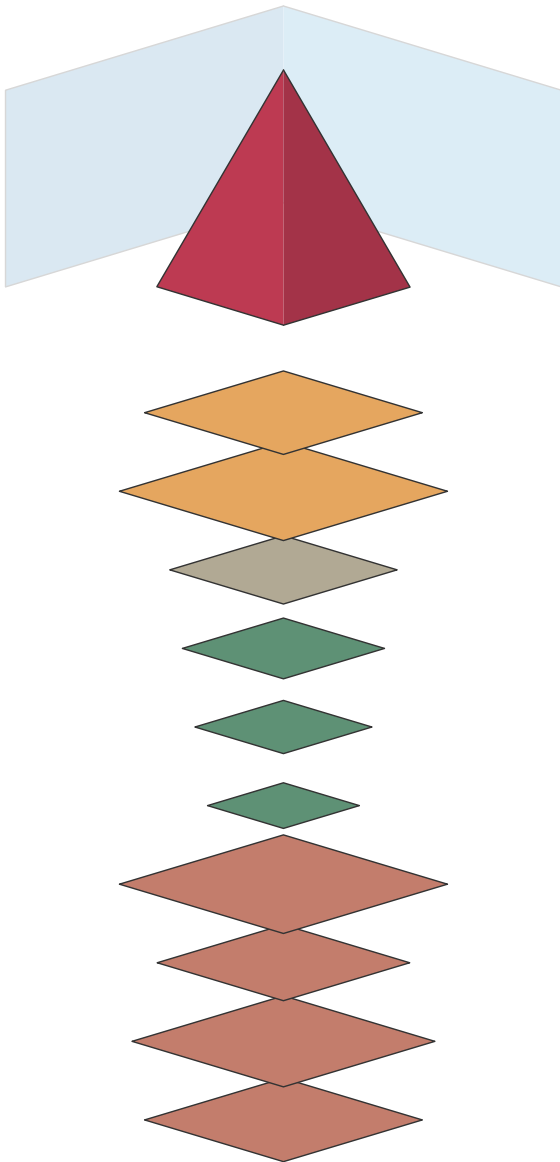




NORTH MACEDONIA



5.31 CRIMINALITY SCORE

74th of 193 countries

11th of 44 European countries

8th of 17 Central & Eastern European countries



CRIMINAL MARKETS 5.00

HUMAN TRAFFICKING	5.50
HUMAN SMUGGLING	6.50
ARMS TRAFFICKING	4.50
FLORA CRIMES	4.00
FAUNA CRIMES	3.50
NON-RENEWABLE RESOURCE CRIMES	3.00
HEROIN TRADE	6.50
COCAINE TRADE	5.00
CANNABIS TRADE	6.00
SYNTHETIC DRUG TRADE	5.50



CRIMINAL ACTORS 5.63

MAFIA-STYLE GROUPS	4.00
CRIMINAL NETWORKS	6.50
STATE-EMBEDDED ACTORS	6.00
FOREIGN ACTORS	6.00



5.21 RESILIENCE SCORE

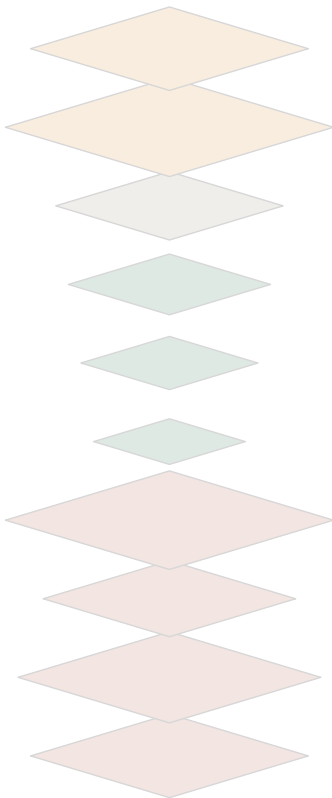
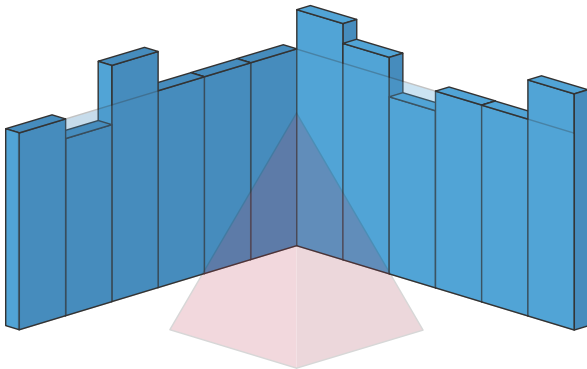
76th of 193 countries

