



**Local accountability,
transparency and
responsibility study
- LOTOS2014**



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The study reflects upon the Croatian experience transferred through the International methodology expert Nives Miosic Lisjak, Senior Analyst at GONG. The study analyses the results of the LOTOS 2014 research, a first systematic review of the application of good governance principles on local level. The LOTOS 2014 research has been implemented by CRPM partners:

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CHAPTER ONE

- Introduction

Republic of Macedonia is considered to have most advanced anticorruption legal and institutional framework from all Western Balkan states. This is pertinent to the publicly expressed political will and commitment to fight corruption. The country's Strategy against corruption has been developed on the basis and experiences of Romania's struggle to bring corruption to a halt and facilitated through its champion for fight against corruption, the current MEP Monica Macovei that acted as advisor to the Prime minister on this matter. In 2011, the country's anticorruption approach has been upgraded with the adoption of the new State Program for Prevention and Repression of Corruption and Prevention of Conflict of Interests (2011-2015), which followed the amendment to the Law on conflict of interest (in 2009). E-government is promoted as a tool to increase transparency and prevent petty corruption. The culture for zero tolerance to corruption is lately strengthened through imposition of stricter sentences for corruption-related offences, but also activities of various watch-dog organizations and public awareness rising.

In the country a total of 102 institutions and organizations have been given opportunity to implement, monitor and report on anti-corruption policy (SEELDI, 2014). However, the State commission for prevention of corruption (hereinafter SCPC) remains to be the main implementation body. Since 2009, the SCPC powers were strengthened with the amendment of the Law on conflict of interests by introducing the obligation of the officials to submit a conflict of interest declaration to SCPC and provision for the SCPC to enforce misdemeanor sanctions for non-observance of the law. As a result in 2014 the State Commission for the Prevention of Corruption initiated misdemeanor proceedings against 32 judges for failure to submit legally-required statements of interest.

Important competences in the prevention and sentencing corruption have the State Audit office, the financial police, the Public Revenue Office and the courts. However the lack of IT interconnectivity between the courts and the prosecution service and the absence of a central register of public officials, is considered to hamper the supervisory work of the State Commission for the Prevention of Corruption¹.

The efforts to fight corruption translate in better ranking of the country on the Corruption perception index. In the last ten years the country moved from 103rd place on the CPI in 2005 when it acquired an EU candidate country status, to 64th place on the CPI in 2015. Also the Corruption measurement system captures progress in Macedonia as the country rises to second rank in the Western Balkan region (including Turkey) in terms of respondents who yield to pressure situation to bribe administrative officials. This shows that there are “prevailing social attitudes to integrity”².

Research questions

Citizens do not have tradition to monitor and hold government accountable, although in the past year civil society organizations increased their watchdog activities especially on local level. In 2014 there has been an initiative from civil society organizations for monitoring of budget transparency on local level. In this respect the LOTOS study on transparency, accountability,

¹ EC Progress report 2014

² SEELDI (2014), Anti-corruption reloaded: An assessment from South-East Europe

responsiveness on local level is the first systematic review of how the good governance principles prescribed by law are put in practice by Macedonian municipalities produced by citizens through their intermediaries – CSOs.

The main research question of the LOTOS 2014 is: **to what extent good governance principles, particularly those of transparency, responsiveness openness, participation, accountability and effectiveness, are being implemented at local level in Macedonia.**

In addition to this, the analytical team of CRPM set out the following tasks with this research:

- To identify the main challenges in implementing good governance principles
- To identify the best practices in implementing good governance principles at local level
- To stimulate exchange of the best practices among the municipalities for improving the quality of good governance in Macedonia
- To provide comparable quantitative results in the field of good governance at local level, so that can be used for comparison between the municipalities.

The methodology is based on the Croatian experience, adapted to Macedonian context and enhanced to cover more dimensions than those used in Croatia.

Conceptual framework

The research is grounded in the concept of good governance which in its administrative sense denotes an “efficient, independent, accountable and open public service, free from corruption and dedicated to the public good” (Leftwich, 2000: 121). Such governance ensures stability and predictability of procedures, as well as a functioning system of checks and balances, thus ensuring the trust of citizens and businesses in the overall system of governance.

The principles of good governance as they have been defined by the EU White Paper on Governance (2001) include openness, participation, accountability, effectiveness and coherence. By adding transparency and responsiveness as additional principles, they actually summate to the realisation of democracy in practice (Miošić-Lisjak, 2005: 19-20).

Assessments of the quality of democracy increasingly rely on qualitative judgements, and as such are susceptible to contextual factors (culture, experience, expectations of citizens, etc.), which is why the construction of indices and the interpretation of results is best left to people living and working in the country (Beetham, 1994: 41). In that sense, such indices are by no means „objective“ in the positivist sense, yet it is actually their „subjectivity“ that enables the researchers to set the appropriate criteria against which to judge their own political systems (ibid.).

In the case of Macedonia, the research team decided that the following principles were most relevant for assessing the functioning of democracy at the local level in Macedonia: openness and transparency, citizen participation, responsiveness, effectiveness, efficiency and accountability of local governments. The research was designed in the scope of the anticorruption grant scheme implemented in Macedonia, with the underlying presumption that a truly democratic society is one that is free of corruption and that the principles chosen act as a deterrent for corrupt practices on part of officials.

These principles were then operationalized through a set of indicators which the research team found to be relevant for Macedonia at the current level of its democratic development. The indicators themselves are a combination of legally proscribed practices and those that are „above and beyond“ the minimal legal requirements, with the latter acting as a motivation mechanism for

those that do not yet implement them and as a rewarding mechanism for those who are already promoting best practices in good governance on local level.

The analytical team of CRPM used pondering in order to provide different weight to the results in each of the four dimensions. As the LOTOS research showed most of the legally binding good governance principles are related to the first dimension – transparency - that the team decided to weight with 15%, as opposed to the dimension 2 and 3 (participation and responsiveness respectfully) which was decided to weigh 25% in the total scores for the LOTOS study. In this way we wanted to strengthen the competitiveness between the local self-governments on issues such as participation of citizens in local policy making and establishment and putting in practice mechanisms to respond to the needs of the citizens on local level. Finally the indicators for effectiveness, efficiency and accountability are not many in number (i.e. 6 indicators of 74 in total), but are weighted the most in the LOTOS study – they account 35% of the final score for each municipality as these indicators reveal the municipal efforts to provide more services with less money and account their performance before the citizens. The approach also tries to balance between the indicators that strengthen the input and those that focus more on the output legitimacy of local government governance. The input perspective focuses on whether the citizen's interest is taken into consideration when decisions are made, whereas the output perspective focuses on whether the decisions that are enforced and services that are delivered are perceived to be in the interest of citizens (Risteska, 2013).

Quantification of indicators

As it can be seen from the indicators list³, indicators are grouped into 4 dimensions of good governance, and each of the indicators is assigned with certain score. Unfulfilled indicators are assigned with 0 points, whilst fulfilled indicators are assigned with 1 point, or in some cases 2 points. Whether the indicator is assigned with 1 or 2 points depends on whether its fulfilment is prescribed by a law (1 point) or it is a good practice in this area (2 point). By this system of scoring, the analytical team wanted to recognize the efforts of the municipalities that go step forward implementing good governance principles, as opposite to mere implementation of legal requirements.

According to the assigned score of the indicators, each dimension has maximum points that a municipality can achieve in that dimension. Thus, in dimension 1 municipalities can achieve maximum 44 points, in dimension 2 – 22, in dimension 3 – 14 and in dimension 4 – 8 points or 88 points in total for four dimension. Based on the score in each dimension the analytical team calculated the percentage of success i.e. the result achieved by a municipality in certain dimension divided by the maximum points in that dimension.

Additionally, the analytical team of CRPM used pondering in order to provide different weight to the results in each of the four dimensions. As the LOTOS research showed most of the legally binding good governance principles are related to the first dimension – transparency. Thus, the team decided to assign 15% weighing value of dimension one, as opposed to the dimension 2 and 3 (participation and responsiveness respectfully) which was decided to be assigned with 25% weighing value, respectively, in the total scores for the LOTOS. In this way we wanted to strengthen the competitiveness between the local self-governments on issues such as

³ Available at <http://lotos.crpm.org.mk/>

participation of citizens in local policy making and establishment and putting in practice mechanisms to respond to the needs of the citizens on local level. Finally the indicators for effectiveness, efficiency and accountability are not many in number (i.e. 6 indicators of 74 in total), but are weighted the most in the LOTOS study – they account 35% of the final score for each municipality as these indicators reveal the municipal efforts to provide more services with less money and account their performance before the citizens.

Final results for the municipalities in each dimension are then calculated by multiplying the percentage of success (expressed in decimal number) with the weight of the dimension (again expressed in number). Total score is obtained by adding results by dimension.

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Research Methods

During the research for the production of the LOTOS study both primary and secondary data was collected. The secondary data was collected through desk research. The researchers relied on archival data, administrative data, narrative reports, laws, bylaws, statutes, book of rules, official statistics, strategies, local programs, and Action Plans available on the municipal web pages, in the official gazette of the municipality and / or acquired from municipality through request for free access to public information.

The primary data was gathered using multiple methods: (i) face-to-face interviews with civil servants working in the local self-governments that are subject to the pilot research; (ii) survey for gathering quantitative data from the local self-governments using a survey questionnaire; (iii) mystery shopping to measure quality of service, or compliance with regulation, or to gather specific information about services and information that the municipality is supposed to offer; and (iv) field research that allows for on the spot check of the availability of services, information and relevant municipal documents.

The research has been conducted by eight researchers, each of them located in one of the eight administrative regions of Macedonia: East, North West, Pelagonija, Polog, Skopje, South East, South West, and Vardar. Having in mind the nature and context of the research, local researchers were proficient in the local languages in order to utilize these methods comprehensively.

The research was conducted in the period May –October 2014. The year of study was 2014, except for documents related to accountability, i.e. annual reports, annual accounts for which the reference year was 2013. The gathered data in the period November – December 2014 was entered in the LOTOS data base and was subject to peer review in the course of January-February 2015. The peer review was conducted by four peer reviewers, each of them looking at results in two of the regions. The researchers responded to the comments of the peer reviewers in March 2015 when the pre-final results were sent to municipalities for endorsement. One third of municipalities had comments to the pre-final results and provided additional data and poofs that were entered in the LOTOS data base and reflected in the final scores of municipal good governance.

Research method limitations

A research of this kind inevitably faces a number of limitations that need to be taken into consideration when drawing relevant conclusions and drafting recommendations. There are issues that arise from the methodological choices applied to the research. The first limitation is related to the data collection in the research which serves to measure the completion of the indicators. Given that data collection is to large extent dependent upon the amenability of the municipalities it the research, it could happen that some municipalities meet certain indicators but since they have not provided evidence, they are given 0 points for that particular indicator. However, since providing evidences is directly related with the municipalities' responsiveness and transparency we consider that this is appropriate way for noting such unresponsiveness.

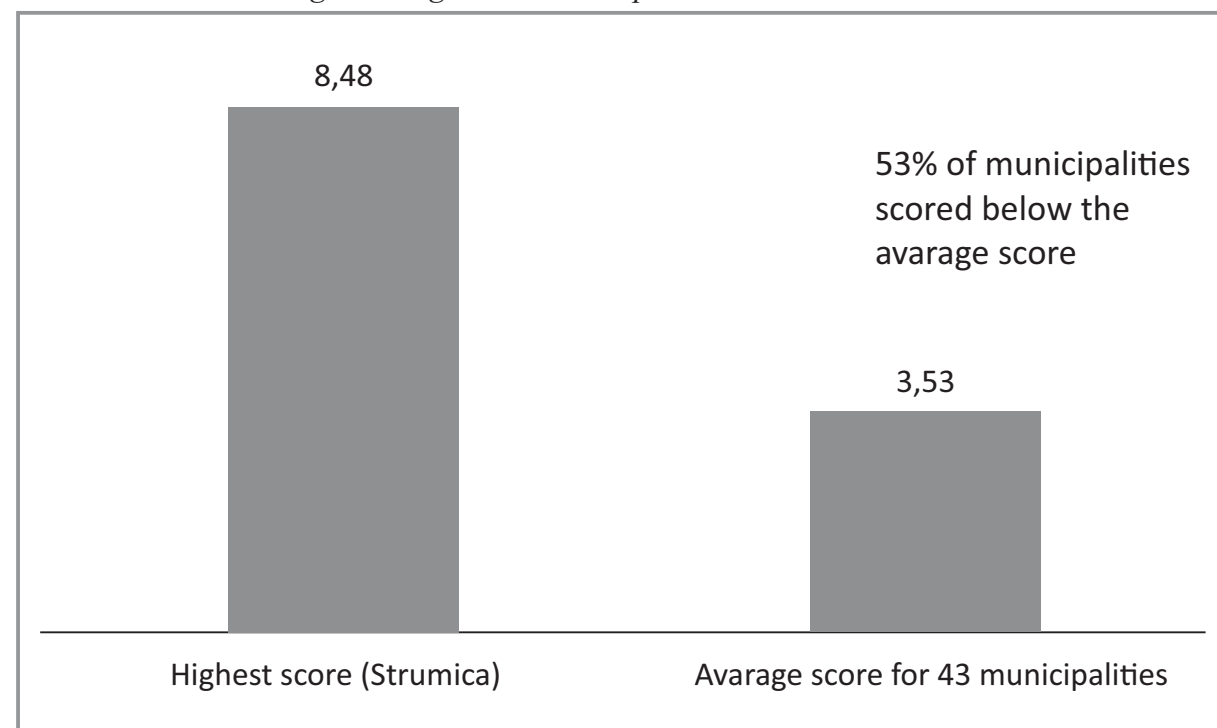
Furthermore, the use of face-to-face interviews, for example, poses a number of problems: reliability of information, factual knowledge of the participants as well as their individual subjective views on certain issues and relationships might also be a risk for the quality of the outputs. Therefore to decrease the limitations of this research method the researchers aimed at interviewing the public relations person of the municipality that in almost all cases allowed generation of all needed information from the various departments of the municipalities that are subject to the LOTOS research.

