needed\]](#).

<input type="checkbox"/>	Single Contract 3	<foreseen individual legal commitment (or contract)>
	(...)	
<p>Group of contracts level (i.e: i) series of programme estimates, ii) cases in which an Action Document foresees many foreseen individual legal commitments (for instance four contracts and one of them being a Technical Assistance) and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other, iii) follow up contracts that share the same log frame of the original contract)</p>		
<input type="checkbox"/>	Group of contracts	<foreseen individual legal commitment (or contract) 1> <foreseen individual legal commitment (or contract) 2> <foreseen individual legal commitment (or contract) #>

