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Development and Integrity

CORRUPTION ASSESSMENT REPORT ON NORTH MACEDONIA

2025

Executive summary

FOREWORD

The Corruption Assessment Report is an analytical review of the prevalence, characteristics and changes of corruption in North Macedonia. It is based on the Corruption Monitoring System (CMS) developed by the Center for the Study of Democracy (CSD) - Bulgaria. The initial implementation of the CMS in the country was performed in 2001, as part of the regional comparative initiative of the SELDI (Southeast Europe Leadership for Development and Integrity) network to assess corruption in Southeast Europe. The CMS combines multiple sources and methods to measure corruption, integrating quantitative and qualitative approaches. The United Nations recognizes this system as an example of an advanced national methodology for monitoring corruption, aligned with its international standards for assessing administrative corruption.

The report is composed of seven thematic entities. The first part assesses corruption levels by analyzing citizens' attitudes, experiences, and perceptions, using seven indexes and supplemented by secondary data. The second part reviews anti-corruption policies and the legal framework, and the third part focuses on institutional practice and implementation of legal obligations. The fourth part evaluates the role of the judiciary, and the fifth analyzes the economic context and the impact of corruption on economic development. The sixth and seventh segments cover the role of civil society and international cooperation in supporting and promoting anticorruption measures.

The document was prepared by the Macedonian Center for International Cooperation (MCIC) within the project Civil Society for Good Governance and Anti-Corruption in Southeast Europe: Capacity Building for Evidence-Based Advocacy, Policy Impact and Citizen Engagement (SELDI.net), supported by the European Union.

INTRODUCTION

Within the framework of the projects Civil Society for Good Governance and Anti-Corruption in Southeast Europe: Capacity Building for Evidence-Based Advocacy, Policy Impact and Citizen Engagement (SELDI.net)", MCIC issues the "Corruption Assessment Report on North Macedonia".

The MCIC prepared a report on the corruption assessment in 2014 and 2016, as part of the USAID anti-corruption program, in 2018 as part of the project "Monitoring the work of the SCPC", supported by the British Embassy, in 2019 and in 2021 as part of the "Civil Society for Good Governance and Anti-Corruption in Southeast Europe: Capacity Building for Monitoring, Advocacy and Public Awareness", supported by the European Commission, and in 2023 within the project "Civil Society for Good Governance and Anti-Corruption in Southeast Europe: Capacity Building for Evidence-Based Advocacy, Policy Impact and Citizen Engagement (SELDI.net)", supported by the European Commission and the "Citizens against Corruption" project, supported by USAID. The last report, prepared in 2025, is within the SELDI.net project and is supported by the European Union.

The Corruption Assessment Report is a comprehensive overview of the situation and dynamics of corruption in North Macedonia. The methodology for preparing this report draws on multiple sources of information and combines quantitative and qualitative methods to monitor and assess corruption, including the population survey.

METHODOLOGY

The Corruption Assessment Report is based on the methodology of the Corruption Monitoring System (CMS), developed by the Center for the Study of Democracy (CSD) from Bulgaria. The report analyzes primary data from a survey of the adult population and secondary data.

The primary data from this report are mostly used in Chapter 1 – Level of corruption, Chapter 5 – Corruption and the economy, and Chapter 6 – Civil society in the fight against corruption.

Unlike previous research, when a field survey was conducted, in 2023 and 2025, the CMS was conducted via telephone survey. The telephone survey was conducted on a representative sample (hereinafter, the population survey) of 1,000 respondents by M-Prospect between 4 and 25 June 2025. The population frame of the sample was the population over 18 years of age, and the criteria for representativeness were: gender, ethnicity, age, place of residence, and regions. Within the sample, 51% were women and 49% were men. In terms of ethnic representation, Macedonians accounted for 70% and Albanians for 23%, with other ethnic groups accounting for 7%. According to the place of residence, 37.67% were from rural areas and 62.33% from urban areas.