CHAPTER TWO

– Summary of LOTOS results

The LOTOS index of good governance on local level is measuring governance on a scale from 0 to 10. The average score of the studied municipalities in the first round of LOTOS research is 3.53. **The findings of the pilot research show that most of the pilot municipalities (53 % of 43 municipalities) have scored below the average 3.53.** What is more the average score is way smaller than the score of the highest performing municipality (3.53 as compared to the 8.48 points awarded to Strumica in the LOTOS index). This suggests that: (i) there is room for improved governance in order to increase the average score of municipalities; but also (ii) there is a need to increase governance to decrease the difference between the highest performing municipality and the average score of municipalities.

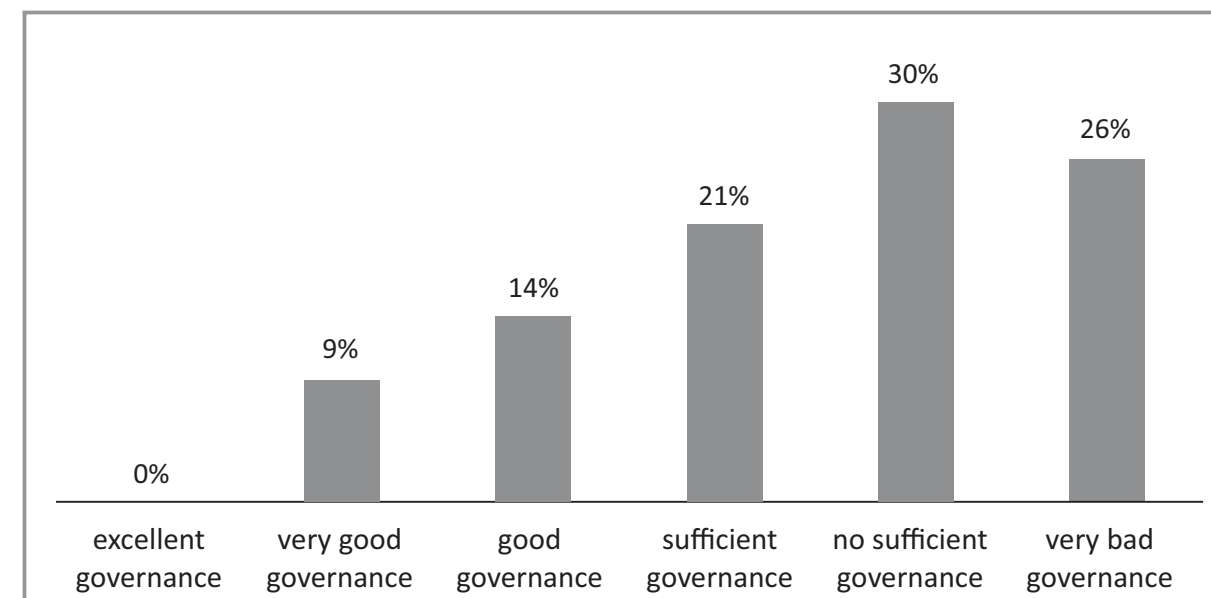
Chart 1: LOTOS average and highest score comparison



Source: CRPM, LOTOS 2014

The LOTOS study divides the studied municipalities in six categories of good governance: (i) excellent governance – scores from 9.51 to 10; (ii) very good governance – scores from 7.51 to 9.50; (iii) good governance – scores from 5.51 to 7.50; (iv) sufficient governance – scores from 3.51 to 5.50; (v) no sufficient governance – scores from 1.51 to 3.50 and (vi) very bad governance – scores from 0 to 1.50. The LOTOS 2014 exercise did not award any municipality in the category of excellent governance. However, the LOTOS 2014 identifies a group of four municipalities: Strumica, Grad Skopje, Veles and Ilinden that have very good governance. We consider that these municipalities have the best practices in the sample studied and should serve as an example to the rest.

Chart 2: Categories of governance



Source: CRPM, LOTOS 2014

From a sample of 43 municipalities none is operating in a manner to be qualified as excellent governed; 9% of municipalities are very good governed; 14% are good governed; 21% are sufficiently governed and 30% are not sufficiently governed and there is a group of 11 municipalities that are labelled as very bad governed municipalities. These do not even fulfill the requirements prescribed in law as compulsory.

Interestingly the LOTOS 2014 shows that **the level of governance is not pertinent to the size of the municipality or the level of its development.** Namely, in the top 4 municipalities that are very good governed is the municipality of Ilinden that has three times less inhabitants than the first and third in the LOTOS 2014 list, and 20 times less than City of Skopje. The municipality of Ilinden together with the municipality of Radovish and Bogdanci in the top ten municipalities (see table below) are categorized as rural⁴ municipalities and with their performance in the LOTOS 2014 index of good governance break the stereotype that good governance is characteristic of well-developed and urban municipalities.

⁴ According to the Ordinance of the Republic of Macedonia Government available here: http://www.mzsv.gov.mk/files/Spisok_na_ruralni_sredini_i_ruralni_zaednici_vo_Republika_Makedonija.pdf (last visited 30/03/2015)

Table 1: Ten best performing municipalities

Municipality	LOTOS 2014 Score	Number of inhabitants ⁵	Urban/Rural	Budget ⁶ in MKD
Strumica	8.48	56615	Urban	821.191.745
City of Skopje	8.09	320150	Urban	3.677.941.296
Veles	7.95	54878	Urban	614.887.671
Ilinden	7.88	16736	Rural	234.211.008
Ohrid	7.22	52734	Urban	371.374.384
Bitola	7.22	92777	Urban	564.365.828
Karposh	6.46	60550	Urban	542.219.619
Bogdanci	6.31	8329	Rural	35.279.469
Radovish	6.01	28915	Rural	357.730.396
Shtip	5.99	48590	Urban	638.339.001

Source: CRPM, LOTOS 2014

Finally, the LOTOS 2014 results are showing **that the wealth of the municipality does not determine its level of governance**. The municipality of Bogdanci is in the top ten municipalities with good governance although, as the table below presents, is the smallest municipality population wise and has a very modest budget that is 10 times smaller than the budget of another rural municipality, i.e. Radovish, and hundred times smaller than the capital city of Skopje. However one might notice that only one of the top ten performing municipalities has its centre in a village – municipality of Ilinden.

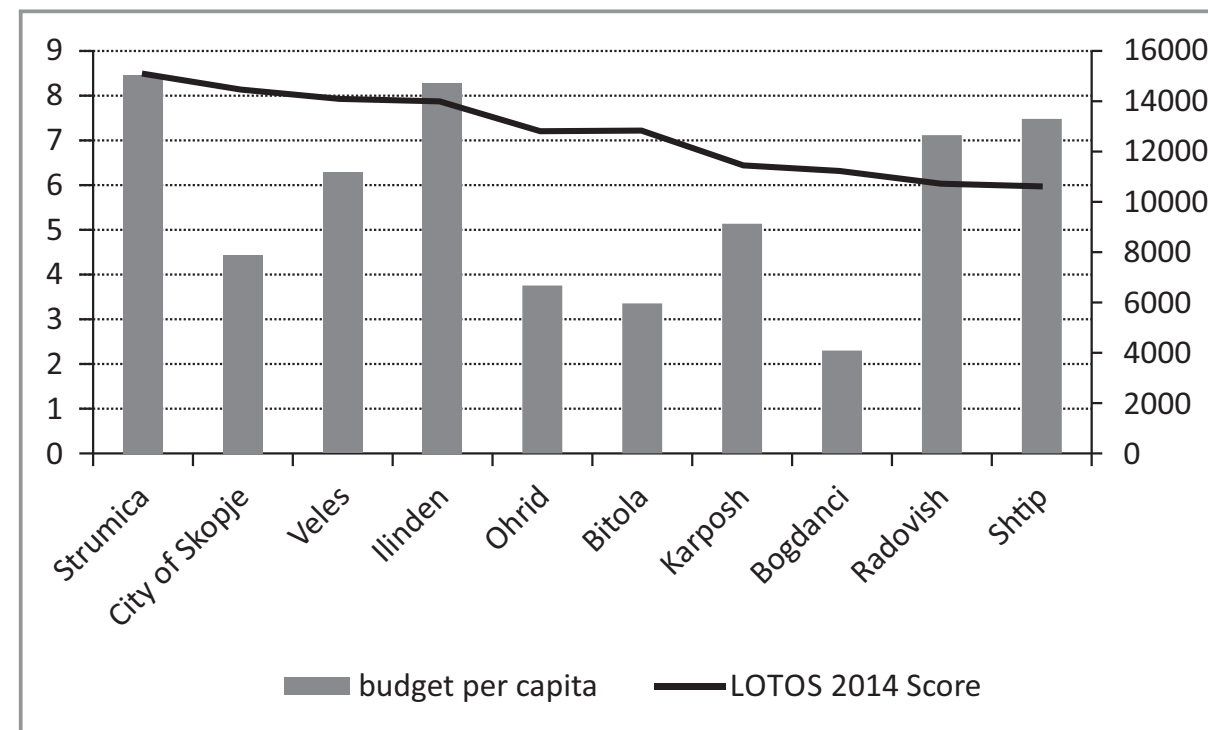
However, by combining the data on budget and population we might depict how efficiently the municipalities use their budget in implementing good governance practices on local level. The chart below combines the LOTOS data with the budget per capita in order to determine the interlinkages between the good governance and the “wealth” of the municipality.

The red bars presents the municipal budgets per capita, their values are shown on the left X axis. Whereas the blue line is presenting the municipal scores in the LOTOS 2014 research, their values are shown on the right X axis. The top ten municipalities are shown on the Y axis, starting with Strumica on the left that has the best score on the LOTOS 2014, moving to the right to municipalities with smaller scores.

The points of intersection between the red and the blue bars show optimum usage of the budget resources in implementation of good governance practices. If the municipality budget point is higher than its LOTOS 2014 score than the municipality is not using fully the budget resources for good governance. And vice versa, if the budget per capita point of the municipality is lower

than then the LOTOS 2014 score that means that municipality uses optimally the budget resources for implementation of the good governance practices on local level.

Chart 3: LOTOS score and the municipal budget comparison



Source: CRPM, LOTOS 2014

If we compare the results of the municipality of Bitola and Shtip in example we will see that Bitola has performed better than Shtip, although the budget per capita Bitola has is smaller than the one Shtip has. Shtip, Radovish, ilinden and Strumica are the municipalities that do not use optimally their budget resources to implement good governance practices. The municipality of Bogdanci is the absolute champion on this issue, followed by Bitola, Karposh, Veles and the City of Skopje.

Following the adoption of the Strategy for regional development in 2009 by the Parliament, country was divided into 8 statistical regions in accordance with the EU's Nomenclature of Territorial Units for Statistics (NUTS-3 level). The division at this level is done for statistical purposes, while the primary administrative division is at Local Administrative Units (LAU-1) level, which counts 80 in total⁷. The regions include: Skopje, Polog, Pelagonia, Vardar, East, North-east, South-east and South-west region. The LOTOS study takes the regional approach in analyzing good governance data gathered though the research. The chart below shows that the best performing region is the South east region, followed by the Pelagonija, South west region, Vardar, East, Skopje, North west and the Polog region.

