



North Macedonia: Fostering Anti-Corruption in Environmental Governance

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Introduction

This paper looks at corruption in environmental governance in North Macedonia, and offers alternatives to tackling environmental corruption through programmatic interventions, which could foster anti-corruption practices, and increase resilience to environmental corruption. The first section of this work deals with the types, forms, and causes of corruption, provides definitions of corruption, such as environmental corruption, and distinguishes between different corruptive actions. Furthermore, it discusses differences between grand and petty corruption, as well as levels of corruption in the state structures. The second section turns towards the main sectors of environmental governance, and most frequent corrupt activities within them. The main distinction is in terms of renewables and non-renewables, further differentiating between illegal logging and deforestation, mining and other land excavations, as well as infrastructure projects which deteriorate the environment. This section is completed by presenting identified and summarized trends that underline environmental corruption, prepared by one of the most prominent international organizations active in the field of anti-corruption – Transparency International (TI). The third section glances briefly through the United Nations’ (UN) institutional response to environmental corruption, which mostly treats the topics of environment and corruption separately. The fourth section looks at the European Union's (EU) response to environmental corruption which delves much deeper than UN’s documents. The fifth section looks at the most frequent corruption practices in the environment in North Macedonia. Subject to analysis are the mass illegal logging practices, the shady licensing of mining and other excavation companies, as well as energy renewable subsidies and infrastructure projects influencing deterioration of the environment in national parks and other natural protected habitats. Lastly, the paper discusses the ways forward, including the possible avenues for intervention that the National Democratic Institute (NDI or the Institute) could potentially explore. Suggested interventions are designed using the Swiss theory of change, a model of change processes explaining how and why a set of activities lead or contribute to a process change¹, and based on existing partnerships.

¹ https://naturalsciences.ch/co-producing-knowledge-explained/methods/td-net_toolbox/theory_of_change last accessed on November 15, 2023

1. Types, Forms, and Causes of Corruption

One of the most prominent international organizations working in the field of anti-corruption, Transparency International, defines corruption as the abuse of entrusted power for private gain. Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and the environmental crisis². The environmental crisis is one of the main spheres of interest of this paper. Exposing corruption and holding the corrupt to account can only happen if one understands the way corruption works and the systems that enable it. Forms of corruption are different, and they vary significantly from abuse to omission, or misappropriation. One of the most common forms of corruption in many societies today is omission, which is usually manifested through avoiding, doing, or saying something that should be done or said, and allow for certain problems to continue unchallenged. On the other hand, “misappropriation is related to abuse and occurs when a role or resource be it public or private, is misappropriated by those who manage it for their own gain”³. Multiple types and forms exist: bribery, kickbacks, embezzlement, fraud, conflict of interest, extortion, abuse of discretion, favoritism, and nepotism.⁴ Economists often focus on actions related to public decisions and adopt a definition similar to “the sale by government officials of government property for personal gain”⁵, or, as the World Bank puts it, “the abuse of public office for private gains.”⁶

Corruption occurs on different levels: national, regional, and local, and usually entails payment of bribes to politicians, bureaucrats, and other decision makers⁷. Jeremy Pope, a renowned anti-corruption expert and former managing director of TI, distinguishes between cases of big and small (also sometimes referred to as “grand” and “petty”) corruption. Big corruption refers to payment of a bribe or other favor to a high-level official, in order to influence policy making. Small corruption is defined as making payments or other favors to distort the implementation of laws and other rules, and usually involves payments to junior bureaucrats⁸. In the case of environmental corruption, both cases of corruption are present. However, “although corruption is not environmentally destructive, poor governance results in bad policy formulation management, monitoring and enforcement, and this can become apparent through problems with environmental sustainability”⁹.

2. Environmental Corruption by Sectors – Consequences and Costs

One of the most affected environment sectors, which is part of the renewable resources cluster, is forestry. An arguably evergreen World Bank report from 1999 looks at the crucial challenges in terms of corruption in forestry: illegal logging, timber smuggling, practices specifically aimed at

² <https://www.transparency.org/en/what-is-corruption> last accessed on November 15, 2023

³ Leitao, Alexandra. "Corruption and the Environment." *Journal of Socioeconomics* 5.3 (2016), p. 2

⁴ Amundsen, Inge. *Political corruption: An introduction to the issues*. Chr. Michelsen Institute, 1999.