The CMS provides a systematic overview of corruption in the country through seven indexes based on corruption indicators. The seven indexes are formed from data obtained from the perception and victimization surveys conducted on an adult population and are divided into three groups:

1. **Actual experience with corruption**, which is made up of pressure and inclusion indexes;
2. **Attitudes towards corruption** analyzed through the awareness, acceptance and susceptibility indexes; and
3. **Perceptions of corruption** based on the likelihood of pressure and prevalence of corruption indexes.

The three index groups show the balance between corruption and anti-corruption in the country. Experience fosters perceptions (higher current corruption pressure is associated with higher perceptions of prevalence of corruption) and attitudes (involvement can increase acceptance), and on the other hand, attitudes (susceptibility) can confirm corrupt experience and perceptions can shape attitudes.

This system allows dynamic comparison of monitoring data across countries and time periods, based on the scope, areas, and forms of corruption. It is composed of three groups of indicators that provide an overview of corruption, formally grouped into seven indexes (described in more detail in section 1 – Level of corruption).

The report uses a multitude of secondary data, including analyses of laws and bylaws, strategies and other documents, and reports from relevant institutions and civil society organizations. Part of the data was obtained from the state administration bodies through directly submitted requests for public data. The purpose of secondary data is to provide an overview of the overall environment that affects the corruption situation in North Macedonia, and, above all, the legal framework and the efficiency of institutions across several areas.

KEY POINTS

CHAPTER 1. LEVEL OF CORRUPTION

1. **In 2025, corruption is again among the biggest social problems, unlike the previous two rounds of the survey, it is not in the first place.** High prices (for 46.6% of respondents) are the biggest problem for citizens. In comparison, corruption is right behind them (40.1% of respondents), indicating that economic uncertainty and inflation are redirecting public concerns. Still, corruption remains among the biggest challenges, reflecting persistent frustrations with governance, institutions, and accountability.
2. **The main factors influencing the prevalence of corruption, according to citizens, remain the desire for quick personal enrichment of those in power (77%) and the inefficiency of the judicial system (75%).** The lack of strict administrative oversight (74%), inherited problems from the past (74%), and non-compliance with laws and insufficient protection of corruption whistleblowers (73%) are also highlighted, indicating a perception of systemic impunity.
3. **There is an increase in corruption pressure and involvement in corruption compared to 2023. In 2025, 36.7% of citizens were exposed to corruption pressure, and 30.6% were involved in corruption — an increase of over 5 percentage points in both indexes.** This means that almost 536,000 adult citizens have been asked for bribes at least once, and over 448,000 citizens have bribed at least once in the past year, indicating widespread administrative corruption.
4. **The number of people found guilty of corruption is declining, and the conviction rate remains extremely low.** In 2024, only 73 persons were convicted of abuse of office or of receiving or giving bribes, meaning that the institutions processed only 0.016% of the presumed cases of corruption.
5. **Demographic differences in terms of pressure and involvement in corruption persist,** but with the reverse trend: in 2025, Albanians more often than Macedonians had to give money, a gift, or a favor when contacting officials. This represents a change from 2023, when the Macedonians were exposed to higher pressure.
6. **In 2025, there is greater awareness of different forms of corruption, especially gifts, political donations, and influence on decision-making.** However, in the most common daily practices, such as using personal connections and lobbying for friends, recognition shows a slight decrease, indicating uneven progress in public perception. The newly included category "sexual extortion" is recognized as a form of corruption by 67.9% of citizens, which indicates a growing public sensitivity.
7. **The unacceptability of corruption among citizens is decreasing.** In 2025, 53.7% of citizens disapprove of corrupt practices, compared to 62.9% in 2023. This means that almost half of the population tolerates corruption in some form, which indicates a serious decline in moral resistance and a challenge to anti-corruption policies.
8. **Susceptibility to corruption is on the rise.** In 2025, 45% of citizens are willing to accept or give a bribe in certain circumstances, the highest level since 2014. The number of citizens who would not accept a bribe under any conditions decreased from 39.9% in 2023 to 26% in 2025. The projection shows that more than 660,000 citizens would pay if there were no other way, indicating limited resistance and weak collective potential to oppose corruption.

