

Promoting Resilient Economies in the Western Balkans

Key Conclusions from the Piloted MACPI Methodology

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Monitoring Anti-Corruption Policy Implementation (MACPI)

- First version developed in 2014-2015 - EC called it “**excellent tool**”
- **Adapted** for the purposes of making public organizations in the Western Balkans more resilient to corruption and corrosive capital
- Provides a **management instrument** which could be used for enhancing the capacity and internal control functions over the inflow of foreign capital and national budget distribution to foreign companies.
- **Piloted** in 5 public organizations in Montenegro, Bosnia and Herzegovina, North Macedonia and Serbia

MACPI Pilot Implementation

- Public Procurement Agency of Bosna and Herzegovina
- Directorate for Technological and Industrial Development Zones of North Macedonia
- Tax Administration in Montenegro
- State Council for the Economic Development and the Regional Development Agency in Serbia

MACPI indicators and methods

Indicators / Methods	MACPI In-depth interview	MACPI officials	MACPI experts	MACPI Clients
Corruption interest	X			
Actual Corruption pressure		X		X
Estimated Corruption pressure per activity		X	X	
Corruption attitudes				X
Implementability of AC policies		X	X	
Implementation of AC policies		X	X	
Coverage of AC policies		X	X	
Estimated effectiveness of AC policies		X	X	

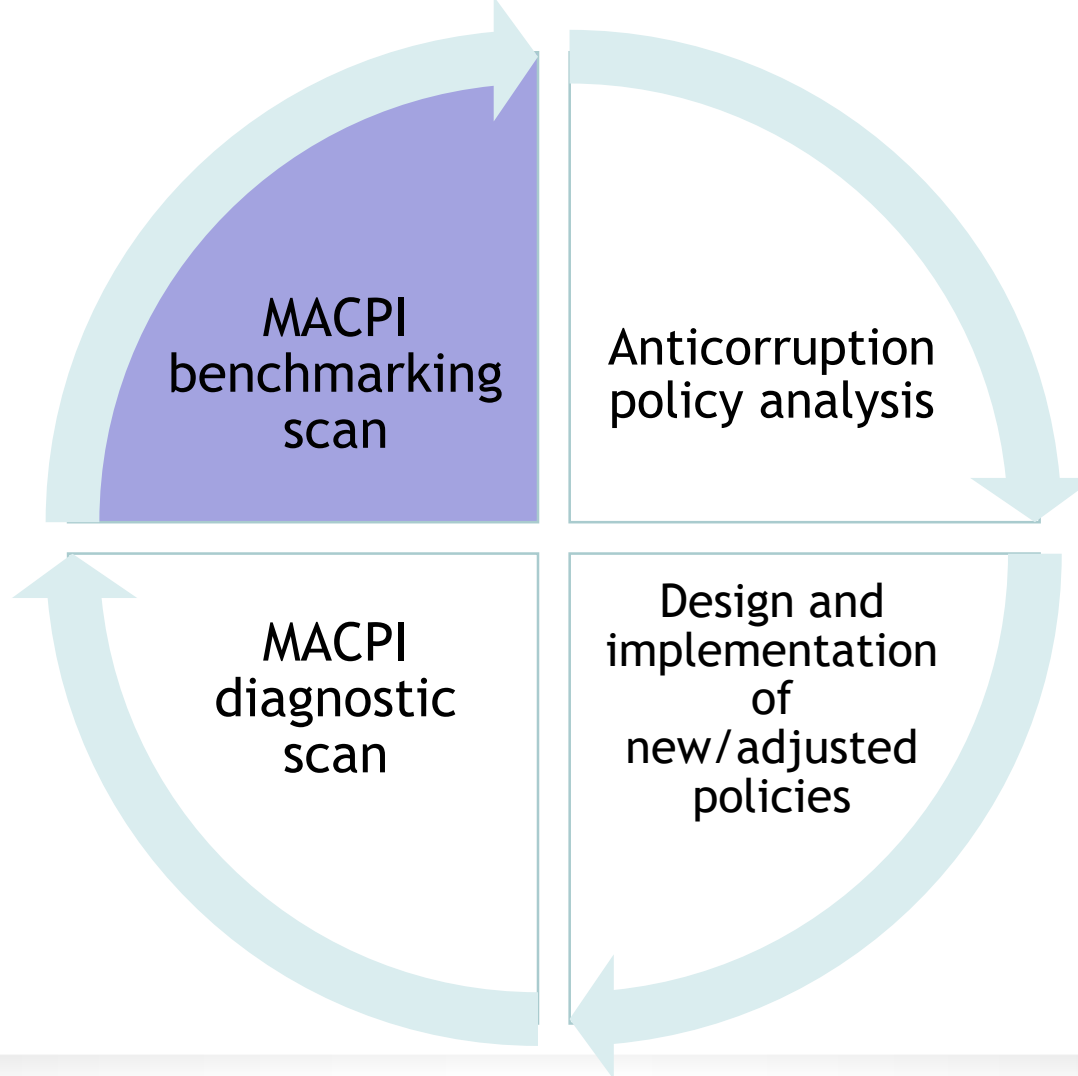
Key findings

- **Unsatisfactory level of implementation of the existing national-level policies and laws at the level of public organizations.** The main vulnerability stems from lack of control and sanctions for non-compliance with the internal procedures
- Organizations in the region operate in a generally weak governance environment which has resulted in **high corruption pressure levels.** This shows potential corruption-related trajectories for the entry of **corrosive capital**
- **Strong political will for improvement** - all organizations except the Serbian cooperated with MACPI audit and provided **honest assessments of activities exposed to potential corruption interest**

Common vulnerabilities and gaps

- The internal procedures which are supposed to prevent the recognized risks from happening, however, **lack systemically control and sanctions for non-compliance with the procedures.**
- Several **important vulnerabilities and gaps** in the internal procedures of the organizations were not fully recognized by the management and were identified as such by MACPI
- Both the State Council for the Economic Development and the Regional Development Agency in Serbia **refused to participate** in the MACPI. MACPI Experts revealed **high potential corrosive capital pressure** for all the activities in both organizations.

MACPI diagnostics cycle



Recommendations

- The **state aid, investment, public procurement, and tax control** activities need to be complemented by strong internal policies - revised in a way to effectively stop any potential conflicts of interest, external corruption pressure, or political pressure
- The management of the public authorities should pay special attention to any activities related to the direct contact of public employees with **clients** (potential investors, bidders or taxpayers)
- High level of caution should be applied in the process of decision making on **granting investment incentives or procurement contracts** - activities ranked high in terms of corruption pressure by the MACPI tool while at the same time they are not always recognized by the management of public organization as potential vulnerability areas

Thank you!