⁵ Shleifer A, Vishny RW (1993) Corruption. *The Q J Econ* 108: 599-617.

⁶ World Bank. *Anticorruption in transition: A contribution to the policy debate*. World Bank, 2000.

⁷ Leitao, Alexandra. "Corruption and the Environment." *Journal of Socioeconomics* 5.3 (2016), p. 2.

⁸ Pope, Jeremy, ed. *National integrity systems: The TI source book*. Transparency International (TI), 1996.

⁹ Leitao, Alexandra. "Corruption and the Environment." *Journal of Socioeconomics* 5.3 (2016), p. 2.

reducing payment of taxes and other fees, as well as illegal timber processes¹⁰. These activities are often associated with bribes being paid to politicians and bureaucrats. Additionally, the lack of institutions which effectively enforce rules related to logging, further exacerbate the already dire situation in the forestry sector¹¹. Timber companies are also often involved in corrupt practices, pushing public officials to turn a blind eye to inconvenient and expensive regulations¹². Underdeveloped, developing, and even some developed countries are often the hotspots where these malpractices take place. Indonesia, Northern Sumatra, Singapore, Malaysia, and Madagascar are just some of the places where timber-related corrupt activities are performed regularly¹³. As presented later in this work, North Macedonia is also one of the countries where timber-related corrupt activities are spearheading environmental corruption. Apart from reports from civil society, members of parliament (MPs) from the Green Caucus in the Assembly of the Republic of North Macedonia (the Assembly) have also recognized illegal logging and deforestation as one of the most malign environmental challenges which is on the rise in the last decade.

In regard to the non-renewable resources sector, environmental degradation is mostly a result of corruption in bidding for and awarding concessions for mining and extrapolation of minerals, fracking, sand production, and setting up large industrial capacities¹⁴. Mining tailings, smelter gasses, overburden flotation chemicals, and oxidation products including acids, air pollutants, and sludge as by-products are just some of the hazardous results from irresponsible management of mining¹⁵. Mining activities often lead to serious land degradation and soil erosion, which eventually result in flooding¹⁶. In recent years, there have been numerous incidents in North Macedonia stemming from mismanagement of the non-renewable resources sector. As described later in the text, at times citizens' response was fierce, resulting in protests, and sometimes leading to the creation of environmental social movements.

Transparency International identified and summarized several trends that underline corruption in most of the cases:

- Environmental corruption is especially prevalent where economic development is low;
- Corruption is prevalent across a wide spectrum of political systems, yet it is most severe in countries with weak democracies;
- Weaknesses in governance structures inhibit good governance and facilitate corruption in the environmental field;

¹⁰ Callister, D. J. "Corrupt and illegal activities in the forestry sector: Current understandings and implications for World Bank forest policy. Paper prepared for the World Bank." (1999), p. 7-8.

¹¹ Amacher, Gregory S., Markku Ollikainen, and Erkki Koskela. "Corruption and forest concessions." *Journal of Environmental Economics and Management* 63.1 (2012): 92-104. and Galinato, Gregmar I., and Suzette P. Galinato. "The short-run and long-run effects of corruption control and political stability on forest cover." *Ecological Economics* 89 (2013): 153-1612

¹² Monitor, Forests. "Sold down the river." *The need to control transnational forestry corporations: a European case study*. Cambridge, UK, Forest Monitor (2001).

¹³ Leitao, Alexandra. "Corruption and the Environment." *Journal of Socioeconomics* 5.3 (2016), p. 3

¹⁴ *Ibid*, p. 3

¹⁵ Lipske, M. "Cracking down on mining pollution." *National Wildlife* 33 (1995): p. 20-21.

¹⁶ Smith M (1994) Mining with Care. West Africa 4027, 2071.