9. **Pessimism among citizens is steadily high:** 78.9% expect that corruption pressure will continue in the future. Although this is a slight improvement compared to 2023 (82%), eight out of ten citizens still do not believe in systematically tackling corruption.

10. **Perceptions of the prevalence of corruption among officials are improving slightly but remain high.** 69% of citizens believe that most or almost all officials are corrupt (vs 74.4% in 2023). Judges (78.6%), public prosecutors (74.6%), and police officers (69.8%) are perceived as the most corrupt professions.

11. **The perception of corruption in institutions shows a shift in focus.** The judiciary (73.1%), prosecution (64.1%), and customs (64.0%) remain at the top. In comparison, there is a noticeable decrease in the negative perceptions of the Government (from 75.6% to 50.8%) and the Parliament (from 74.9% to 48.2%), which can be interpreted as a signal of **reduced general political pessimism among citizens.**

12. **Regarding expectations for eradicating corruption, optimism has sharply declined.** Only 33.2% believe that corruption can be reduced or eradicated, while two-thirds (66.6%) believe that it is impossible.

The Ministry of Interior and the Government enjoy the highest trust as institutions for dealing with corruption. In 2025, the Ministry of Interior (MoI) gains the highest trust among citizens as an institution that can successfully deal with corruption (50.3% full or partial trust), followed by the Government with 47.4% trust, which represents a significant increase compared to 2023. Mistrust in the SCPC has grown slightly (from 64.8% in 2023 to 67.6% in 2025). The courts (86.3% distrust) and the public prosecutor's office (77.3%) continue to be considered the most inefficient and unreliable institutions in dealing with corruption.

CHAPTER 2 ANTICORRUPTION POLICIES AND THE LEGAL FRAMEWORK

1. **The National Strategy for Prevention of Corruption and Conflict of Interest (2021–2025) remains the main strategic document, but implementation is uneven.** According to the SCPC Annual Report for 2024, only 20% of the activities have been fully implemented, 45% are ongoing, and 35% have not been implemented at all. Although the SCPC conducted a consultative process and prepared draft changes to strengthen monitoring and accountability, by the end of 2024, they were not adopted by the Assembly, indicating limited political commitment and insufficient interinstitutional coordination.

2. **Some progress has been made in public procurement.** The 2022–2026 Strategy and the Public Procurement Bureau's new action plan contribute to greater digitization, transparency, and control of contracts, thereby reducing corruption risks.

3. **The Government's Transparency Strategy (2023-2026) is being implemented very slowly.** Of the planned activities in 2024, only one has been fully implemented, which indicates stagnation in the promotion of open governance and access to public information.

4. **The existing legal framework to prevent and fight corruption is structured, but some provisions undermine its full effectiveness.** The 2019 Law on Prevention of Corruption and Conflict of Interest provides clear mechanisms for prevention and acting, and the Law on Misdemeanors allows for simplified procedures and faster sanctioning. At the same time, the September 2023 amendments to the Criminal Code, by reducing sentences, shortening the terms of obsolescence, abolishing some provisions on abuse, and eliminating extended confiscation, seriously undermine the long-term fight against high corruption and the effectiveness of the

specialized anti-corruption law. The new Law on Confiscation of Property in Civil Proceedings formally creates an additional tool. Still, it has been adopted with limited consultation and is at risk of abuse due to unspecified guarantees and unclear criteria.

5. The legal framework for the judiciary and the public prosecutor's office is formally aligned with European standards but remains fragile in practice. The Law on Courts, the Law on the Public Prosecutor's Office, and the accompanying laws lay the foundations for integrity and accountability, and the public's participation in sessions and the use of ACMIS should contribute to greater transparency. However, the lack of human and financial resources, incomplete digitalization (particularly the electronic allocation of cases), and the consequences of amendments to the Criminal Code create opportunities for selective implementation of the law. The Venice Commission's 2025 opinion further confirms that, for the true independence of the Public Prosecutor's Office, constitutional changes are also needed (qualified majority, "cooling-off" period, etc.), indicating that the reforms are still in a transition phase.