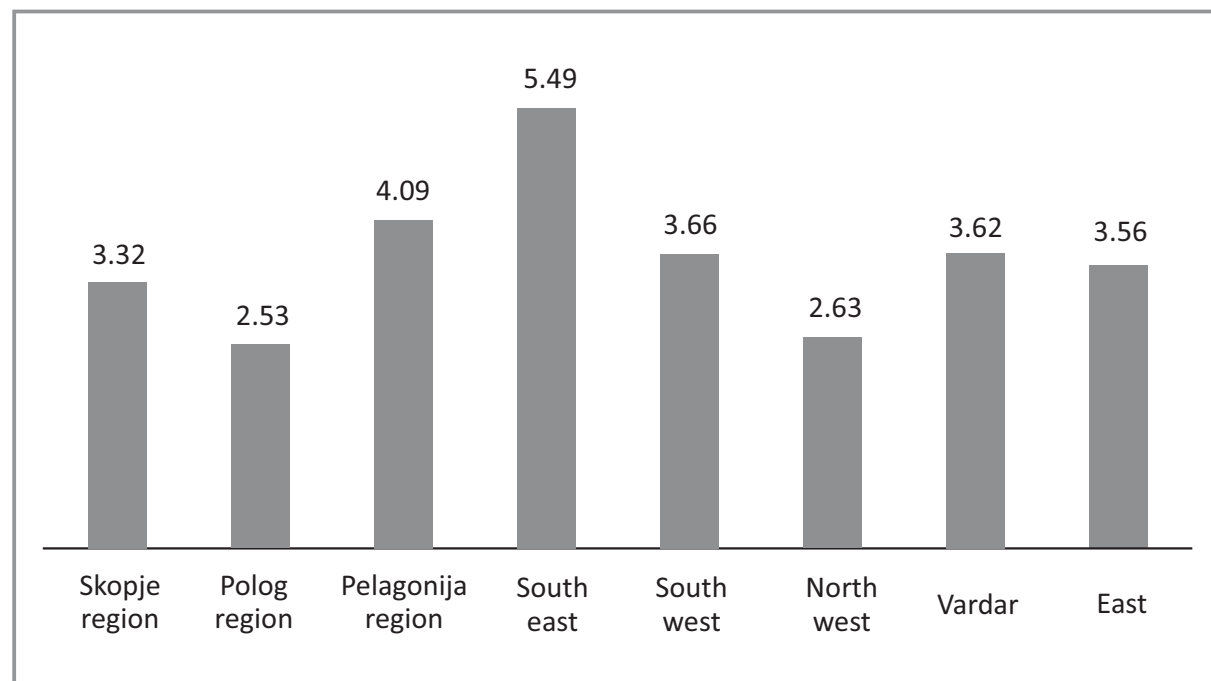
If we analyze the findings of LOTOS from regional perspective one can conclude that while the success of the South west region is in the fact that three of the four municipalities studied in this region are in the top ten performing; the failure of the Polog region is in the fact that four of five studied municipalities score below the average.

⁵ According to the estimates of the State statistical office available on MAKstat data base
http://makstat.stat.gov.mk/pxweb2007bazi/Dialog/varval.asp?ma=Popis_Ops_NasPolStar_eng&ti=Population
 (last visited 30/03/2015)

⁶ We here use the 2013 executed budget as reference available in the final accounts of each of the municipalities

⁷ Strategy for regional development of the Republic of Macedonia 2009-2019, Ministry of Local Self Government

Chart 3: LOTOS 2014 results per region



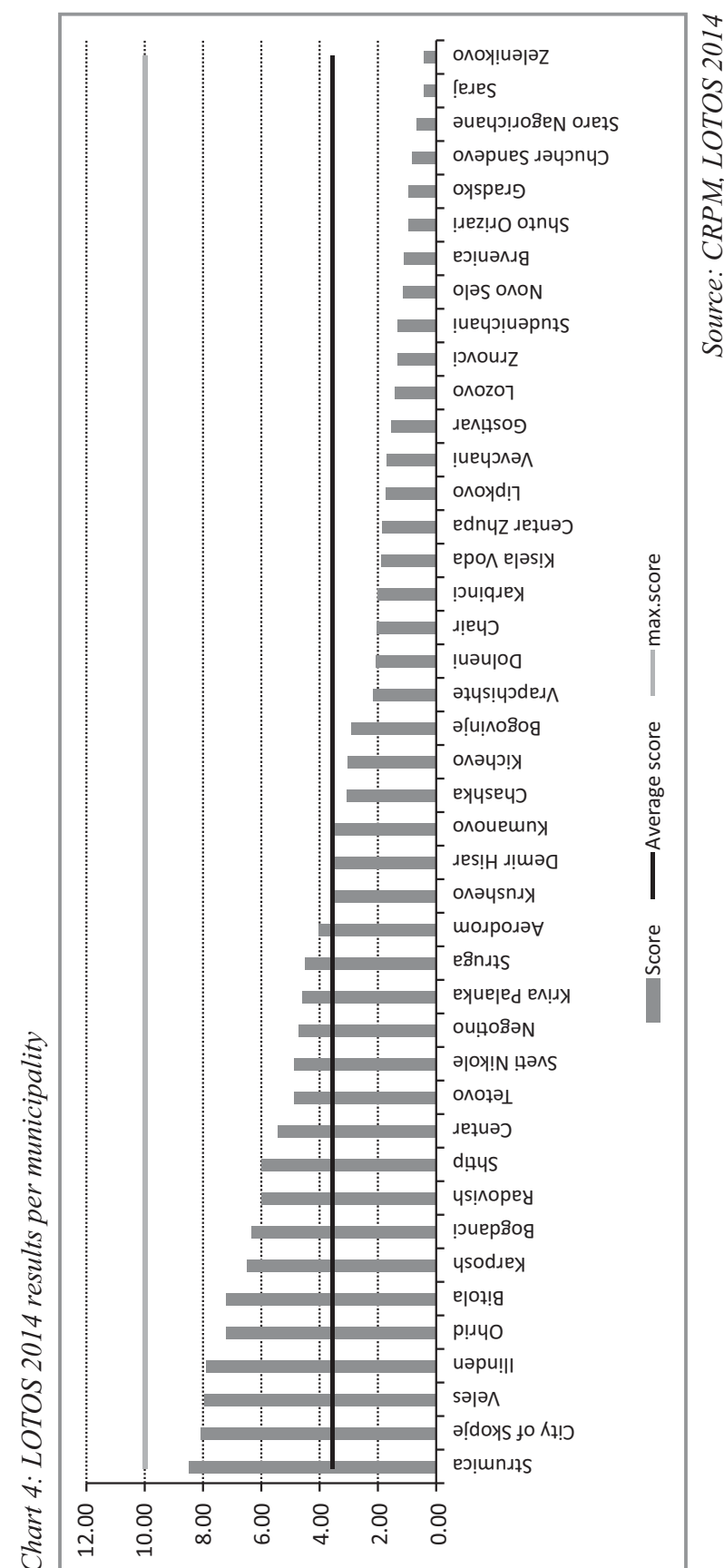
Source: CRPM, LOTOS 2014

Another conclusion we can draw is that in three of the five municipalities in the Polog region the municipality center is in a village, a factor pertinent to the level of good governance, as the LOTOS 2014 shows all the municipalities in the category of very bad governance have their center in a village. The results of Pelagonija region on the other hand allow for us to deduce that when two of the four studied municipalities have average good governance performance than the region trends well. The findings from the Skopje region however show that it is not enough to have two of the municipalities ranked as very well governed, i.e City of Skopje and Ilinden, when seven of the ten studied municipalities have very bad governance.

Table 2: Municipalities per category of governance

Very good governance	Good governance	Sufficient governance	Non-sufficient governance	Bad governance
Strumica	Ohrid	Centar	Kumanovo	Zrnovci
City of Skopje	Bitola	Tetovo	Chashka	Studenichani
Veles	Karposh	Sveti Nikole	Kichevo	Novo Selo
Ilinden	Bogdanci	Negotino	Bogovinje	Brvenica
	Radovich	Kriva Palanka	Vrapchishte	Shuto Orizari
	Shtip	Struga	Dolneni	Gradsko
		Aerodrom	Chair	Chucher Sandevo
		Krushevo	Karbinci	Staro Nagorichane
		Demir Hisar	Kisela Voda	Saraj
			Centar Zhupa	Zelenikovo
			Lipkovo	
			Vevchani	
			Gostivar	
			Lozovo	

Source: CRPM, LOTOS 2014



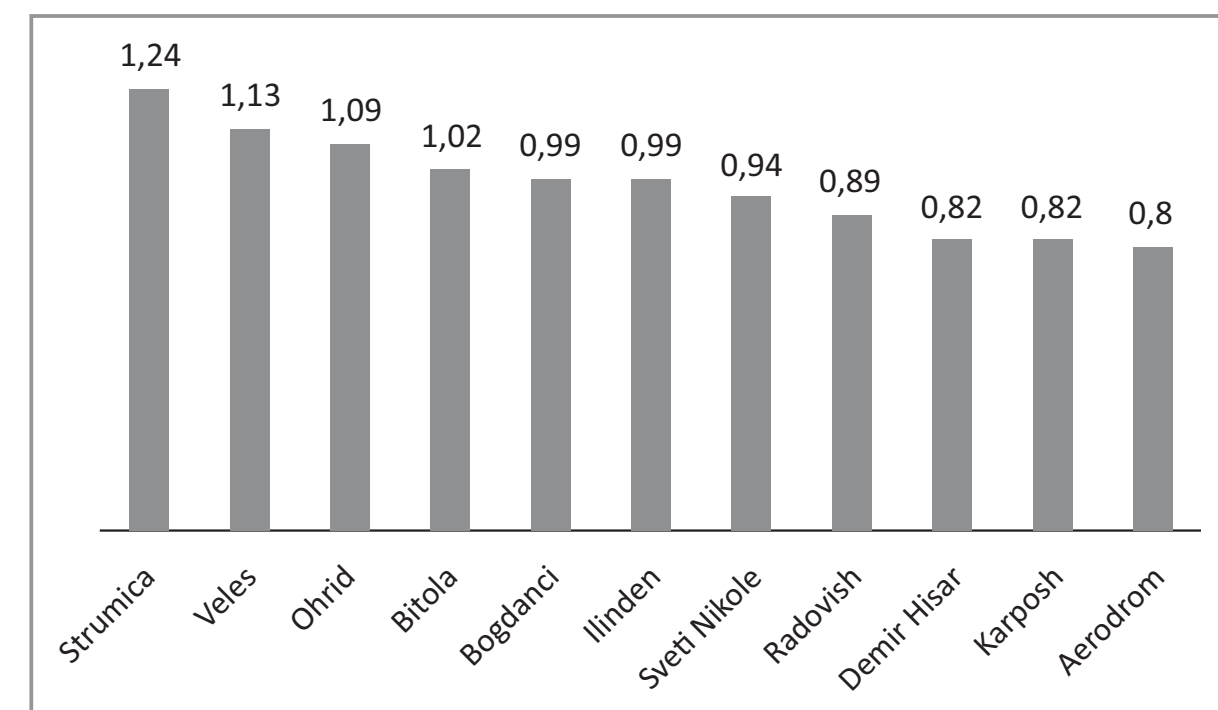
CHAPTER THREE

- Summary of results per dimension 1 - local transparency

The average score of the studied municipalities in the first dimension – transparency in the work of the local self-government is 0.36 or 36%. **The findings of the pilot research show that most of the pilot municipalities (54 % of 43 municipalities) have scored below the average 0.36.** What is more the average score is more than 3 times smaller than the highest performing municipality's score in this dimension – Strumica with 1.24. As with the overall scores this suggests that there is a great room for improvement of the transparency level of the municipalities.

The top ten performers in the first dimension according to the pilot LOTOS 2014 research are Strumica, followed by Veles, Ohrid, Bitola, Bogdanci, Ilinden, Sveti Nikole, Radovish, Demir Hisar, Karposh and Aerodrom. Their scores are between 83% (I.e Strumica) and 53% (i.e. Aerodrom). These municipalities are considered to have good practices on transparent local government and should be taken as examples by the rest of the sample of studied municipalities. Again in the top performers we have municipalities that are small and rural (i.e. Bogdanci, Ilinden, Sveti Nikole, Radovish, and Demir Hisar) which suggest that the size and level of development is not pertinent to local transparency.