- Monopolies, whether state controlled or controlled by a corporation, create opportunity for corruption within the economic sectors in the environmental field;
- Countries that depend on the exploitation of their natural resources experience high levels of corruption, and hence poor environmental governance;
- The export partners of corrupt governments often exacerbate illegal activities which degrade the environment by providing the demand for natural resources;
- The institutions and governments which provide economic assistance to developing nations, whether in the form of foreign direct investment or foreign aid, have the ability to influence behavior¹⁷.

3. United Nations' Response to Environmental Corruption

The UN system dominantly treats anti-corruption and the environment separately. For example, the United Nations Convention against Corruption (UNCAC) does not allocate any space for the environment¹⁸, while the Rio Declaration on Environment and Development (RDED)¹⁹ does underline the fight against corruption in its text. It stresses that “fighting corruption and illicit financial flows at both the national and international levels is a priority and that corruption is a serious barrier to effective resource mobilization and allocation and diverts resources away from activities that are vital for poverty eradication, the fight against hunger and sustainable development”²⁰. The UN is “determined to take urgent and decisive steps to continue to combat corruption in all its manifestations, which requires strong institutions at all levels, and urge all States that have not yet done so to consider ratifying or acceding to the United Nations Convention against Corruption and begin its implementation”²¹.

However, the United Nations Framework Convention on Climate Change (UNFCCC)²² acted as a parent treaty to many documents, including the Paris Agreement from 2015²³, which aims to limit the global temperature increase to 1.5 degrees Celsius above pre-industrial levels. Although these documents do not make a direct reference to corruption, many of them include provisions related to transparency, primarily public awareness and public access to information. For example, the Glasgow work program on Action for Climate Empowerment (ACE) from 2021 reaffirms the importance of all six ACE elements – education, training, public awareness, public participation, public access to information and international cooperation on climate change, in order to achieve the objective of the UNFCCC and the purpose and goals of the Paris Agreement²⁴.

¹⁷ Dillon, Jessica, et al. "Corruption & the environment." *A project for Transparency International, Environmental Science and Policy Workshop, Columbia University, School of International & Public Affairs*. 2006

¹⁸ https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf last accessed on November 15, 2023

¹⁹ <https://sustainabledevelopment.un.org/rio20/futurewewant> last accessed on November 15, 2023

²⁰ *Ibid*

²¹ *Ibid*

²² https://unfccc.int/sites/default/files/convention_text_with_annexes_english_for_posting.pdf last accessed on November 15, 2023

²³ https://unfccc.int/sites/default/files/english_paris_agreement.pdf last accessed on November 15, 2023

²⁴ https://unfccc.int/sites/default/files/resource/cma3_auv_3b_Glasgow_WP.pdf last accessed on November 15, 2023

4. EU's Response to Environmental Corruption

The EU puts a large emphasis both on fighting against corruption and the environment. The green and the digital agendas are topping the EU's list for the foreseeable future. Although the link between environment and anti-corruption is largely missing, documents touching upon both issues and investing efforts to build synergies exist. A recommendation issued by the European Parliament in February 2022 underlines that, “corruption disproportionately affects the most vulnerable and marginalized individuals and groups in society, violating the right to non-discrimination and barring them, in particular women, from equal access to political participation, basic and public services, justice, natural resources, jobs, education, health and housing,” and that “corruption exacerbates poverty and inequality by misappropriating wealth and public goods while harming preservation of the natural environment and environmental sustainability”²⁵. Furthermore, the recommendation calls for mandatory corporate due diligence as one of the means to prevent and effectively address environmental violations, as well as to secure the respect of the UNCAC at all times²⁶. This document also urgently calls for the EU to establish a mandatory human rights and environmental due diligence (HRDD) legislation that needs to be imposed on all entities and business relationships on a company's entire value chain. This legislation should follow the highest international standards and contain strong anti-corruption provisions, enabling a toolkit which can hold companies accountable and seek remedy for environment deterioration. Lastly, it is of highest importance that this new legislation applies to foreign public officials²⁷. What is extremely valuable about this document is the allocation of a separate subsection dedicated to corruption, climate change and human rights. Prospective European legislation should recognize the links between environment degradation and destruction with corruption, bribery and organized crime, as phenomena which can seriously undermine enjoyment of human rights. Furthermore, anti-corruption needs to be mainstreamed into EU's global climate and environment actions, supporting transparency and good governance of natural resources²⁸.

