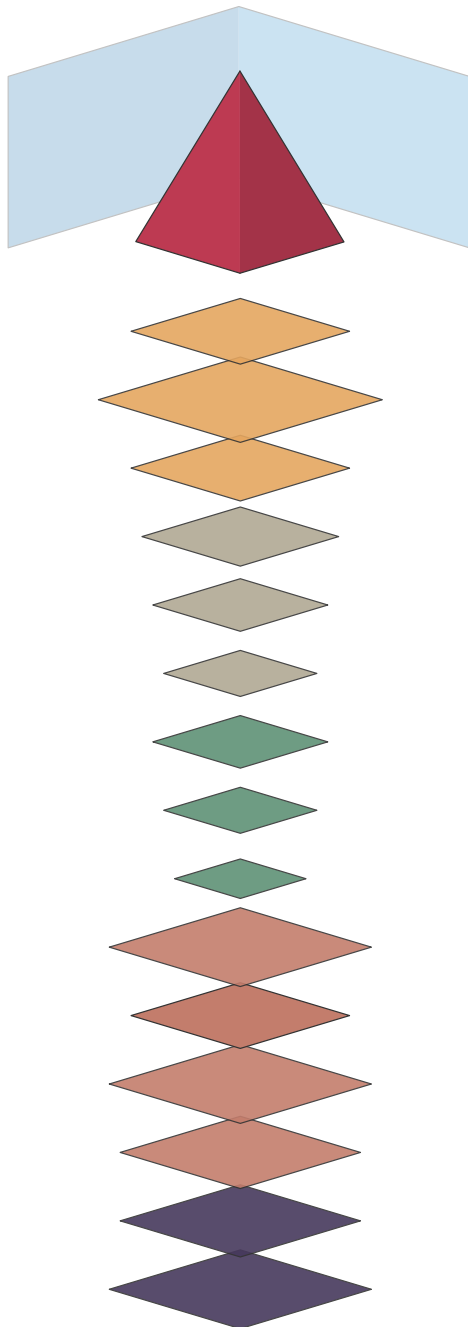




NORTH MACEDONIA



5.03

CRIMINALITY SCORE

93rd of 193 countries

18th of 44 European countries

11th of 17 Central & Eastern European countries



CRIMINAL MARKETS

4.87

HUMAN TRAFFICKING 5.00

HUMAN SMUGGLING 6.50

EXTORTION & PROTECTION RACKETEERING 5.00

ARMS TRAFFICKING 4.50

TRADE IN COUNTERFEIT GOODS 4.00

ILLICIT TRADE IN EXCISABLE GOODS 3.50

FLORA CRIMES 4.00

FAUNA CRIMES 3.50

NON-RENEWABLE RESOURCE CRIMES 3.00

HEROIN TRADE 6.00

COCAINE TRADE 5.00

CANNABIS TRADE 6.00

SYNTHETIC DRUG TRADE 5.50

CYBER-DEPENDENT CRIMES 5.50

FINANCIAL CRIMES 6.00



CRIMINAL ACTORS

5.20

MAFIA-STYLE GROUPS 3.00

CRIMINAL NETWORKS 6.00

STATE-EMBEDDED ACTORS 6.50

FOREIGN ACTORS 5.50

PRIVATE SECTOR ACTORS 5.00



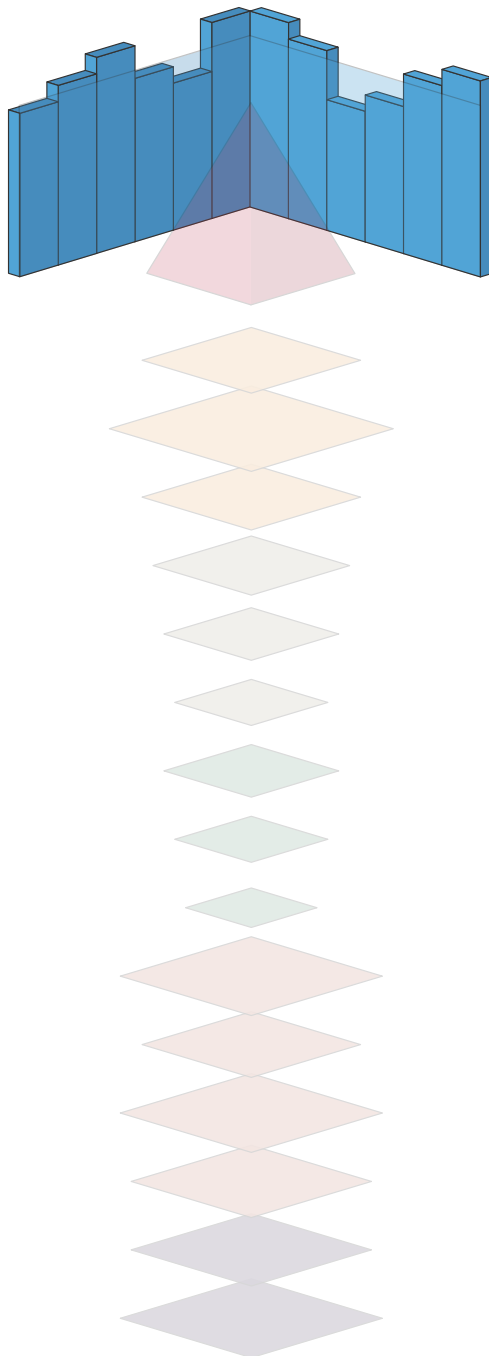
5.29

RESILIENCE SCORE





NORTH MACEDONIA



5.29

RESILIENCE SCORE

73rd of 193 countries

30th of 44 European countries

7th of 17 Central & Eastern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	5.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	5.50
INTERNATIONAL COOPERATION	6.00
NATIONAL POLICIES AND LAWS	5.00
JUDICIAL SYSTEM AND DETENTION	4.50
LAW ENFORCEMENT	6.00
TERRITORIAL INTEGRITY	6.00
ANTI-MONEY LAUNDERING	5.50
ECONOMIC REGULATORY CAPACITY	4.00
VICTIM AND WITNESS SUPPORT	4.50
PREVENTION	5.50
NON-STATE ACTORS	6.00



5.03

CRIMINALITY SCORE



CRIMINAL MARKETS 4.87



CRIMINAL ACTORS 5.20



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

North Macedonia is a source and transit country for women and children subjected to sex and labour trafficking. In addition, migrants and refugees travelling or smuggled through the country are particularly vulnerable to trafficking, especially women and unaccompanied minors. Organized crime groups are becoming increasingly sophisticated and law enforcement often accept bribes to facilitate the criminal market.