Chat 5: Top ten municipalities's scores in first dimension - transparency

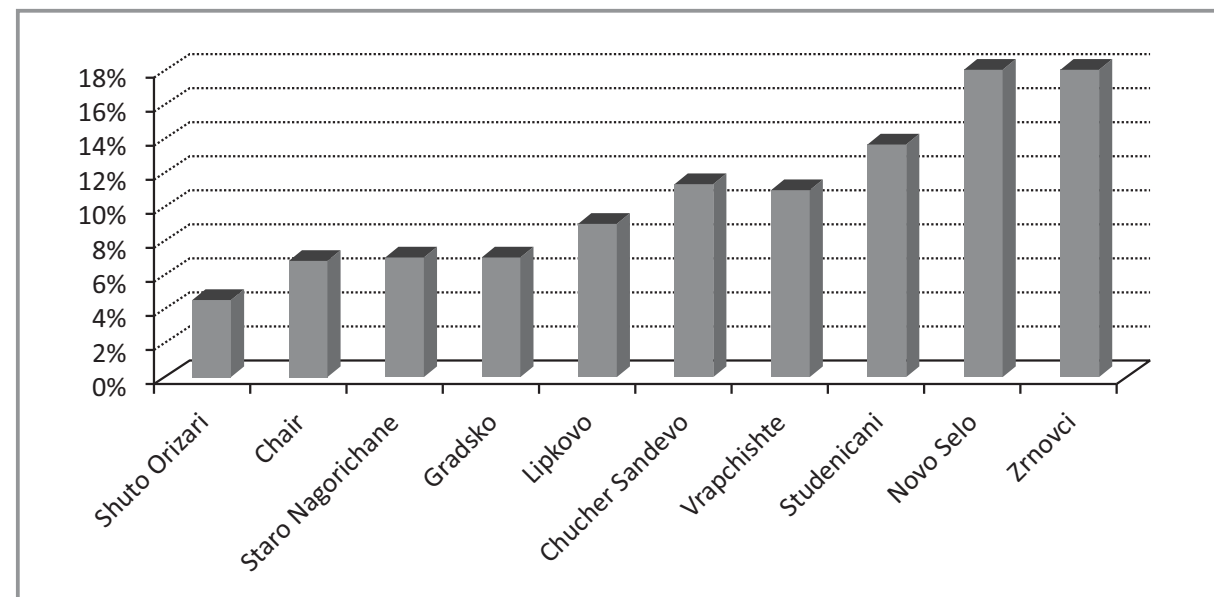


Source: CRPM, LOTOS 2014

However, whether the centre of the municipality is a city or a village is a factor that influences significantly results in dimension 1 – transparency. As chart 6 below shows that all least transparent municipalities, except for Shuto Orizari, have their seat in a village. Perhaps because these are small communities they invest little in informing citizens on the work of the

municipality. Hence, the size of the municipality should not be used for its closeness towards citizens as in the top ten performers we have far smaller municipalities, i.e. Bogdanci with only 8000 inhabitants.

Chart 6: Ten least performing municipalities in dimension 1- Transparency



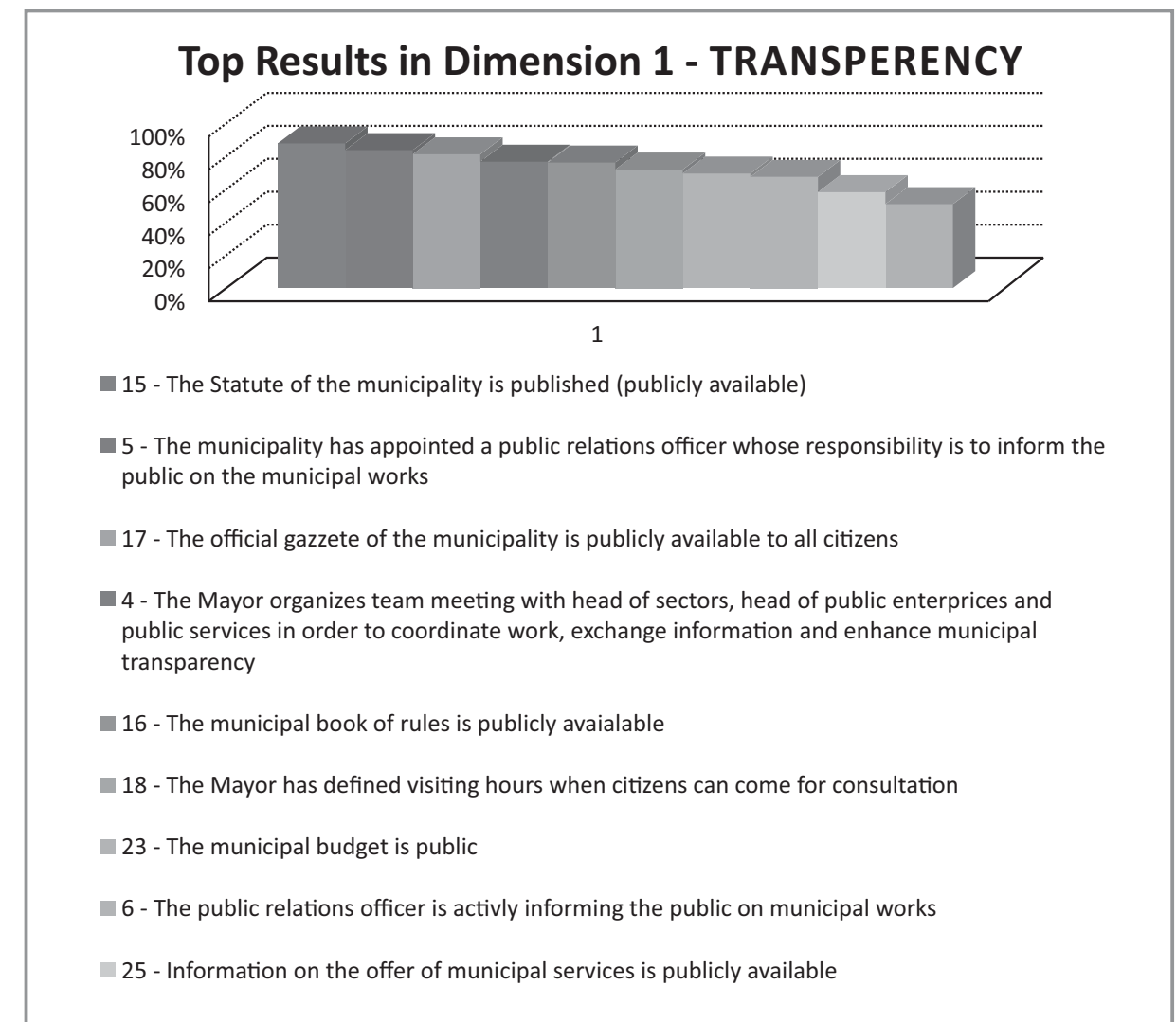
Source: CRPM, LOTOS 2014

However if we go deeper in analysis of the LOTOS 2014 findings, we will see that there are several indicators at which almost all municipalities are performing well. Namely, at the indicators that measure whether the municipality's statute, book of rules, and budget are published 88%, 77% and 70% of municipalities from the sample, respectfully, comply. This is explained by the fact that the afore-mentioned documents are prescribed by the Law on local self-government and the Law on budgets to be published⁸. However one might observe that good governance practices have emerged in plenty of the municipalities as they have appointed a public relations officer (84% of municipalities) and in majority of those municipalities the appointed person is actively informing the public on municipal works (67% of municipalities). However, one might say that this practice is not observed in the small municipalities such as Krushevo, Zrnovci, Bogovinje, Centar Zhupa, Vevchani. There is twofold explanation to this situation (i) these communities are so small that everyone knows everyone and the municipality does not need a specific person to be appointed for informing the public; but also (ii) the municipal administration is so small so that each of the officials working in municipality are combining several tasks, one being informing the public on municipal works. Finally, the LOTOS 2014 results show that the official gazette of the municipality, municipal services and the Mayor are also often used as mechanisms through which public is informed as 81% of municipalities have their official gazette publicly available for citizens, 58% of municipalities

⁸ Article 62 p.4 of the Law on local self-government (OG n. 5/2002) determines the municipal Statute to be published in the official gazette of the municipality; and Article 54 from the Law on budgets (OG n. 64/05, 04/08, 103/08, 4/08, 103/08, 156/09, 95/10 156/09, 95/10, 180/11, 180/11 and 171/12) regulates that the annual account and the municipal budget are to be published in the official gazette of the municipality

have information on the services offered by them; as well as 72% of the municipal Mayors have practice of consulting with citizens in specifically defined visiting hours.

Chart 7: Top results per indicator in dimension 1 - transparency

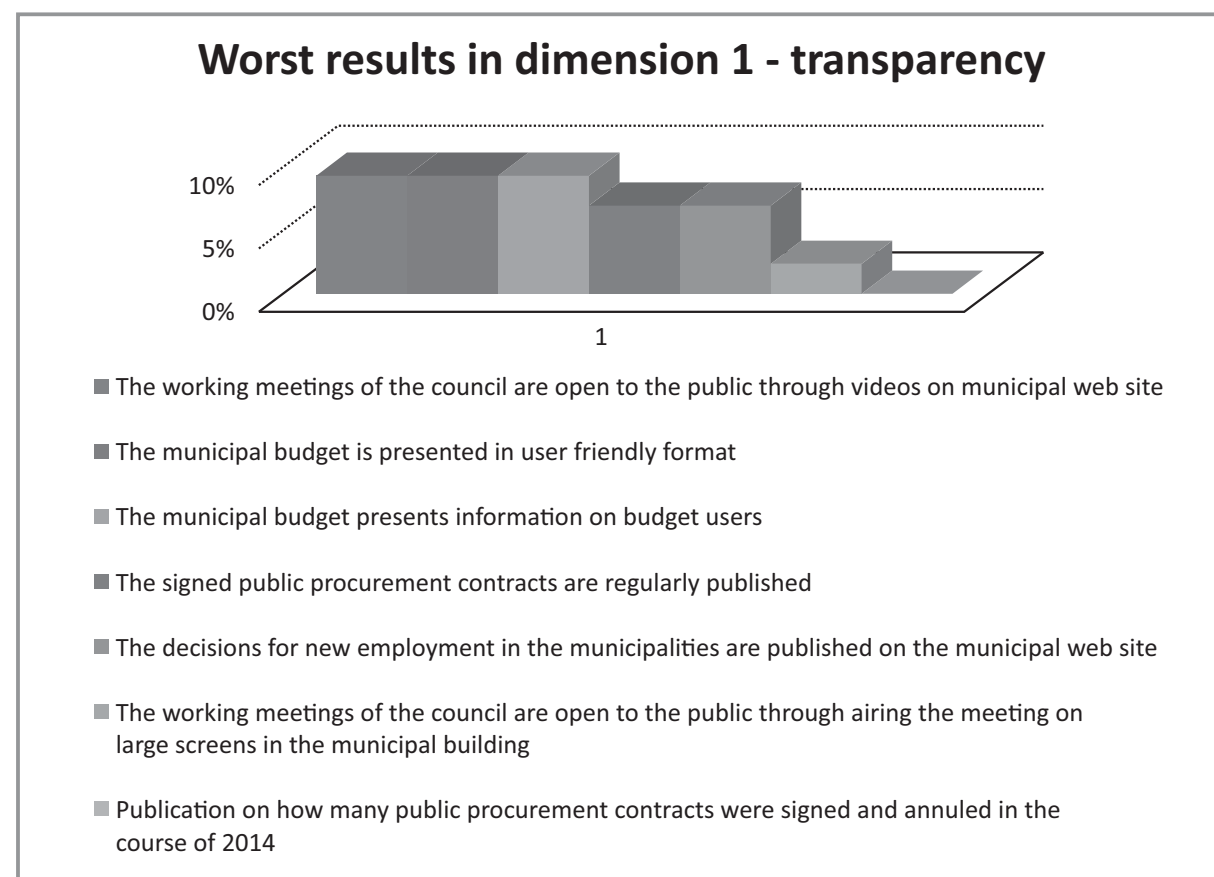


Source: CRPM, LOTOS 2014

Hence the indicators in dimension one – transparency, where municipalities have worst results are **revealing areas where corruption of local level governance might be prevailing: (i) use of public finances; (ii) municipal hiring/employment; and (iii) public procurement**. The fact that none of the municipalities in the sample publish how many contracts in total they have signed or annulled in the course of the year and only 7% publish the signed procurement contracts suggest that public procurement is the area with highest corruption risk. The information on the opportunities and the results of employment in municipal administration is published in only 7% of studied municipalities. This opens room for speculation that the hiring is biased and therefore

not accounted before citizens. The Corruption assessment report⁹ seconds this situation by identifying applying for a job or when promoted in the state administration as one of the situations when citizens are prone to corruption. The study shows politicians as intermediaries when applying for a job in the administration. Finally, the way budget information is presented does not provide room for citizens to monitor the spending of public money. The no user friendly format of the budget and the absence of presentation of the budget information per budget user prevent citizens to know how much money the municipality spends on the food their children are eating in the kindergarten as compared to the money used for travel of the Mayor.