32nd of 44 European countries

8th of 17 Central & Eastern European countries



NORTH MACEDONIA





5.21 RESILIENCE SCORE

76th of 193 countries
32nd of 44 European countries
8th of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	5.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	4.50
INTERNATIONAL COOPERATION	6.00
NATIONAL POLICIES AND LAWS	5.00
JUDICIAL SYSTEM AND DETENTION	5.00
LAW ENFORCEMENT	5.00
TERRITORIAL INTEGRITY	6.00
ANTI-MONEY LAUNDERING	5.50
ECONOMIC REGULATORY CAPACITY	4.50
VICTIM AND WITNESS SUPPORT	5.00
PREVENTION	5.00
NON-STATE ACTORS	6.00

5.31 CRIMINALITY SCORE

74th of 193 countries
11th of 44 European countries
8th of 17 Central & Eastern European countries

 CRIMINAL MARKETS	5.00
 CRIMINAL ACTORS	5.63

CRIMINALITY

CRIMINAL MARKETS

PEOPLE

North Macedonia is a country of origin, transit point and destination country for women and children trafficked into prostitution and forced labour. Additionally, throughout the country, migrants and refugees travelling informally and/or aided by smugglers are vulnerable to trafficking, particularly women and unaccompanied minors. Organized crime groups are becoming increasingly sophisticated and law enforcement often accept bribes to facilitate the criminal market.

Moreover, North Macedonia is a significant route for migrant smuggling, and this has increased in recent years, especially along the border with Greece and Serbia. In 2018, Serbia adopted a visa-free policy for Iranian citizens which resulted in an increase of Iranians attempting to enter Greece from Serbia, transiting through North Macedonia with the assistance of smugglers. Smuggling has continued during the COVID-19 pandemic and the rights of irregular migrants have weakened due to the country's temporary derogation from the European Convention on Human Rights.

TRADE

North Macedonia is a transit and destination country for illicit arms, albeit on a small scale. Arms are easily accessible due to the insurrection in 2001, and imported weapons usually enter through Kosovo and Albania. Workshops converting alarm weapons have been found in recent years and registered companies have been discovered selling firearms by falsifying documents to illegally export them. Arms trafficking in the country does not involve major organized crime groups and is often run by the Albanian minority in North Macedonia.

ENVIRONMENT

Although illegal logging is primarily performed by locals simply seeking an income, there is evidence of larger scale logging activities carried out by organized crime groups along the border with Kosovo and Albania, that use violence to defend their activities. While the government controls timber exports, corruption and enforcement issues facilitate the illegal practice. Fauna crime is even less pervasive in North Macedonia, and any illegal activity that does happen is mostly related to the poaching of endangered species such as the Balkan lynx, as well as illegal fishing, particularly in Lake Ohrid. Rare animals and parts are usually smuggled into other countries in Europe and Asia. Despite most mining in North Macedonia being performed by legal companies,

the government lacks control over the market and there are high levels of corruption allowing for non-renewable resource crimes to continue. North Macedonia also has low penalties for environmental crime, making it attractive to criminal groups.

DRUGS

North Macedonia is a minor source country for heroin and a key transit point for Afghan and Turkish heroin being moved through the Balkan route towards Europe. North Macedonian groups based in Veles, Stip and Kocani control the market. There is low domestic consumption of heroin, with related low levels of violence. North Macedonia is also a transit and, to some extent, a destination country, for cocaine. Cocaine arrives from Latin America through the Balkan route moving on towards Bulgaria, Turkey and Greece. Local groups involved in the cocaine market cooperate with Albanian criminal groups and prices have remained stable throughout the pandemic suggesting supply and demand has not been affected much.

North Macedonia is a transit country for cannabis moved from Albania into Turkey, where demand for the drug is high. North Macedonia also has a large domestic market, and the trade is associated with some violence over control of trafficking routes. There have been attempts by Albanian criminal groups to join the North Macedonian cannabis market, but these have been unsuccessful due to police intervention. Supply chains do not seem to have been affected by the pandemic, but prices have risen due to increased demand and reduced workforce available for harvesting. Whereas most synthetic drugs are produced in Serbia, police are increasingly finding laboratories in North Macedonia. There appears to be cooperation between North Macedonian groups and Serbian and Albanian criminal groups. The local market for synthetic drugs is increasing.

CRIMINAL ACTORS

North Macedonia has a highly diverse and fractionalized population which is why mafia-style groups, characterized by their control over community life, have been unable to gain significant footholds. Nevertheless, influential mafia style groups have existed in the past, such as the Frankfurt Mafia, and the ethnic division in the country could catalyze their re-emergence in the future. Illicit markets in the country are instead dominated by loose criminal networks, operating both nationally and transnationally, many of which are formed along ethnic or familial lines. Although competition and subsequent violence among competing networks is less present than in other countries in the region, there has been an increase in murder and

other forms of violence perpetrated by criminal networks in recent years.