6. Other legal instruments (whistleblower protection, lobbying, public procurement, strategic investments, PPP) show limited utilization and mixed results. The Law on the Protection of Whistleblowers remains advanced, but the changes that should improve its practical implementation have not yet been adopted. The Law on Lobbying is formally in place, but with an extremely small number of registered lobbyists, it calls into question its real effectiveness. In public procurement, there is a modernized, digitalized framework, but implementation is uneven, especially in high-value contracts, where transparency and control remain limited. In addition, exemptions under the Law on Strategic Investments and outdated regulations on concessions and public-private partnerships create significant risks of non-transparent and corrupt practices. Corruption risk assessment systems are institutionalized, but often remain formal and without a clear link to specific measures.

7. The institutional risk self-assessment, mandated by the Law on Public Internal Financial Control and the SCPC guidelines, is conducted across several state bodies and institutions, and sectoral assessments, such as those in the judiciary, are most often carried out with the support of international partners. However, the analyses of civil society organizations and international reports show that these processes often remain formal: risks are determined superficially, rarely published, and there is no clear link between the identified risks and the measures taken or resources provided. This limits the preventive power of the system and maintains the practice of formal alignment rather than substantially reducing corruption risks.

CHAPTER 3 INSTITUTIONAL PRACTICES AND ENFORCEMENT OF THE LAW

1. The structure for preventing and combating corruption is institutionally in place, but remains fragile. The SCPC remains a central institution, with a new Program for Fight Against Corruption in Public Enterprises (2024-2025) and enhanced oversight in electoral processes, but the partial implementation of the National Strategy for Preventing Corruption and Conflict of Interest 2021–2025, along with the strong reliance on reports "upon received information", together with the crisis with the resignation of the President in 2025, weaken its credibility and consistency in implementation.

2. Coordination is being formally strengthened, but practical effectiveness has yet to be proven. The establishment of the Inter-ministerial body for coordination of the fight against corruption (with equal participation of CSOs) and the Inter-party Parliamentary Group against Corruption is an essential structural step; however, the weak initiative of the Assembly and the

low degree of implementation of the measures of the National Strategy indicate that the institutional will is still limited.

3. In July 2025, GRECO closed the compliance procedure for North Macedonia, assessing that 17 out of 23 recommendations had been successfully implemented. Progress was noted in introducing public access to information, new guidelines for reporting gifts, and establishing an electronic register of officials' assets.

4. SCPC is technically and methodologically progressing, but proactivity is falling. Electronic systems for reporting and verifying asset declarations have been introduced, access to key databases (Cadastre, Central Registry, Public Revenue Office, Ministry of Interior, Central Securities Depository) has been expanded, and the number of inspections, decisions, and sanctions continues to increase. At the same time, the drastic decline in own-initiative cases in 2024 and the strong focus on the formal, rather than substantive, application of conflict-of-interest rules indicate a limited proactive and preventive role.

5. Civil society organizations serve as a key watchdog, yet the processes remain only partially transparent. The Platform of Civil Society Organizations for the Fight Against Corruption actively participates in working groups on key laws (anti-corruption, whistleblowers, free access to information). It reacts publicly to shortened procedures and politically motivated legal changes. However, the ENER data show that only about one-third of the legislative proposals that must be published actually undergo open consultations, which keeps the level of unpredictability high and limits transparency in the legislative process.

6. Control and supervisory bodies are active, but the impact of their findings is limited. The Inspection Council develops the e-Inspector system and coordinates tens of thousands of inspections annually, the State Audit Office reveals serious financial and management weaknesses (as with the "Post of North Macedonia"), the Public Revenue Office and the Customs Administration conduct a significant number of controls, financial investigations, and disciplinary proceedings. But implementation is limited, consequences are insufficient, and the link between the established findings and institutional responsibility remains weak.