Chart 8: Worst results per indicator in dimension 1- transparency

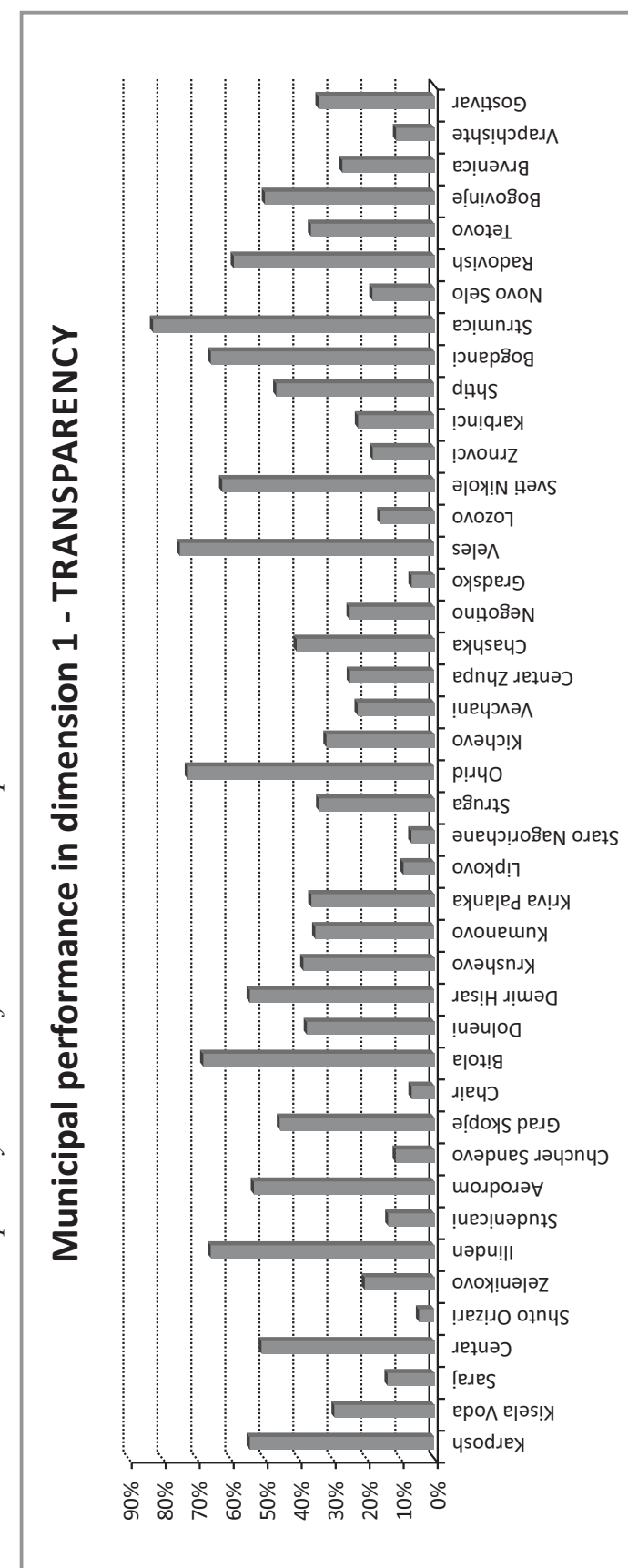


Source: CRPM, LOTOS 2014

Overall, the LOTOS 2014 data show that the most successful in dimension 1 – transparency are the municipalities in the South east region, followed by the municipalities in the Pelagonija region, and the municipalities from the South west region. In the same time it calls for needed improvement in the level of transparency among municipalities in the North west region, the Skopje region, the Polog and the Vardar region. The full information on municipal performance in dimension 1- transparency is presented below in Chart 9

⁹ MCIC 2014 Corruption Assessment Report Macedonia

Chart 9: Dimension 1 – transparency – results of all studied municipalities



Source: CRPM, LOTOS 2014

CHAPTER FOUR

– second dimension of good governance – participation

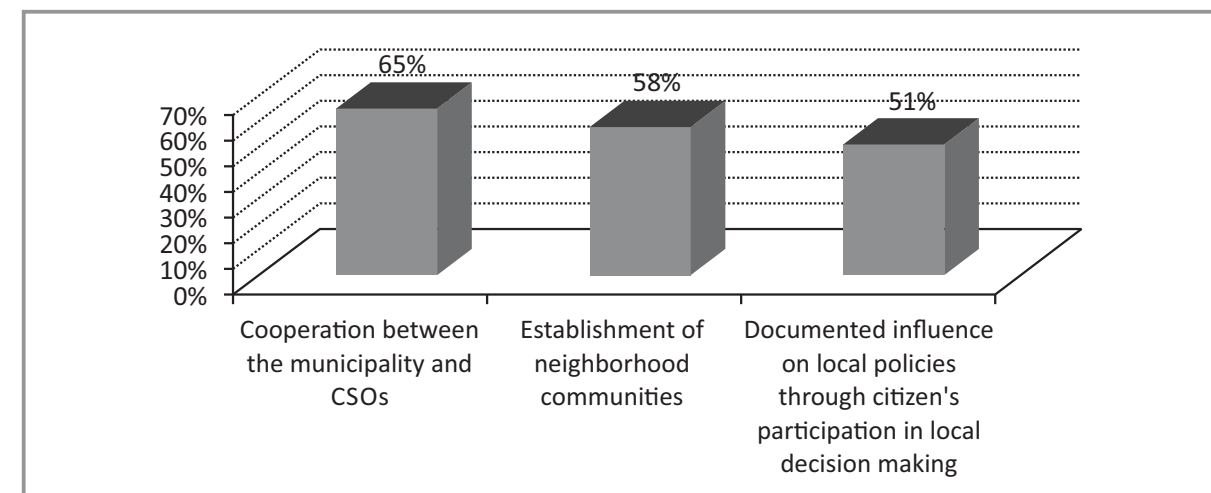
Citizen participation in decision-making makes democracy truly representative of the people. Indeed, the application of this tool is in the benefit of all stakeholders: it is a means of ensuring efficient, responsive policies by familiarizing policy makers with the needs and interests of citizens¹⁰.

Yet despite the supportive discourse and activities toward cooperation, manifold challenges remain in the central and local level institutions. The main concern is that citizens are only sometimes invited to participate in the policy-making processes as it has not yet been established as a consistent mechanism in all central and local level institutions. Additionally, there are also concerns that even when invited, it is usually at the finalizing stages – leaving citizens no realistic space to influence policies. To explain all issues at hand, this policy brief gives a situation analysis before it concludes with a set of recommendations for its improvement. However, for the purpose of clarity, it is important to, first, specify that this report focuses particularly on the mechanisms institutions make available for the consistent participation of citizens and associations in their regular work and not on the grassroots initiatives of citizens and CSOs to bring an issue to the attention of institutions.

Public participation is essential at any level of decision making as citizen are meant to be the final beneficiaries of all the decisions of policy-makers; however, this is especially true at the local level. Because municipalities have the competences to decide about, and administer, issues that concern individuals and communities directly – such as urban planning, education and healthcare – it is of the essence that citizens demonstrate the initiative to directly influence policies in these areas.

The Law for Local Self-Governance guarantees citizens the right to participate in decision-making directly through citizen initiatives, association, referendums and other means (Article 25). Citizen awareness about these rights in the country is constantly growing but, nevertheless, remains low. Additionally, although legal obligations for all municipalities, the access that Macedonian citizens have to decision-making in their differs from municipality to municipality.

Chart 11: Indicators in which municipalities perform at best - dimension two – participation



Source: CRPM, LOTOS 2014

Cumulative calculations say that the participation of citizens in public debates at the local level (50%) and budgeting (32%) has grown significantly¹¹. The Municipality of Veles, through the support of a local NGO, is seen as a case of good practice as they begin the procedure of drafting the budget halfway through the ongoing year. In this way the municipality manages to consult more citizens and address more of their concerns – while the practice in most municipalities is to begin consultations on the budget only several weeks before the end of the year. Municipalities score lowest in the degree to which citizens attend sessions of the municipal council¹². The main remarks have to do with the way citizens are invited (information are put only on the info board of the municipality or webpage and they do not always specify what will be discussed in the session), but municipalities also identify the limited availability of seats in the meeting rooms as a problem.

Indeed, although the Law on Local Self-Governance guarantees citizens participation in decision making; the organization of public debates and consultation is not an obligation for municipalities. The same law (Article 30) states that these forms of meetings with citizens can be organized if the mayor deems them necessary. Hence, the differences between municipalities that use these participatory tools and others which do not are great. Several municipalities have adopted strategies and handbooks for cooperation with civil society and cooperate closely with them – either at their initiative or through foreign-funded projects.

¹¹ Center for Civil Communications (2013), Transparent Local Governance: Situation, Recommendations and Challenges. 1 Mar. Skopje, Macedonia.

¹² Ibid.

¹⁰ CRPM 2014

CHAPTER FIVE

- Summary of results per dimension 3 – responsive and accountable local administration

The indicators in the third dimension measure the **responsiveness and accountability of the local administration**. The responsiveness of the local administration is a key aspect in enabling citizens to exercise their rights before the local government and it represents the readiness of the local government to consult their citizens of the services it offers for the purpose of improving them. For improving the services, the municipalities have at their disposal several instruments (forms, surveys, questionnaires, public consultation, instruments for direct democracy) so through this dimension is measured to what extent these instruments are available to the citizens, i.e. how much the municipality is using these tools in the period covered by the research

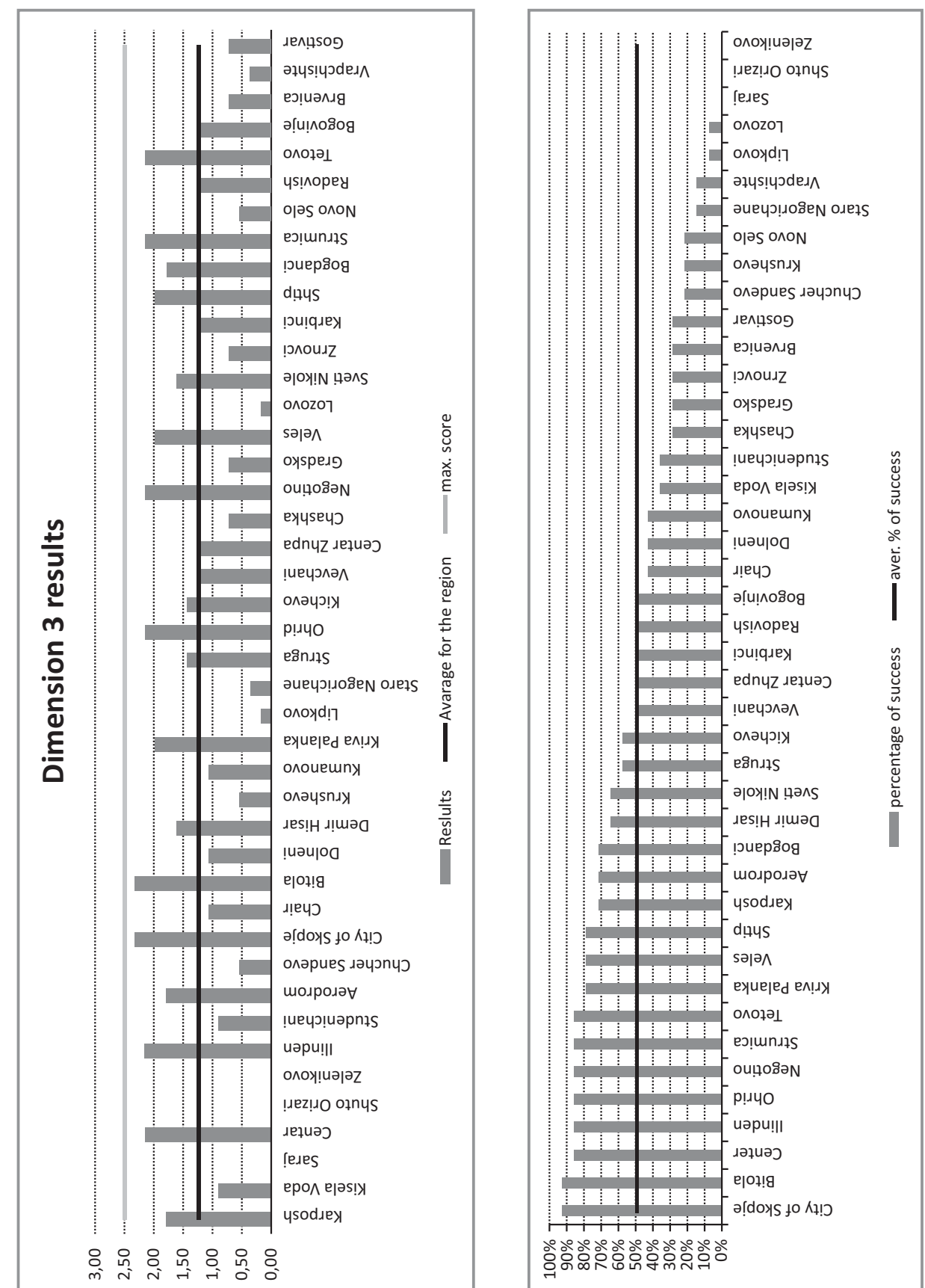
In this dimension, highest results have achieved City of Skopje and municipality of Bitola with 2.32 which is 93% of success, given that 2.5 is the highest possible score in this dimension. City of Skopje and Bitola are followed by the 6 municipalities with a score of 2.14, or 86% of success - Center, Ilinden, Ohrid, Negotino, Strumica, Tetovo. **The average score for this dimension is 1.22 or 49% of the success.** The worst performers in this dimension are Saraj, Zelenikovo and Shuto Orizari with 0 achieved points, meaning that they should considerably and urgently improve the cooperation with the civil sector in order to provide for better conditions for more effective citizens' participation at local level.