North Macedonia serves as a considerable route for human smuggling activities in the region. Most of the migrants smuggled into the country are reported to originate from Pakistan, Afghanistan, Syria, India and Bangladesh. Criminal groups involved in this market are reported to have links with corrupt officials and are engaged in assisting the migrants to pass illegally across borders and to shelter them in hotels or houses. To tackle this market, the government has strengthened security on the northern and southern borders. Instances of extortion are still prevalent but have decreased in North Macedonia in the past few years. There are reports indicating foreign-national criminal actors' involvement in such activities, targeting various diasporas living in the country.

TRADE

North Macedonia continues to be a transit and destination country in the region for arms trafficking, albeit on a small scale. Illegal arms are easily available in the country. Since the end of the armed conflict in the former Yugoslavia, the Western Balkans has been cited as a source of illicit small arms and lethal weapons for organized crime groups in other parts of Europe. However, there is not much evidence of this availability in North Macedonia.

The criminal market for counterfeit goods in North Macedonia is small. The country has improved its ability to fight imports of counterfeit goods, especially when it comes to goods imported from Turkey and China. Counterfeit pharmaceuticals, hazardous and counterfeit toys, as well as clothing and accessories from famous brands are also known to be available in this market.

There is an illicit market for the trade of cigarettes and other tobacco products in North Macedonia, albeit limited. The country's border crossings are an important point of transit in the illicit trade of tobacco products. Loosely organized criminal groups and legitimate businesses in North Macedonia are known to be active in this market.