8. The public procurement system remains a high-risk zone for corruption and inefficiency. In 2024, public procurement accounts for about a quarter of the state budget and about 9% of GDP, but competition is limited, a significant percentage of procedures are canceled, and the "lowest price" criterion dominates (95% of procedures), with minimal use of the "most economically advantageous offer". This, along with limited anti-corruption measures throughout the procurement cycle, creates a constant risk of corruption.

CHAPTER 4 JUDICIARY AND FIGHT AGAINST CORRUPTION

1. Personnel and organizational weaknesses remain the biggest structural problem. Despite the election of new judges and court presidents, the number of pending cases in the judiciary continues to grow, and the severe shortage of prosecutors, especially in four prosecutor's offices that have remained without a single prosecutor all year, seriously limits the effectiveness of criminal prosecution. The Public Prosecutor's Office operates with only 64.7% of the envisaged prosecutors.

2. Financial constraints and outdated technical equipment undermine the effectiveness of institutions in the fight against corruption. Although the law establishes a minimum budget funding of 0.4%, the prosecution receives only 0.2%, which blocks public procurement and the modernization of the institution. Outdated equipment and the lack of an electronic system for

item allocation continue to hamper investigations, although in 2024, funds for a new system were provided through IPA 3.

3. Although the number of procedures for corrupt criminal acts is growing, systemic weaknesses continue to limit their effectiveness. In 2024, there was an increase in reports and charges of corrupt criminal acts, and a nearly doubling of charges for criminal acts against official duty compared to 2023. Prosecutors continue to take action, with a greater focus on financial investigations, asset seizures, and the confiscation of illicit gains.

9. Reform processes are stalled and require constitutional changes for true independence. The Venice Commission's 2025 opinion clearly indicates that the current legal framework does not provide sufficient protection against political influence on the Public Prosecutor's Office. The Commission recommends constitutional changes to the election and mandates of prosecutors, clarification of disciplinary procedures, and reform of the Council of Public Prosecutors to ensure transparency, professionalism, and resistance to pressure.

CHAPTER 5 CORRUPTION AND THE ECONOMY

1. The economy is recovering but remains vulnerable. Real GDP growth in 2024 is about 2.8%, and for 2025, a growth of approximately 3.3-3.4% is projected, while gradually decreasing, but still at a relatively high level of inflation. This indicates a moderate but not stable recovery, sensitive to external shocks.

2. Significant financial support from the EU is driving the country's reform process. The EU's macro-financial assistance of EUR 100 million and the new Reform and Growth Instrument of EUR 750.35 million for North Macedonia are key sources of support, tied to reforms in the private sector, the rule of law, public administration, and the energy and digital transition – according to the "pay for results" principle.

3. Unemployment is at an all-time low, but informality remains a challenge. The unemployment rate in 2024–2025 ranges around 11–12%, with a slight increase in employment, but the number of informally employed remains stable around 11–12% of total employment, with about 12 out of every 100 employees being informally employed.

4. The gray economy remains significant – about a quarter to a third of GDP. Various sources (IMF, ILO, Finance Think) estimate the informal economy at approximately 21% to 33% of GDP, with a significant share of undeclared work, especially in small and micro enterprises, construction, agriculture, and service activities. This limits the tax base and undermines fair competition.

5. Data from the Corruption Monitoring System (CMS 2025) show high "hidden" informality in the labor market. According to CMS 2025 data, the vast majority of respondents with main paid work have a formal contract (89.6%), while 3.2% work without a contract. Although the formal regulation seems high, 35.8% of citizens earn a salary higher than the one stated in the contract, indicating hidden contracts and unregistered payments. At the same time, although 89.3% have paid contributions, in 38.7% of cases, those contributions are calculated at a lower or minimum wage rather than the actual amount they receive. These findings indicate that, despite the high level of formal coverage, significant informality and contractual abuses persist.

6. The formalization of the informal economy is a strategic priority, but implementation is gradual. Strategy for Formalization of the Informal Economy 2023–2027, the Economic Reform

Program 2024-2026 and 2025–2027, and the Fiscal Strategy 2026–2030 position formalization as key to fiscal discipline, greater transparency, and a better business environment.