53% of municipalities have passed the threshold of 50% of success, or they have achieved results bigger or equal to 1.25; 17 municipalities have achieved no satisfactory result, while 3 municipalities have no scores at all in this dimension at all.

As for the completion of particular indicators in this dimension, 72% of the municipalities have provided forms for submitting requests, complaints and notes or for its citizens. 63% of municipalities make assessment of the citizens' needs, while as much as 58% of them have actual procedure for organizing public consultation in some form.

Table XX: Percentage of completion of indicators in dimension 3

Indicator	Percentage of completion by municipalities
44 - Available forms for citizens for submission requests, complaints and notes	72%
40 - Does the municipality make needs assessment for the community	63%
37 - Does municipality has prescribed procedure for organizing public consultations	58%
48 - The municipality has adopted Code of Ethic and it is displayed in a visible place in the municipality	56%
46 - Local administration duly respond to the complains and notes	53%
47 - Municipalities inform their citizens for progress of certain politics as a result of citizens' initiative	44%
39 - Municipality uses questionnaires/surveys to measure citizens' satisfaction from the provided services	40%
42 - The right of filing complaints and notes to the citizens is respected by the municipality	33%
43 - The right to free access to public information is respected by the municipality	33%
45 - The citizens can effectively exercise their right to file complaints and note to the municipality	26%



CHAPTER SIX

- Fourth dimension of good governance – Accountability, effectiveness, efficiency

Even though this dimension is consisted of only 6 indicators, in the process of weighing of the results we assigned 35% of the score to the indicators from these dimension. The rationale is that since these indicators are not legally binding for the municipalities, their fulfillment is a result of their commitment to implement the principles of good governance at local level based on the good practices from the country and from the region; hence we thought we should award such commitment undertaken by municipalities.

In the fourth dimension, which measures the efficiency, effectiveness and accountability of local self-government, **the best performers are City of Skopje, municipalities of Strumica, Veles and Ilinden with 100% of success in the dimension or 3.5 points**. The average for this dimension is 1.22, and this low average is to great extent result of the worrying fact that as much as 17 municipalities have 0 points, which is to say that they have not complete a single indicator. The average percentage of success in dimension 4 is 35, meaning that municipalities perform very bad in informing citizens for the progress of implementation of certain local policies; do not publish final account for the last year or do not prepare citizens' friendly budget.

Graph xx: 10 best performing municipalities in dimension 4

Municipality	result in dimension 4	average for the dimension	highest score possible	% of success
Ilinden	3,50	1,21	3,50	100%
City of Skopje	3,50	1,21	3,50	100%
Veles	3,50	1,21	3,50	100%
Strumica	3,50	1,21	3,50	100%
Karposh	3,06	1,21	3,50	88%
Bitola	2,63	1,21	3,50	75%
Ohrid	2,63	1,21	3,50	75%
Bogdanci	2,63	1,21	3,50	75%
Radovish	2,63	1,21	3,50	75%
Centar	2,19	1,21	3,50	63%

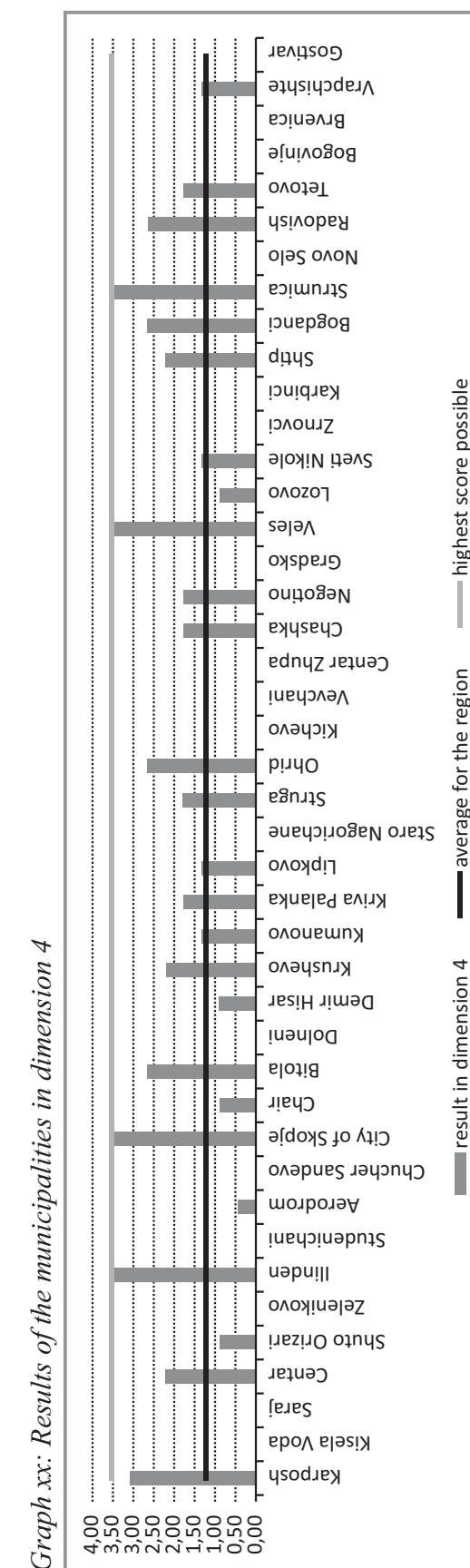


table xx: Percentage of completion of indicators in dimension 4

Indicator	Percentage of completion
52 - Municipality publishes the final account	51%
49 - Municipality publishes work programmes by sectors with a timeframe and indicators for success	42%
50 - For each envisaged activity the municipality has published a budget	42%
53 - The municipality publishes budget rebalancing	40%
54 - Municipality provides Information for monitoring bodies at local level	23%
51 - The municipality monitors implementation of local policy and publishes progress reports	19%

As it can be seen from the table above, most complete indicator is 52- Municipality publishes the final account. Yet, the percentage of municipalities that have completed this indicator is modest 51%, or only a half of the municipalities have published the final account for the last year. Even though the Law on budget¹³ prescribes that the final account should be published only in the municipal's official gazette, we consider this as a good practice that should be implement by the municipalities in their effort to inform the citizens how the money have been spent.

The next indicator in which the municipalities perform relatively good, is 49 – municipalities publishes working program by sectors for the following year. 42% of the municipalities have completed the indicator, same as the next indicator regarding publishing the budget for the envisaged activities. Budget rebalancing publish only 40% of the municipalities, while contact information for monitoring bodies at local level have published 23% of the municipalities.

The last indicator on the list is the one that measures whether the municipalities have developed mechanism for monitoring the implementation of the local policies, and whether they prepare progress reports for these policies. According to the research results, only 19% of the municipalities have completed these indicators that add to the municipal's accountability.

The accountability of administrative agencies to the general public is a “hallmark of modern

¹³ Law on Budget, Official Gazette of RM Nr. ..64/05, 04/08, 103/08, 4/08, 103/08, 156/09, 95/10 156/09, 95/10, 180/11 и 171/12 и 171/12 и 171/12)

democratic governance. Democracy remains a procedure on paper if those in power cannot be held accountable in public for their acts and omissions, for their decisions, their policies and their expenditures¹⁴.” The public accountability relates to 'openness' as the account giving is done in public and often by the public. The core of this concept is that “persons with public responsibilities should explain and justify / be answerable to 'the people' for the performance of their duties¹⁵.” This relationship between the actor and the accountability forum to whom the actor is accountable has three elements: (i) the actor must feel accountable (formally or informally); (ii) the information can prompt the forum to interrogate the actor and to question the adequacy of the action and legitimacy of conduct; (iii) the forum usually passes judgement on the conduct of the actor approving account, denouncing policy or publicly condemning behaviour¹⁶. Public accountability has many functions. First of all its function is to provide democratic control, than to enhance integrity of public governance. Finally, public accountability aims to improve performance. Altogether public accountability assists maintenance or enhancement of legitimacy of public governance. In most democracies the public accountability has been horizontal, exercised through ministerial or agency accountability to Parliament. In other words, horizontal accountability is the capacity of state institutions to check abuses by other public agencies and branches of government, or the requirement for agencies to report sideways. However, in the past decades hierarchical accountability gives way to more diversified and pluralistic set of accountability relationships¹⁷. We can observe the rise of the administrative accountability with the establishment of ombudsman, independent inspectorates, auditors, supervisory bodies and etc. These do not fit the top-down relationship of the horizontal accountability set up, but form diagonal accountability as all of these bodies report to Parliament and foster parliamentary control. Alternatively, vertical accountability is the means through which citizens, mass media and civil society seek to enforce standards of good performance on officials. Finally, in a reaction to lack of trust in government many democracies push more direct and explicit accountability relations between institutions, public services and citizens¹⁸.

¹⁴ Mark Bovens, *Public Accountability*, in The Oxford Handbook of Public Management 182, 182 (Ewan Ferlie, Laurence E. Lynn & Christopher Pollitt eds., 2007);

¹⁵ Ibid p.185

¹⁶ Ibid, p.186

¹⁷ Day, P. and Klein, R, 1987 *Accountabilities: Five public services*, London: Tavistock

¹⁸ McCandless, H.E., 2001 *A citizens guide to public accountability: Changing the relationship between citizens and Authorities*, Vistoria BC, Trafford

Conclusion

The findings of the research suggest that there is a plenty of room for improving the local governance in Macedonia through strengthening democratic processes at local level and providing services to citizens in an efficient, accountable, transparent and responsive manner. Moreover, the municipalities should increase citizens' participation in the decision making process at local level in order to strengthen the citizenry "ownership" of the local policies.

This is based on the average result achieved by the municipalities in the research of 3.53 out of 10 maximum points, which is to say that on average, the municipalities do not pass the threshold of 50% of the maximum score to qualify for sufficient governance. Another worrying fact, based on the research findings, is that not a single municipality has achieved score above 9.51 so it can be put in the group of excellent governance, while only 9% of the municipalities are good governed. On the other hand, the relatively high percentage of municipalities in the group of "no sufficient governance", points to the need that good practices in area of local governance should be exchanged between the municipalities in order to decrease the gap between the best performers and poor performers.

The research examined the correlation between the number of inhabitants and the "wealth" of the municipalities. The number of inhabitants in municipalities is related to the number of employees in the local administration, since in the bigger municipalities more local administration is needed to provide (quality) services to the citizens. Furthermore, bigger local administration also means that the municipality has more human resources at its disposal for implementing good governance practices. If we add to this the municipal "wealth" in terms of more available resources for implementation of good governance practices, than we could test the impact of these parameters in the research.

A more detailed analysis of the research finding shows that the results of the municipalities are not as much dependent on the number of inhabitants in the municipality and the available budget per capita as one might expects. Although the municipalities with higher number of inhabitants and higher available budget per capita have generally achieved better results in comparison with those municipalities with lower number of inhabitants and lower available budget per capita, there are examples which refute such thesis.

For instance, municipality of Ilinden has three times less inhabitants than for instance, first and third best performing municipalities. Another good example, when it comes to the budget per capita, is municipality of Bogdanci, which has several times smaller budget than any other municipality in the top ten performers.

From the above said, we can conclude that implementation of good governance practices is directly correlated with the optimum usage of human and material resource the municipality has at its disposal, which on the other hand is determined by the political will of the local authorities to whether this issue is high on their agendas. Unequivocally, in terms of the latter, it is the civil society organization that should advocate for putting these issues on the agendas, and to play an active role in promoting the principles of good governance in every aspect of societal living.

Yet, the distinction whether the municipality has its seat in rural or urban place seems more important than the number of inhabitants and available budget. Among the ten best performing municipalities, only municipality of Bogdanci has its seat in rural settlement. This parameter has more impact on the results than for example whether the whole municipality is rural or urban, according to the NUTS-3 regional classification. It should be taken into account, thou, that rural municipalities might have developed different channels for providing services in transparent,

accountable and responsive manner. For instance, citizens in these municipalities might rather prefer direct communication with the local authorities, over internet communication, which is quite feasible in smaller municipalities. These premises should be tested in the next cycle of LOTOS research, by examining the public perception on these issues.

In addition, we have selected 3 good practices for each dimension, to be shared between the municipalities in order to advance their performance within the research. Some of the good practices are actually prescribed by law, which points to the fact that some of the law provisions are not implemented by the municipalities. The other part of the good practices are result of the municipalities' commitment to advance the local governance by strengthen democratic process at local level

We strongly believe that the research findings will serve as powerful advocacy tools in promoting good governance principles at local level and in the same time will contribute to the discourse of good governance in Macedonia.

CHAPTER SEVEN

- Good practices at local level

Dimension 1 - local transparency

Good practice 1 – Rulebook for transparency in the work of municipalities

The Association of Units of Local Self-Governments (ZELS) has published on its web site¹⁹ a template for Rulebook for transparency in the work of municipalities. The aim of the document is to help municipalities in the process of drafting such document, so it can be adopted later on by the municipal council and becomes official act. The Rulebook aims to operationalize some of the concepts of transparency at local level, transposing these good governance principles into practical mechanisms for increasing transparency of the local bodies. The provisions in the Rulebook have legal basis in the Article 36, paragraph 1, item 15 from the Law on Local Self-Government²⁰.