ENVIRONMENT

Illegal logging primarily involves villagers seeking a source of income, who often bribe rangers to allow them to log more woods than allowed. However, larger-scale illegal logging is known to be conducted by wood thieves, often with the assistance of government officials. Political influence and bribes are often used to facilitate logging without proper permits or to gain access to forests. While the North Macedonian government controls the export of timber, corruption and enforcement issues combined with the poverty in the region contribute to illegal logging and licence abuse.

Even though fauna crime market is limited in North Macedonia, the country is affected by the illegal wildlife trade and poaching, especially the illegal hunting of the endangered Balkan lynx. People close to political elites are reported to take part in the illegal hunting of Balkan lynx with impunity. The illegal bird trade is also an issue in North Macedonia and across the Western Balkans. However, most fauna crimes involving bird hunting are due to tourists travelling to the region for illegal hunting. In addition, there are considerable concerns related to illegal, unreported and unregulated fishing and smuggling of glass eels.

Precious minerals such as gold, iron ore, silver, copper, manganese and lead are the most important natural resource found in North Macedonia. Non-metallic minerals are also present and there is a long history of mining in the Balkan region. Since there is a lack of control over the extraction process in the country, as well as high levels of corruption among government officials, there is notable potential for the illicit production of and trade in these non-renewable resources. When combined with the low penalties imposed on environmental crimes in North Macedonia, this market becomes attractive for crime groups trading in non-renewables.

DRUGS

North Macedonia continues to be a source and transit country for heroin, with increasing consumption levels. The country is one of the key entry points for heroin coming from Afghanistan and Turkey on the Balkan route through its eastern borders, primarily from the neighbouring country of Bulgaria. The drug is commonly distributed among students in secondary school to make them users and they then become dealers within the education system. Beside mafia groups, local police officers who offer protection to the dealers are also part of this illicit activity.

North Macedonia is a transit and to some extent a destination country for cocaine trafficking. Nonetheless, domestic consumption remains limited due to its high price. 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 Kosovar and Albanian criminal groups to transport cocaine to western markets. Political protection is also believed to help this illicit market run smoothly.

The cannabis trade in North Macedonia continues to be one of the largest illicit drug markets in the country. North Macedonia is a transit point for cannabis trafficking in southeast Europe. North Macedonia is also a destination country as demand for cannabis remains high in the country, due to its low price and easy access. The trade has been associated with some violence over the control of trafficking routes. Furthermore, criminal groups are known to be active in this market.

While most synthetic drugs are produced in Serbia, North Macedonia is known to have some synthetic drugs laboratories. Nevertheless, the North Macedonian local market for synthetic drug remains small, with low levels of demand. It is, however, used as a transit country. Criminal groups have many logistical centres there, from where the drug is transported to Albania or Kosovo. There are reports suggesting that law enforcement officers provide protection for the groups operating in this illicit trafficking.

CYBER-DEPENDENT CRIMES

Cybercrimes are prevalent in North Macedonia and are also on the rise. Various reports show that the country's public and private sectors have been targeted by cyber-dependent criminal activities, mainly carried out by organized criminal groups based outside North Macedonia. Cybercrime organizations from various sources have reportedly targeted the cyber infrastructure of North Macedonian public institutions over the past few years. Some of these groups originate from neighbouring countries with which North Macedonia has ongoing political disputes. Furthermore, certain entities are even linked to warring factions in Ukraine.

FINANCIAL CRIMES

Most of the financial crimes in North Macedonia are connected to political elite who participate in a wide range of financial crimes, such as financial and investment fraud, tax evasion, embezzlement and misuse of funds. Loosely organized criminal groups and high-level businesspeople are also known to be involved in transnational financial crimes in the country. Investment fraud remains one of the most common financial crimes used by criminal groups targeting individuals for monetary gain.