In past years, the EU has also received support from CSOs to fight environmental corruption. In 2021, the National Whistleblower Center (NWC) sent letters to all 27 member-states to urge the EU and the national parliaments to empower and protect climate whistleblowers. The letter defined climate change as the greatest current threat to global security whose effects are already felt worldwide. This is another challenge that the EU should address sooner rather than later.

5. The Case of North Macedonia – Most Frequent Environmental Corruption Practices

With regard to legislation, North Macedonia is on course to fully adopt the EU *acquis communautaire*, especially Chapter 27, which is dedicated to the environment. However, the country is lagging behind in terms of adopting reforms related to chapters 23 and 24 respectively, which deal with the fields of judiciary and fundamental rights, as well as justice, freedom and

²⁵ https://www.europarl.europa.eu/doceo/document/TA-9-2022-0042_EN.html#def_1_6 last accessed on November 15, 2023

²⁶ <https://eucrim.eu/news/ep-pushes-for-efforts-against-corruption-in-the-world/> last accessed on November 15, 2023

²⁷ https://www.europarl.europa.eu/doceo/document/TA-9-2022-0042_EN.html#def_1_6 last accessed on November 15, 2023

²⁸ *Ibid*

security. These are the spheres largely contributing to rule of law, anti-corruption, transparency and accountability.

However, a much graver reality lies behind the legal provisions, and this is related to implementation of the legislation. Referring to environmental corruption by sectors, as illustrated in the introductory sections of the text, North Macedonia faces serious problems with corruption both in the renewables and non-renewables sector, as well as in infrastructure. One of the most serious problems in the country's renewables is illegal logging. Illegal logging in practice refers to deforestation, which violates legal provisions related to forest management, resulting in reducing the fertility of the forest fund and endangering continuity of forest reproduction and cultivation, thus threatening the survival of flora and fauna in the forests on a larger scale. Previous research shows that illegal logging in North Macedonia is dual faceted: 1) Petty illegal logging driven by poverty, involving harvesting firewood for personal use, and 2) Illegal logging conducted by organized crime groups on different scales, involving general black market sale for profit, usually accompanied with a vast array of associated crimes²⁹. This second component drives corruption and creates the link between organized crime, politics, and state institutions. By triangulating several sources of information, the financial value of this criminal activity is estimated at 60 million euros annually. Areas in North Macedonia which are mostly affected by illegal logging are: Skopje, Kumanovo, Tetovo, Gostivar, Kichevo, Struga, Bitola, and Berovo³⁰.

Another serious issue related to possible corruption in renewables are the tailor-made laws in the environmental sector designed to benefit certain individuals with strong links to politics. Regulation No. 29,³¹ which introduces two types of support for producers using renewable energy sources – feed-in tariffs and premiums - benefited politically connected hydropower producers. This new regulation was particularly beneficial for a company named Hydro Power Plants Skopje, with close ties to the former political establishment³². On the eve of 2023, media reported that the son of an influential politician, had recently joined the innovative and lucrative solar energy business³³. It is very important to highlight that these practices, paired with nepotism and partisan employment in key state agencies, “negatively impact public acceptance of transitioning towards energy efficient and renewable systems”³⁴.

Looking at the relationship between non-renewables and corruption, particular mining projects in the southeastern part of the country caused a lot of turbulence in society, inciting large bottom-up citizen protests trying to prevent the opening of the mines. The mining sector in North Macedonia underwent serious transformation in 2012, when new legislation was introduced. These provisions introduced shorter, simpler and faster procedures for granting mining permits

²⁹ <http://eurothink.mk/wp-content/uploads/2021/02/CIP-FINAL-Izvestaj-Drvogradci-AN.pdf> last accessed on November 15, 2023

³⁰ *Ibid*

³¹ <https://www.u4.no/publications/north-macedonia-overview-of-corruption-and-anti-corruption> last accessed on November 15, 2023