However, since the adoption of the Rulebook is not legally binding for the municipalities, only 19% out of 43 municipalities have adopted this document.

As we consider that by adopting this document, the municipalities will make a step forward towards increasing transparency, we strongly recommend all municipalities to adopt this Rulebook for transparency in the work of municipalities prepared by ZELS.

Good practice 2 – publishing the agenda for the Council meetings - Bogdanci

Municipality of Bogdanci, a rural municipality with app. 8000 inhabitants the agenda for the Council's meeting are duly published on the municipal's web page, minimum 7 days before the meetings are held. This practice allows for the citizens to prepare themselves in case they want to participate in the work of the Council for issues they are interested in. The agendas are available on the following link

Good Practice 3 – citizen friendly budget - Bitola

Publishing citizens' friendly budget, with additional information easy understandable for the citizens containing graphs tables etc., is considered a good practice for increasing municipalities' financial transparency. Even though it is not prescribed by a law, Municipality of Bitola has prepared such document which is available on the following link: http://issuu.com/opstinabt/docs/finansii_kniga_2013 and it is available at the municipality as well.

Dimension 2 – participation

Good practice 1 – public consultation for adopting the municipality's budget - Ilinden

Municipality of Ilinden has organized a public consultation before adopting the budget for 2015. The public consultation was held through the community forums which brings together representatives from different interest groups, and gives an opportunity for these group to influence the budgeting for certain activities. The event was organized in the premises of the secondary school, and was attended by more than 100 citizens. The event was attended by the researcher from the Skopje planned region. The info from the event is available on

<http://ilinden.gov.mk/prebaruvanje.html?cx=001977137827867736080%3Arbwr292qcki&cof=FORID%3A9&ie=UTF-8&q=%D0%B1%D1%83%D1%9F%D0%B5%D1%82>

Good practice 2 – Informal advisory bodies form the civil and business sector - Kichevo

In Municipality of Kichevo there have been constituted informal advisory bodies from representatives from various interest groups such as business sector, civil organizations, interethnic councils etc. The municipal council, when holding sessions with an agenda that is of interest to these bodies invites them to participate in the council's work. Moreover, these bodies are included in drafting strategies pertinent to their work, even though it is not prescribed by a law, which adds to the strengthening of decision making process at local level.

Good practice 3 – cooperation between the municipality and civil society organizations – Staro Nagorichane

Municipality of Staro Nagorichane has established cooperation with the civil society organization for developing a platform for rural development and promoting start up business in multiethnic and rural communities. The project was financially supported by UNDP, but the municipality has contributed to the project from its budget. More info on: <http://www.stn.gov.mk/news.aspx?newid=121>

Dimension 3 - responsiveness at local level

Good practice 1 - Public consultations - Centar

Municipality of Center has established a good practice to consult its citizens for important issues in interest of the majority of the citizens. The case was with façade reconstruction, when through regulated procedure the public was consulted on the type of façade they prefer for the buildings. <http://opstinacentar.gov.mk/Search-Results?Search=%D1%84%D0%B0%D1%81%D0%B0%D0%B4%D0%B8>

Good practice 2 – free access to public information – Strumica

Municipality of Strumica has appointed a contact person for free access on public information, according to the law on free access to public information, and the contact information has been published on the municipality's web page. Moreover, the municipality has published the list of information available to the citizens according to the law.

This is an obligation by the law on free access to public information, but only 20% of the municipalities respect the law in this regard. Therefore we urge the municipalities to follow this good practice.

http://strumica.gov.mk/index.php?option=com_content&view=article&id=744&Itemid=264&lang=mk

Good practice 3 – service cards – Kriva Palanka

Municipality of Kriva Palanka on its web page has published cards of services for the citizens with clear steps on how the services can be obtained. The information in the card of service include: type of the required service, required documents, cost of the service and account for payment, where the request should be submitted, deadline for submission of complaints, legal basis for providing the service, and notes.

The cards of services are available at:

<http://www.krivapalanka.gov.mk/images/stories/documents/uslugi/ku2.pdf>

¹⁹ <http://www.zels.org.mk/Default.aspx?id=c55495aa-db99-41ef-84fb-be2a40fe178b>, accessed on 06.04.2015 (12.12h)

²⁰ Official Gazette of Republic of Macedonia, Nr. 5, 29.01.2015, available on: http://mls.gov.mk/images/laws/Zakon_za_lokalnata_samouprava.pdf

Dimension 4 – accountability and effectiveness at local level

Good practice 1 – informing citizens on the progress of initiatives

Informing citizens on the progress of initiatives by the citizens is a good practice which contributes to bigger accountability of the local authorities. By informing citizens on the progress of the initiatives, municipalities encourage citizens' participation in decision making which leads to development of the democratic process at local level. Municipality of Negotino is one of the 20% of the municipalities that informs about the implementation progress of certain initiatives.

Good practice 2 – Quality assurance policy at local level

Municipality of Karposh has adopted a quality assurance policy with an aim to improve the quality of life in the municipality through:

- Ensuring citizens' satisfaction from the provided services
- Efficiency in providing services
- Equal treatment to all citizens
- Respecting positive legal provisions

The quality assurance policy is published on the municipal's web page

http://www.karpos.gov.mk/index.php?option=com_content&view=article&id=3094

Good practice 3 - Publishing budget rebalancing

Municipality of Krushevo publishes budget rebalancing on its web page. This practice is adopted only by 40% of the municipalities in which the research took place. Considering this as a good practice in terms of increasing the level of transparency and accountability, we urge all municipalities to adopt this practice.

<http://krusevo.gov.mk/za%20na%20web,%20vodomeri/opstina/BUDZET%20REBALANS%202013%20za%20SOVET/08%20Funkcionalni%20rashodi%20-%20REBALANS%202013.pdf>

Analysis of data by region

Skopje planning region

Researcher: Aleksandar Cekov

1. Challenges in data collection

Within the LOTOS study, the research in the Skopje planning region was conducted in 12 out of 17 municipalities, i.e. in the **City of Skopje and the municipalities: Centar, Karposh, Kisela Voda, Chair, Saraj, Shuto Orizari, Aerodrom, Zelenikovo, Studenichani, Chucher Sandevo and Ilinden.**

When selecting the municipalities from the Skopje region, attention was paid to the adequate representation of the rural and the urban municipalities, the municipalities with a dominant population comprised of a non-majority ethnic community at national level, as well as municipalities with mixed ethnic composition.

The research activities within the project officially started on 05.05.2014 by sending a letter to the municipalities through electronic mail (email) which comprised the objectives and the expected results of the research. In addition to the letter²¹, a questionnaire was also sent²² comprising 26 questions. The purpose of these questions, in addition to data collection, was the obtaining of initial insight into the situation in the municipalities in terms of the objectives of the research, based on which the researcher will be able to adjust the research activities for the given municipality.

It must be noted that within the originally defined deadline until 26.05.2014, none of the municipalities responded to the request to send a completed questionnaire, which casts a shadow on the responsiveness of the municipalities. Thus, the deadline for receiving the questionnaire was prolonged on several occasions (20 June, 26 July and 17 September 2014) and finally the municipalities were given the final deadline of 07.10.2014. Along with the sending of the questionnaire, the municipalities were contacted by telephone in order to check whether the questionnaire was received by them, and later to remind them of the deadlines for completion and sending the questionnaire back to the researcher. The municipalities of Zelenikovo, Shuto Orizari, Kisela Voda, Chucher Sandevo and Centar did not send the questionnaire back to the researcher until the final deadline.

In addition, the municipalities were asked to send their Statute and their Rules of Procedure as basic documents that govern the functioning of the operation of the municipalities, and a request was also made to conduct interviews with municipal officials during the visit to the municipality.

The field researches were conducted during the months of May, June and August 2014 in all municipalities except for the Municipality of Kisela Voda in which during these months we did not manage to make an appointment with the official who was appointed by the municipality for cooperation with this project.

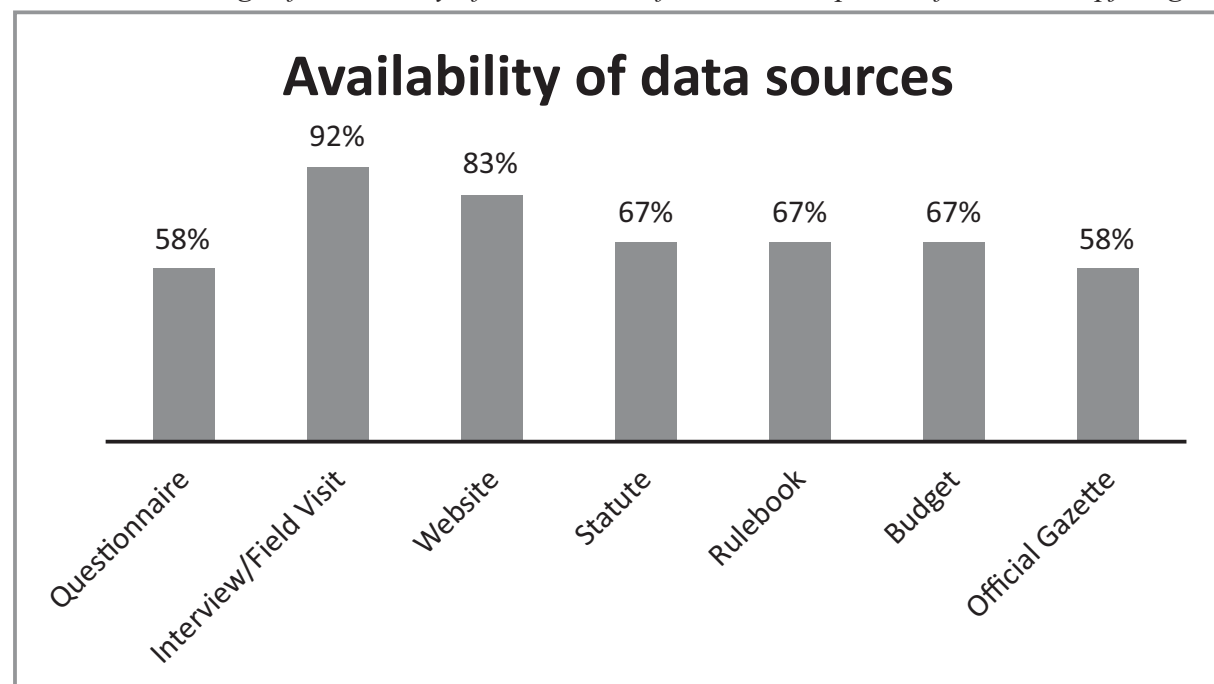
For 33% of the municipalities we managed to provide all the data sources (questionnaires, interviews/field visit, website, statute and rules of procedure of the municipality, budget and official gazettes), for one municipality one data source was missing (8%), for 42% of the municipalities two data sources were missing, and for 25% of the municipalities 3 sources of information were not available. As regards the sources of information, the questionnaire and the

²¹ Available at <http://lotos.crpm.org.mk/>

²² Ibid

official gazette were provided by 58% of municipalities; interviews/field visit was conducted in 92% of the municipalities; 83% of the municipalities had a functional website, while the Statute, the rules of procedure and the budget were available for 67% of the municipalities.

Chart 1. Percentage of availability of data sources for the municipalities from the Skopje region



From the percentage of availability of the data sources it can be seen that despite the fact that for some of the sources of information the municipalities have a legal obligation²³ to make these documents available to the public, still, within the research we were not able to obtain these documents from the municipalities (budget, official gazette, rules of procedure). Interestingly, the field researches and the interviews with the municipal officials were conducted in 92% of the municipalities, despite the lower percentages of availability of the questionnaire and the other documents.

The above stated confirms the thesis that the responsiveness of the municipalities is far greater when visiting the municipalities than, for ex. the responsiveness to the requests submitted by e-mail or by phone, which can be seen from the percentage of submitted questionnaires. During the research, this conclusion also proved right in the course of the implementation of field researches. Unlike the communication by e-mail or by phone with the municipal administration, which for the biggest part went relatively slowly and with difficulties, it must be noted that the direct communication with the municipal officials was far better and more efficient in terms of the research. In almost all municipalities where field visits to municipalities were conducted, the researcher was kindly welcomed by the municipal officials, and the research was presented with an overview of the objectives and the plan of actions in the respective municipality. The municipal administration in general was responsive, kind and cooperative during the stay of the researcher in the municipality. However, the submission of additional documents and information after the departure from the municipality was significantly more difficult.

²³ Articles 7, 13, 36, 42 of the LAW ON THE LOCAL SELF-GOVERNMENT OF THE R.M.
"Official Gazette of the Republic of Macedonia" No. 5 dated 29.01.2002.