Collusion between state-embedded actors and criminal groups is high, and there appears to be a certain level of criminal capture of state institutions and powerful politicians. Several high-profile political figures have been implicated

in corruption scandals and corruption contributed to the downfall of the government in 2017. There is a reasonably high level of foreign criminal actor collaboration in North Macedonian criminal markets, especially from bordering countries such as Serbia and Albania, as well as Turkey and Saudi Arabia.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Despite years of stagnation and corruption, the current government in North Macedonia has introduced a period of relative political stability and an improvement in democratic governance. The country has become a member of NATO and accession talks have started with the EU. The government has also begun to address the criminal capture of the state by gradually restoring appropriate checks and balances while increasing transparency. Despite starting with relatively poor levels of corruption and accountability, the new government has taken steps to increase transparency – for example, all ministers have to declare their spending. The government has published more data around its budget and efforts are under way to improve transparency in public institutions as well, however much work still needs to be done as corruption remains embedded in even at the highest levels of state administration.

North Macedonia has ratified all relevant organized crime treaties, has recently become a NATO member and has cooperated well with Europol. On a bilateral level, North Macedonia has operations with both Albania and Greece which have resulted in numerous arrests in relation to drug trafficking. Participation in joint investigations and improvements in strategic information sharing need further development. North Macedonia's legislative framework for tackling organized crime and implementing strategies are broadly in line with EU standards. The 2017 national strategy for combating human trafficking and smuggling is the only national strategy being undertaken and has yet to prove its effectiveness. Furthermore, as a result of COVID-19 and North Macedonia's temporary derogation from the European Court for Human Rights, its people have become exposed and vulnerable to human rights violations.

CRIMINAL JUSTICE AND SECURITY

North Macedonia has the lowest rate of pre-trial detention in the region, suggesting good judicial capacity to process criminal cases. Despite the rarity of hard rulings for high level crimes, the ability of the special prosecutor's office to carry out its role suggests an improvement in this area.

However, its reputation was tarnished by a high-profile scandal and the institution ceased to exist in early 2020. The judiciary has systemic and structural issues usually stemming from corruption, such as poor implementation of necessary legislation, political interference and a lack of adequate independent oversight. Within law enforcement, specialized units to combat specific areas of organized crime have been created, and the new government has been working to overcome the structural and operational shortcomings in tackling corruption and organized crime, but a legacy of corruption and inefficiency remains. The customs administration and financial police remain limited in their capacity to carry out their activities, undermining the efficiency of anti-organized crime measures. As a landlocked country, North Macedonia has relatively strong border control, but it nevertheless faces challenges to its territorial integrity, being on the Balkan smuggling route and with corrupt officials facilitating organized crime groups. North Macedonia's border legislation is largely aligned with the EU and appears relatively strong, but the border with Albania poses particular difficulties.

ECONOMIC AND FINANCIAL ENVIRONMENT

Despite a relatively low risk of money laundering, improvements need to be made with the supervision of the non-banking financial sector and in providing the necessary resources to ensure successful implementation of legislation. Money laundering in North Macedonia is often linked to financial crimes such as tax evasion and smuggling and a small portion is connected to narcotics trafficking. The country's tools for freezing, handling and confiscating criminal assets are not adequate and the anti-money laundering legislation is not aligned with the EU acquis.

Overall, North Macedonia performs extremely well globally with its ease of doing business, and foreign companies see it as a favourable country for investment. Transparency has improved under the current government and this has helped the business environment. However, significant weaknesses include poor contract enforcement and a large informal economy that affects the competitiveness

of the formal private sector. All of these factors result in an impressive but somewhat fragile economy.

CIVIL SOCIETY AND SOCIAL PROTECTION

Institutional support for victims and witnesses is poor and in need of serious improvement. The government has formed a working group to try to amend the law on witness protection and broader efforts by the administration to support victims are becoming visible. Despite the political goodwill, however, victim support is mainly provided by NGOs which receive financial support from foreign entities. There is little evidence to suggest the state is doing enough to establish mechanisms to prevent involvement in organized crime. The country's state commission for corruption prevention was not functional for a long period of time and has no investigative powers, and while the legislative framework is in line with the EU, lack of implementation hinders progress. Overall, organized crime prevention capacities in North Macedonia are weak.

The country has made excellent progress on improving the media environment, and though physical attacks on journalists have decreased, there is still a tendency of online abuse towards the media. There is no repression of civil society from the new government, however the number of organizations working on issues related to organized crime is relatively low. The government has made significant improvements in working with civil society organizations and involving them in the legislative process.

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