CRIMINAL ACTORS

Criminal networks play a prominent role in the North Macedonian criminal landscape and participate in many illicit markets, such as drug and arms trafficking and migrant smuggling. While some criminal networks operate on a transnational level, others only operate locally. Many networks are formed along ethnic lines and are predominantly hierarchically structured. Collusion with state-embedded actors ensures continuity for these criminal groups and their operations. This is indicative of persistent corruption across state structures. Furthermore, people involved in high-level white-collar crime, who were linked to government actors, are now believed to be cooperating with parties in power. There is a reasonably high level of foreign-national criminal actor collaboration in North Macedonian criminal markets, especially from bordering countries such as Serbia, Albania, Kosovo, Greece and Bulgaria, as well as Turkey.

North Macedonian businesspeople are involved with criminal actors in a variety of criminal markets. High levels of government corruption and blurred lines between the public authorities and private-sector entities have encouraged several business areas to become influenced by illegal money. For instance, private entities active in the construction sector are widely known to be involved in illegal activities, which include bribing state officials for documentation and permits and money laundering.

No active mafia-style organizations are observed in North Macedonia. However, small groups that could be characterized as mafia-style groups are concentrated in certain parts of the country and are highly active in drug trafficking and human smuggling. These small groups are known to cooperate well with their bigger international counterparts, like the Russian and the Italian mafias.

RESILIENCE

LEADERSHIP AND GOVERNANCE

North Macedonia's democratic governance has improved as it has taken steps to address state capture by gradually restoring proper checks and balances and increasing the transparency of its work. In addition, it has recently closed one of two priorities in its foreign policy agenda by becoming a NATO member. Progress has been achieved in reforms aimed at enhancing transparency in public activities and transactions. The government has enabled access to public information, although its implementation is not consistent across public institutions. Moreover, there has been significant improvement in corruption as the country has taken steps to prosecute high-level officials for the act. Furthermore, budget transparency under the new government also improved with the publication of budgetary data. Overall, the work of the government and Parliament is more transparent, with civil society involved in policy-making processes. However, nepotism, corruption and clientelism remain prevalent in the country, with serious corruption and procurement scandals continuing to emerge.

North Macedonia has ratified all relevant organized crime treaties in a timely manner, in addition to recently becoming a NATO member, which brought the country closer to its Western allies. The country is a member of various international and regional networks, including INTERPOL, the Prosecutors Network of the Western Balkan and the Police Cooperation Convention to effectively tackle increased criminal activities in the region. With close cooperation with NATO, North Macedonian authorities adopted the National Cyber Security Strategy to tackle cyber-related criminal activities, which pose a serious potential danger to the constitutional order and overall national security in the country. In terms of action against illicit trade and counterfeit goods, several projects have been conducted in cooperation with Europol and the World Customs Organisation to combat illicit trade in drugs, counterfeit goods, medicines, medical devices and protective equipment, weapons, explosives, dangerous waste, cultural goods and tobacco products. North Macedonia's legislative framework to combat organized crime is broadly in line with European standards, and further efforts to implement relevant strategies and policies continue. The criminal code covers most criminal activities, including human trafficking, online child pornography, computer crime and drugs trafficking. The government of North Macedonia made some amendments under the criminal code to combat fraud in relation to the financial interests of the EU, including customs fraud.

CRIMINAL JUSTICE AND SECURITY

North Macedonia has the lowest percentage of pre-trial detainees in the region, which suggests that the judiciary has considerable capacity to process criminal cases. The role of the public prosecutor has increased with new legislation pertaining to illegal wiretapping. There are several high-level corruption cases before the courts and the fact that the Special Prosecutor's Office is being allowed to pursue its role could be a turning point in the fight against high-level corruption under certain conditions. Having said that, prosecutors are unable to work in an effective manner due to high politicization and a lack of human resources and funding. Furthermore, corruption continues to be widespread in the judicial system and tough rulings when it comes to crimes such as drug trafficking are very rare, as there is a certain degree of impunity.