³² <https://balkangreenenergynews.com/> last accessed on November 15, 2023

³³ <https://telma.com.mk/2022/12/30/sinot-na-ali-ahmeti-vleguva-vo-biznisot-so-struja/> last accessed on November 15, 2023

³⁴ <https://bankwatch.org/wp-content/uploads/2019/09/who-pays-who-profits.pdf> last accessed on November 15, 2023

and concessions, and for easy and almost automatic conversion of explorative concessions into exploration concessions, which allow construction and exploitation works to commence. Since then, more than 80 concessions have been issued to various companies³⁵. However, the turning point transforming the story of FDIs and economic development into an environmental struggle was the Ilovica – Shtuka mining project for the exploration of gold and copper, which attracted mass media attention in the spring of 2017. This project is commissioned by a Canadian-British company named EuroMax Resources, acquiring two concessions for 20 square kilometers for only 55,000 euros per annum³⁶, that is incomparable to the potential environmental deterioration and the project can incite in the entire Southeast region of the country. Local activists, organized around three citizen initiatives “Zdrava Kotlina,” “Eko Dolina,” and “Youth against the Shtuka-Ilovica Mine of Death,” were very vocal in publicly channeling the potential ecological shortcomings stemming from the project: ruining the agricultural production, which is the backbone of Strumica’s local and regional economy and its wider region; use of explosives, cyanide, and other aggressive acids; and uncontrolled construction, which will largely influence the biodiversity in the entire region.³⁷ In a protracted legal battle that saw Euro Max’s concessions being revoked and returned numerous times by government commissions and administrative courts, in August 2021, the Higher Administrative Court ruled in favor of the economic giant³⁸. This once again portrays the tacit agreements between public officials and powerful economic actors, highlighting one of the cornerstones of corruption. Activists expressed their willingness to continue using all means available to them, such as local referendums, protests, sit-ins, and social media activity.

Lastly, infrastructure projects that seriously influence environmental deterioration are also on the rise. Under the veil of renewable energy and energy efficiency, numerous permits and concessions were given to companies to build hydropower plants in natural protected areas. A region that was particularly under attack is Mavrovo National Park and its surroundings³⁹, whose valorization study was tacitly amended, resulting in redrawing the protected areas, which subsequently allowed the construction of the hydropower plants. More than 20 small hydropower plants are planned in the region⁴⁰. Due to strong citizen resistance amplified with know-how from environmental CSOs, using legal petitions, protests, and media stories, two projects, “Boshkov Most” and “Lukovo Pole,” were stopped. However, the struggle continues to protect other areas of Mavrovo NP, such as the surroundings of Zhirovnica village, Tairaska River, and Mala Planina regions⁴¹. Representatives from the Eko-svest think-tank explain that the construction of these energy capacities results in dried-out riverbeds, distortion of the rivers, threat to biodiversity, erosion, and other environmental consequences. The organization also

³⁵ <https://prizma.mk/baza-na-podatotsi-kontsesii-na-mineralni-surovini/> last accessed on November 15, 2023

³⁶ https://lefteast.org/interview-the-fight-to-prevent-the-ilovica-stuka-mine-project-in-macedonia/#_ftn1 last accessed on November 15, 2023

³⁷ *Ibid*

³⁸ <https://miningnewsfeed.com/news/29972/Euromax-Announces-new-Higher-Administrative-Court-decision.aspx> last accessed on November 15, 2023

³⁹ <https://prizma.mk/mali-hidrocentrali-megu-otpor-i-nemok/> last accessed on November 15, 2023

⁴⁰ This information was shared with MPs and CSOs by Mavrovo NP employees and local citizens, during the parliament’s Green Caucus visit to Mavrovo NP.