7. **Digitization and tax instruments are the main tools against the gray economy.** The new Law on Payment Services, the expansion of e-invoicing, and the application "My VAT (Moj DDV)" (with an increased limit for returns and differentiated rates for domestic and imported products) contribute to reducing cash transactions and strengthening fiscal accountability. However, their effect on the long-term reduction of the gray economy is still consolidating.

10. **International institutions recognize the fight against the gray economy, but warn of the need for consistency.** The European Commission, in 2025, positively assesses the reform measure "Tackling the Informal Economy" as fully implemented, while the IMF and EBRD note that, despite progress, the implementation of formalization policies and the reduction of the informal economy remain moderate and require continued, systemic efforts.

CHAPTER 6 CIVIL SOCIETY IN THE FIGHT AGAINST CORRUPTION

1. **In 2024, the key mechanisms for cooperation between the Government and civil society organizations remained the Council for Cooperation, the Unit for Cooperation with NGOs, and the Network of Public Officials to monitor the implementation of the Strategy, but their effectiveness was limited.** Although 64% of organizations are familiar with the Council, as many as 86% express dissatisfaction, mainly due to its inaction and boycotts stemming from poor cooperation with the Government and the stalemate in CSO state funding reforms.

2. **The Government's 2024 strategy for cooperation with CSOs introduced amended priorities and envisaged establishing a Fund for co-financing CSO projects as a new financial support mechanism.** The process of amending the Law on Associations and Foundations (LAF) should continue in 2025, in order to open a broader discussion on its reforms. Although the LAF was amended in 2022 by prohibiting the registration of organizations whose names, goals, or activities are aimed at violently destroying the constitutional order, inciting hatred or supporting fascism, Nazism, and similar ideologies, this amendment has created problems in the implementation due to the non-regulation of the provision, which further imposes the need for a new amendment of the law.

3. **Funding for civil society organizations remains predominantly dependent on foreign donors, especially for anticorruption initiatives. In contrast, state support remains minimal,** accounting for only 4–5% of total revenues over the last three years. Although the Government's strategy envisages a gradual increase in this percentage to 30%, state funding remains underdeveloped and available to only a small number of organizations for now.

4. According to the European Commission and relevant domestic sources, **North Macedonia continues to have a moderate level of preparedness in freedom of expression,** with limited progress and continued challenges, such as attacks and threats against journalists, SLAPP lawsuits, and pressures on investigative journalism, pointing to structural weaknesses in the protection of media workers and critical reporting.

11. International indicators – the drop from 36th to 42nd place on the Reporters Without Borders Media Freedom Index in 2025, the score of 67/100 on Freedom in the World 2025 and the reduction of the Independent Media Index to 3.50 according to Freedom House show that **media independence remains limited due to political influences, economic dependence on state**

advertisements and present disinformation, which reduces public confidence and increases the vulnerability of newsrooms.

CHAPTER 7 INTERNATIONAL COOPERATION

1. **The suspension of USAID assistance and its integration into the State Department led to an abrupt shutdown of programs and a significant reduction in financial and program resources for civil society organizations in North Macedonia.** This turn of events is already resulting in the cessation of activities, a reduction in organizational capacities, and a limited ability of CSOs to ensure continuity in monitoring, research, and advocacy. Particularly affected are the areas identified as priorities for the country's democratic development: good governance, anticorruption, media, education, and youth development.
2. While more international donors remain active in supporting civil society, the announced budget cuts and lagging new calls, especially from the European Union, show that **existing sources cannot fill the gap left by USAID aid being scrapped.** This increases financial uncertainty and limits the stability of civil society organizations.
3. **The EU, through the Reform and Growth Facility (RGF), has become a key stabilizing factor in supporting North Macedonia's reform agenda,** providing EUR 750.35 million tied to concrete and measurable reform steps. The country was among the first to meet the prerequisites for access to funds, and during 2024 and 2025, it received additional payments to meet certain reform agenda measures.