There is a permanent effort to strengthen national law enforcement by constantly reforming specialized departments within the Ministry of Internal Affairs established to combat specific types of crime. Corruption and the ineffectiveness of law enforcement continues to render the fight against organized crime insufficient. However, the new government is taking action to improve the situation and address structural and operational shortcomings in tackling both corruption and organized crime. Special investigative units have been established to carry out investigations into organized crime or into activities typically related to organized crime. The customs administration and financial police still have limited capacity to apply special investigative measures, significantly limiting the efficiency of the fight against organized crime. The North Macedonian police is well prepared and trained and collaborates with their counterparts from neighbouring and EU countries. However, police officers and customs administrative staff are reported to be involved in human smuggling, drug trafficking and the illicit sale of passports.

North Macedonia has relatively strong border control, as it is relatively easy to control its landlocked borders. As an important part of the Balkan route, North Macedonia continues to manage the effects of the migration and refugee crisis. In addition, criminal networks still pose a threat to its territorial integrity. The country is in the process of negotiating with the EU on the status agreement on actions to be conducted by the European Border and Coast Guard Agency in the country. Securing the border with Albania is more of a challenge for North Macedonia due to the mountainous terrain, and customs and border police are still vulnerable to corruption and organized crime. Furthermore, several cyber-attacks against public institutions in North Macedonia, including the attack on the National Election Committee's website on election day

have shown the vulnerabilities of the country's cyberspace and integrity to outside attacks.

ECONOMIC AND FINANCIAL ENVIRONMENT

North Macedonia has made progress on its anti-money laundering policies. The existing legislation regarding anti-money laundering and terrorism financing was updated through a new regulation that aims to comply with the relevant EU regulations. Nonetheless, the system to combat money laundering remains weak and without capacity to fulfil its duties. Furthermore, most legal entities in the country fail to submit data and information, something that is believed to be associated with tax evasion. The implementation of these laws is ineffective due to a lack of necessary resources and training. While most financial transactions are done through the regulated banking system, cash transactions involving considerable amounts occasionally take place outside the banking system. Money laundering in North Macedonia is often linked to financial crimes such as tax evasion and a small portion of money laundering activity is connected to narcotics trafficking.

North Macedonia has improved administrative matters and bureaucratic procedures that have enabled companies to conduct their daily activities in a more effective and timely manner. It also offers low taxes and low prices for land for foreign national investors. However, the informal economy is a serious problem for the country. The informal share of the economy remains large, impacting on the competitiveness of the formal private sector, although it is declining in terms of gross value added and employment. Furthermore, key economic weaknesses include shortcomings in the business environment, such as weak contract enforcement and costly and time-consuming commercial dispute resolution.

CIVIL SOCIETY AND SOCIAL PROTECTION

The institutional support for victims and witnesses in North Macedonia is low; however, the government has made moderate attempts to support drug users. Efforts have also been made to increase the identification of trafficking victims through the establishment of an operational team

within the Ministry of Internal Affairs and the victim identification training for first responders, including police officers, labour inspectors, immigration officials, teachers and social workers. However, experts reported most government agencies do not undertake proactive identification efforts. Moreover, support for victims is still mainly provided by NGOs dependent on donor support from foreign entities – a strategy that is not sustainable in the long run.

North Macedonia has improved its system of checks and balances, as well as the competencies of crime prevention institutions. The state commission for the prevention of corruption has made notable progress, consolidating its track record on investigation and opening several cases of corruption, including some against high-level government representatives. The government of North Macedonia has developed a national strategy to combat human trafficking and illegal migration. There is limited evidence that the state is doing enough to work with the community to help prevent criminal activities or establish preventive mechanisms.

Civil society has taken a proactive role in recent years, and the council for cooperation between the government of North Macedonia and civil society contributed to increasing transparency and objectivity in the allocation of funds provided in the budget. However, there has been a decrease in the financial resources provided to civil society organizations in recent years. As for the media landscape, North Macedonia has improved its press freedom and related policies, a move that can be linked to less hostile environment encountered by journalists in the country. However, the overall public trust in media outlets continued to decrease. Widespread (online) misinformation, lack of professionalism and slow government policies to protect independent outlets exposed some journalists to pervasive threats and attacks, especially on social media.

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