⁴¹ <https://prizma.mk/mali-hidrocentrali-megu-otpor-i-nemok/> last accessed on November 15, 2023

produced a list of 10 facts explaining why small hydropower plants are not eco-friendly: they act as barriers for rivers; lead to loss of forests and of biodiversity; and result in geomorphological changes, drying-out of rivers, erosion, illegal hunting and logging, sedimentation, as well as financing and subsidizing, and inappropriate legal framework⁴². The region of Tearce, is also heavily affected by these constructions. Each summer, the inhabitants of several villages situated below the Shara Mountain which is rich with water, face a deficit of drinking and technical water due to the construction of several hydropower plants on the Bistrica River. The 22 million euros investment further resulted in deterioration of the environment, loss of biodiversity, and an increase of illegal logging. Local inhabitants accuse former ministers and local politicians for corruption, mainly because they were the greatest promoters of these investment activities⁴³.

State institutions have also reacted to the legal procedures setting the stage for construction of small hydropower plants. In December 2021, the State Audit Office (SAO) published an audit report on the topic “Exploitation of Water Resources in Electricity Generation,” which noted that key decisions were adopted without “strategic environmental impact assessment and did not meet objectives for construction of large hydropower plants”⁴⁴. Concessions were issued based on outdated hydrological data, and competent institutions allowed usage of water without water rights permits being issued. Furthermore, the competent ministry has incomplete data which is also not made available to relevant inspection services. Lastly, “the small hydropower plants with status of preferential producers did not pay 22.8 million Macedonian Denars (approximately 400,000 USD) in the Budget of the Republic of North Macedonia (RNM), i.e. 41% of the total calculated fee”⁴⁵. This audit report points to significant shortcomings, underlining the possibility for political corruption and turning a blind eye to non-compliance with national legislation and international documents.

Recent mobilizations by citizens and ecological movements, as well as grassroots campaigns aimed at educating people about the damage of issuing concessions for small hydropower plants and mining activities, indicate that a lot of space exists for international actors to push for transparency in infrastructure and concessionary projects that are potentially harmful to the environment⁴⁶. This provides space for NDI to propose concrete interventions aimed at building resilience to environmental corruption, as outlined in the following section.

6. The Ways Forward – Possible Avenues of Intervention

Based on the aforementioned arguments, there are multiple possible avenues that NDI can pursue with regard to filling the void for developing anti-corruption practices in the environmental sphere. In terms of work with parliament, NDI can deepen the cooperation through the support of

⁴² <https://ekosvest.com.mk/?p=225528> last accessed on November 15, 2023

⁴³ <https://prizma.mk/mali-hidrotsentrali-megu-otpor-i-nemok/> last accessed on November 15, 2023

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https://dzt.mk/sites/default/files/2021-12/500_Soopstanie_mediumi_Eksploatacija_vodni_resursi_proizvodstvo_elektricna_energija_ENG_2021.pdf last accessed on November 15, 2023 see also <https://ekosvest.com.mk/?p=226124> last accessed on November 15, 2023

⁴⁵ *Ibid*

⁴⁶ <https://www.u4.no/publications/north-macedonia-overview-of-corruption-and-anti-corruption> last accessed on November 15, 2023

the committees on Transport, Communications and Environment, on Local Self-Government, and the one on Agriculture, Forestry and Water Resources Management. The Institute should continue the support to the Green Caucus by advancing synergies between civil society and policy makers, encouraging more field visits, as well as oversight hearings and MPs' questions. Furthermore, NDI should work more with the Committee on Transport and Communications and Environment, especially regarding policymaking, by providing in-house and external expertise that will contribute to better legislation benefiting citizens. It is of utmost importance to stress the strengthening of anti-corruption practices and building institutional resilience.

In terms of expanding the scope of stakeholders, the Institute should establish cooperation with the Ministry of Environment Protection and Spatial Planning (MEPSP). The synergy could be based on external expertise related to tackling environmental corruption from an institutional perspective. The main goal of this intervention would be the improvement of legislation oriented towards building resilience to environmental corruption. Emphasis would be placed on the protection of natural protected habitats, prevention of construction of small hydropower plants, securing the status of national parks, as well as safe mining projects. Furthermore, having in mind that North Macedonia has not yet nominated a national focal point for the Action for Climate Empowerment (ACE)⁴⁷, NDI can work with the MEPSP on establishing the focal point in North Macedonia.

Another important entity in the institutional chain is the Ministry of Agriculture, Forestry and Water Management, through its Sector on Forest Police. The Forest Police are the most active and visible frontline officials dealing with cases of illegal logging. Very often, they need to face notorious criminal gangs while being understaffed, underequipped, and underpaid. However, Forest Police officials are often part of corrupt criminal schemes related to illegal logging, deforestation, and distribution of illegally obtained firewood. The work of this unit could be supported both by non-material means, such as professional and anti-corruption training, as well as material means, such as technical equipment, which the unit could use in its daily work. Furthermore, the Forest Police have no established cooperation with CSOs or other non-state actors, and bridges could be built in this segment as well. Previous civil society reports have already mapped the urgent priorities for prevention of illegal logging. NDI could structure some of its activities around those findings, such as restructuring the organizational and functional elements of the work of the Forest Police, and transferring the entire unit to the Bureau for Public Security within the Ministry of Interior. This would add relevance, but would also strengthen the role, position, and resources of the Forest Police (FP). NDI can further work on advocating for the increase of the number of employees in the FP, making it sufficient to protect the vast forest fund. Having in mind the below-average salaries of the employees, advocacy actions could be taken towards increasing the remuneration for forest policemen, including all benefits, overtime hours, night shifts and other working rights, aiming at decreasing the corruption in the service. Lastly, provision of various training and equipment for forest policemen should be provided to increase their physical and cognitive traits⁴⁸.

⁴⁷ <https://unfccc.int/topics/education-youth/national-ace-focal-points> last accessed on November 15, 2023

⁴⁸ <http://eurothink.mk/wp-content/uploads/2021/02/CIP-FINAL-Izvestaj-Drvogradci-AN.pdf> last accessed on November 15, 2023

Lastly, it would be very useful for NDI to establish a working relationship with the National Forests Public Enterprise (PENF). The institution that manages almost the entire forest fund in the country is on the verge of being insolvent, overemployed, and largely non-functional. The PENF would benefit from strengthening internal procedures that would contribute to better management and anti-corruption practices. Furthermore, digitalization that would lead to the registration of logged wood would contribute to better control and minimize the space for employee misconduct⁴⁹. A portion of the external expertise needed to achieve these goals could be provided by NDI.

Regarding non-state actors, the Institute would continue to work with political parties as one of the most important entities in Macedonian society, continuously stressing the importance of integrity through its Regional Political Party Integrity Program (RPI)⁵⁰ and the Parliament Support Program (PSP)⁵¹. Practices of political parties are often replicated at the institutional level, which further stresses the need for continuous work in the fields of public responsiveness, accountability and transparency, some of the main tools for fostering anti-corruption practices. Environment protection will remain at the forefront of the discussed topics.

NDI has traditionally partnered with civil society in North Macedonia in multiple program activities. In the last few years, NDI has supported civil society in promoting anti-corruption practices by helping domestic civic actors to collaborate across borders on key issues related to transparency and accountability, mainly on environmental and healthcare issues. As environmental corruption is a regional problem, NDI could support and work with CSOs to develop national and cross-national studies on the main causes of illegal logging, abuse of state permits and concessions, and unveiling malign links between politics, business and organized crime. This would help state institutions stay informed and could act as an impetus for them to take more decisive and concrete actions against environmental corruption.

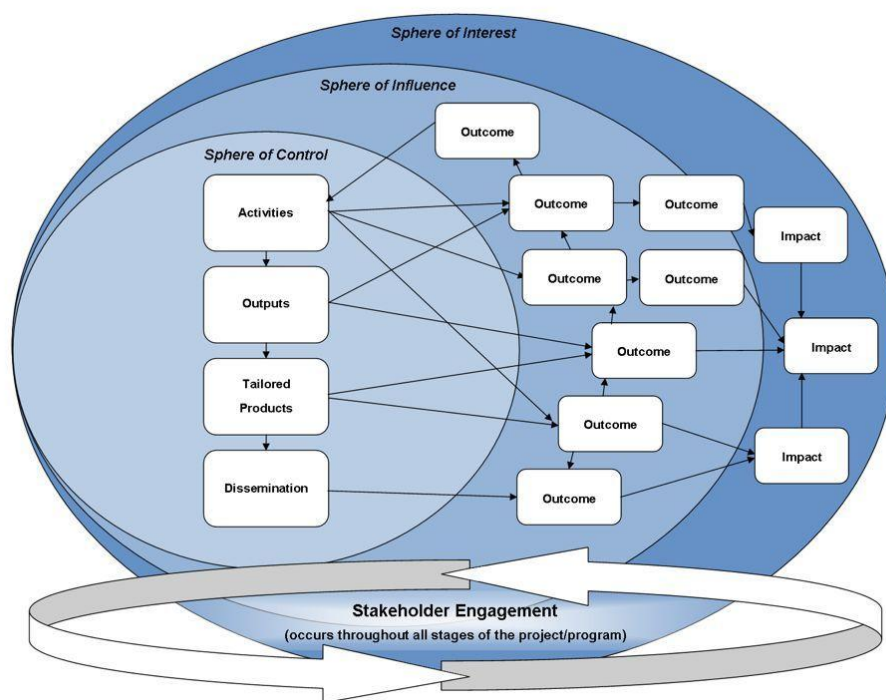
Lastly, working with media outlets specialized in reporting corruption, NDI could significantly increase the visibility and the outreach of its work related to environmental corruption. Building on previous experience of working with traditional media and investigative journalists, the Institute could develop specialized partnerships on reporting environmental corruption through echoing findings stemming from research and analysis developed in cooperation with previously mentioned stakeholders. Taking into consideration that the fight against corruption is declared as one of the key priorities for the Macedonian society in the next several years, this could be used as an entry point to signify the importance of tackling environmental corruption. This message being conveyed by traditional and online media outlets could further sensitize the public and exert pressure over competent institutions, which could result in concrete actions toward the

⁴⁹ *Ibid*

⁵⁰ NDI Regional Political Party Integrity Program supports political parties in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, North Macedonia, Montenegro, Romania, Slovenia, and Serbia, in developing internal integrity mechanisms. It is funded by the National Endowment for Democracy (NED) and numerous political party foundations.

⁵¹ The Parliament Support Program (PSP), in partnership with the Assembly of the Republic of Macedonia works on consensus-building, structural reform, and capacity building in the Assembly's institutional development, its legislative and oversight roles, and its institutional accountability. The program is funded by the Swiss Agency for Development and Cooperation (SDC).

preservation of the environment and advancing rule of law, but also further increase NDI's visibility and prominence. In terms of the methodology of the intervention, it is recommended to follow the Swiss theory of change⁵² which enables the implementer of activities to understand how certain changes happen in a given context (sphere of influence), and the role that each stakeholder plays in this process. It unpacks the causal linkages between activities, outputs, outcomes, impacts and the underlying assumptions (sphere of control).



Furthermore, it takes into consideration the views of all relevant stakeholders, including beneficiaries, and should be revised periodically to consider changes in the context (stakeholder engagement). It fosters continuous learning and critical thinking in the design and implementation of program activities⁵³. Whenever possible, activities can start by fostering a policy dialogue, whereas existing established cooperation and partnership with parliament and national and subnational governments can be found useful. This discussion should be supported by an impartial and objective analysis based on primary and secondary data, as well as international and domestic best practices. The results of the analysis, paired with key takeaways from the policy discussions should be used as a point of departure for training, capacity building, and other actions that can contribute to building resilience to corruption in the environmental sector (sphere of interest).

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⁵² https://naturalsciences.ch/co-producing-knowledge-explained/methods/td-net_toolbox/theory_of_change last accessed on November 15, 2023

⁵³ <https://www.shareweb.ch/site/Poverty-Wellbeing/addressing-poverty-in-practice/impact-hypotheses> last accessed on November 15, 2023

Amacher, Gregory S., Markku Ollikainen, and Erkki Koskela. "Corruption and forest concessions." *Journal of Environmental Economics and Management* 63.1 (2012): 92-104

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