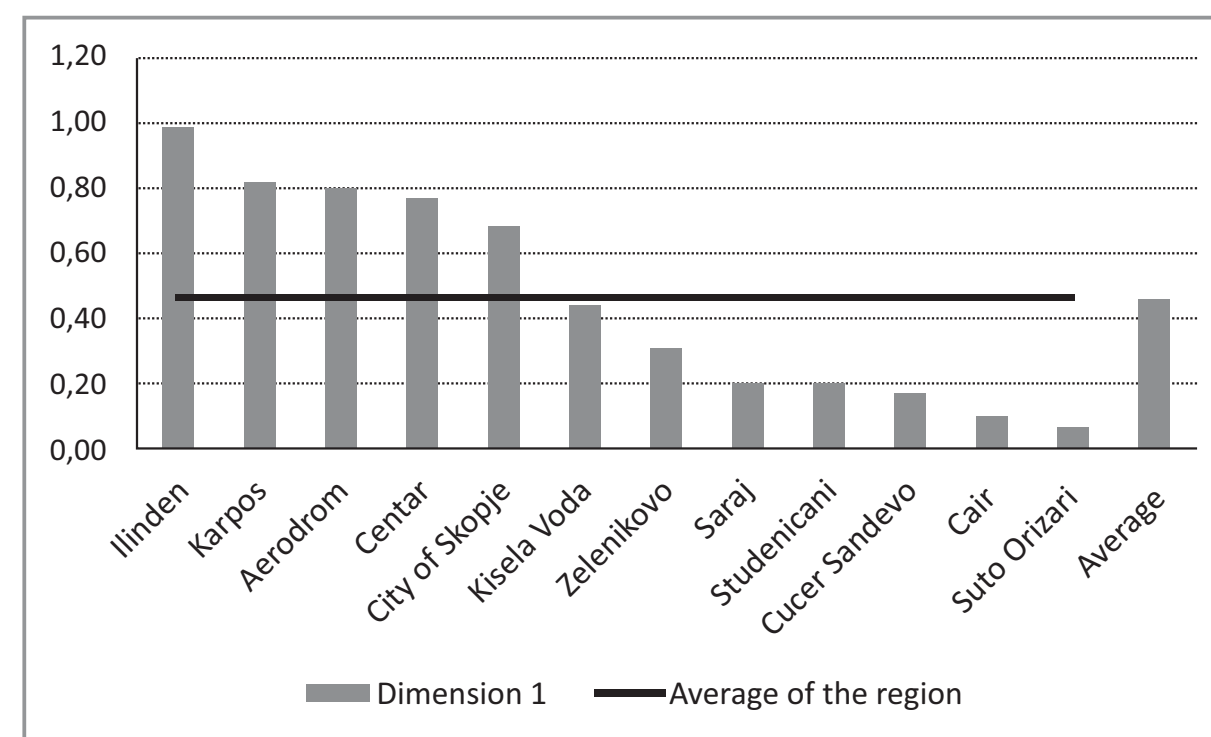
2. Results of the research

2.1 Total results in the Skopje region

The total results for the municipalities in the Skopje region are based on the data obtained for 12 out of 17 municipalities comprised in the research. The maximum number of points for the municipalities after weighting is 10. Depending on the gained points after weighting, the municipalities are divided into 6 categories according to the degree of fulfilment of the good governance practices. In that regard, the passing grade is 5.01 and higher, which is 50% of the possible points.

From the local self-government units in the Skopje region that were comprised in the research, the highest score was achieved by the City of Skopje (8.09), while the average achieved result of the municipalities was 3.32. The lowest result was achieved by the Municipality of Zelenikovo with 0.42. The average for all 43 municipalities is 3.53, which means that the average of the municipalities from the Skopje region is slightly below the overall average. The relatively low average of the municipalities from the Skopje region is primarily due to the fact that 67% of the municipalities had a score below 5.00, i.e. did not get a passing grade in the research.

Chart 2. Results for the municipalities from the Skopje region in terms of the overall average



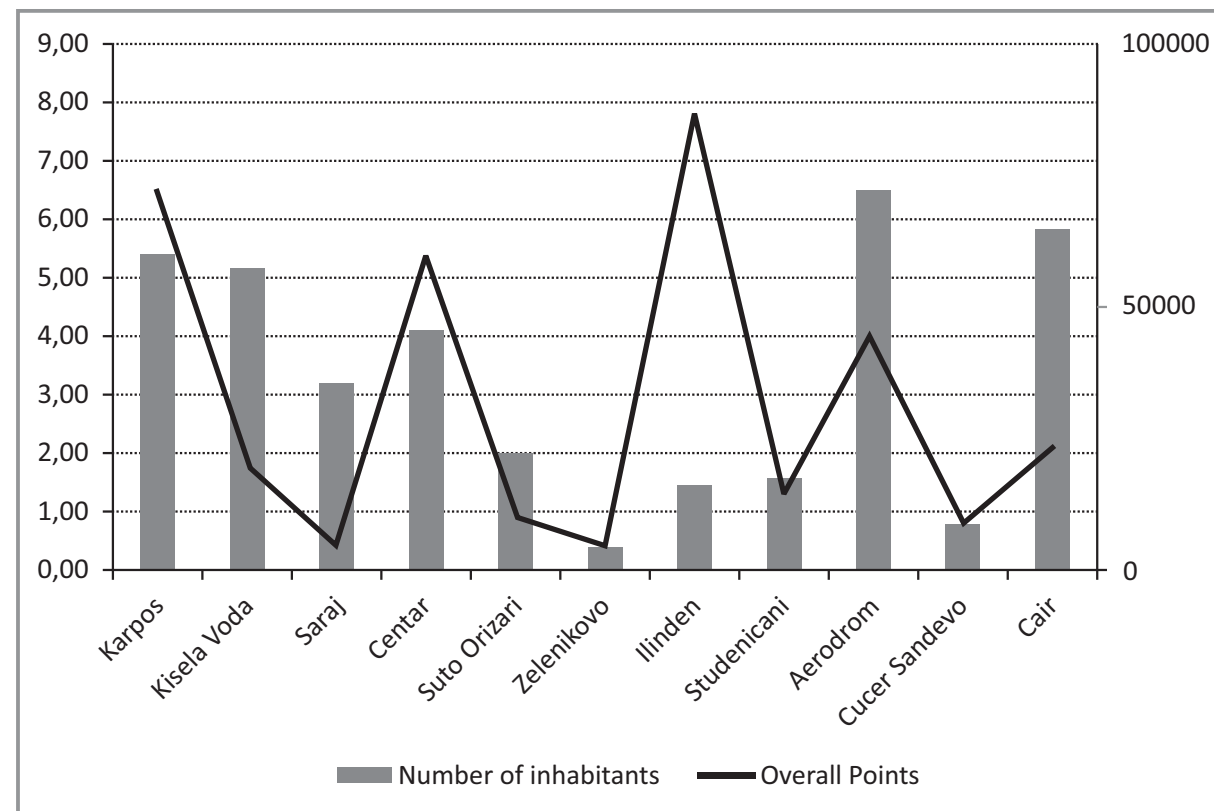
From chart 2 it can be seen that the municipalities of Ilinden, Karposh, Centar, Aerodrom and the City of Skopje have achieved results above the average for the region and above the average of all 43 municipalities. However, in terms of the passing grade, only the City of Skopje (8.09), Ilinden (7.88), Karposh (6.46) and Centar (5.44) i.e. only 33% of the municipalities have a score above 5.01, while 67% are in the group of municipalities that did not get a passing grade.

The classification of municipalities according to the degree of good governance is as follows:

Table 1. Grouping of municipalities according to the degree of good governance at the local level

Municipality		Classification	Scale of good governance
		Excellent governance	9.51-10.00
City of Skopje	8,09	Very good governance	7.51-10.00
Ilinden	7,88		
Karposh	6,46	Good governance	5.51-7.50
Centar	5,44	Satisfactory governance	3.51-5.50
Aerodrom	4,05		
Chair	2,05	Unsatisfactory governance	1.51-3.50
Kisela Voda	1,90		
Studenichani	1,32	Very bad governance	0.0-1.50
Shuto Orizari	0,94		
Chucher Sandevo	0,82		
Saraj	0,43		
Zelenikovo	0,42		

Chart 3. Results of the municipalities combined with the number of inhabitants in the municipality



The chart above combines the results of the municipalities with the number of inhabitants per municipality²⁴ in order to establish the correlation between the achieved results and the number of inhabitants of the municipality. Due to the fact that the City of Skopje has the status of a special local self-government unit and it is comprised of the number of inhabitants of the municipalities in the City of Skopje, it has been exempted from this comparison. From the chart it can be seen that the line of achieved results does not follow the trend of the number of inhabitants in the municipalities. This is especially remarkable in the Municipality of Ilinden which has the best results of the municipalities that are the object of comparison, and its number of inhabitants is quite small compared to other municipalities. On the other hand, the number of inhabitants in the municipalities of Chair, Kisela Voda and Saraj significantly exceeds the achieved result. The Municipality of Ilinden is a rural municipality, while Karposh, which has the second best results on the chart, is an urban municipality, which means that there are deviations with this parameter as well.

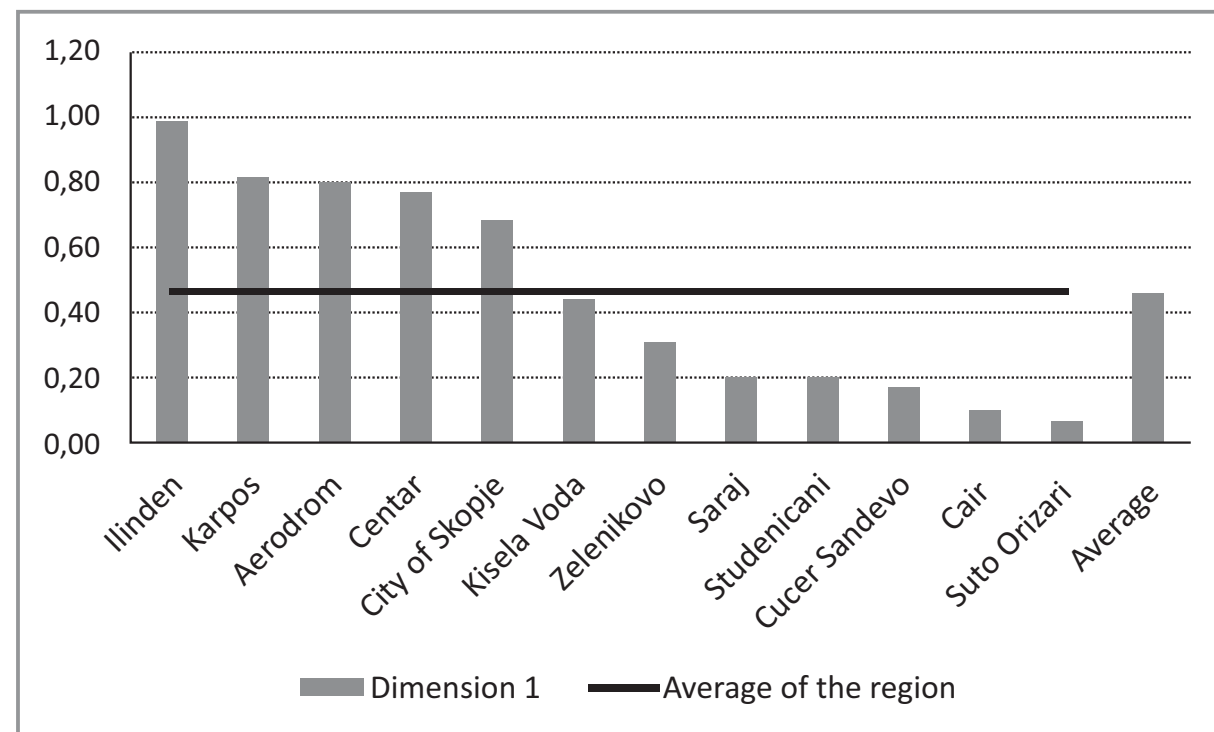
The conclusion for the municipalities from the Skopje region that can be made on the basis of this correlation is that the achieved results are not directly related to the number of inhabitants in the municipality and to the classification of rural and urban municipalities, but rather to the commitment of the municipality and the municipal administration to the principles of good governance.

2.2 Results by dimension

In terms of the results as per the dimensions in which the indicators have been grouped, the best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration**, has been achieved by the Municipality of Ilinden with 0.99 out of 1.5 for this dimension. The average result of the municipalities in terms of this dimension for the Skopje region is 0.46, and the weakest result in this dimension was achieved by the Municipality of Shuto Orizari with 0.07 points in this dimension. When weighting the results, this dimension was given 15% of the total grade despite the fact that this dimension has the largest number of indicators (35). The reason for this lies in the fact that most of the indicators in this dimension constitute a legal obligation of the municipalities, which means that the municipalities are obliged to respect them and therefore there is no need to award them for meeting an indicator from this dimension. However, despite the legal obligation for making the basic documents for the functioning of the municipalities available to the public, there is the concerning fact that with 33% of the surveyed municipalities from the Skopje region the Statute and the Rules of Procedure of the Municipal Council were not available.

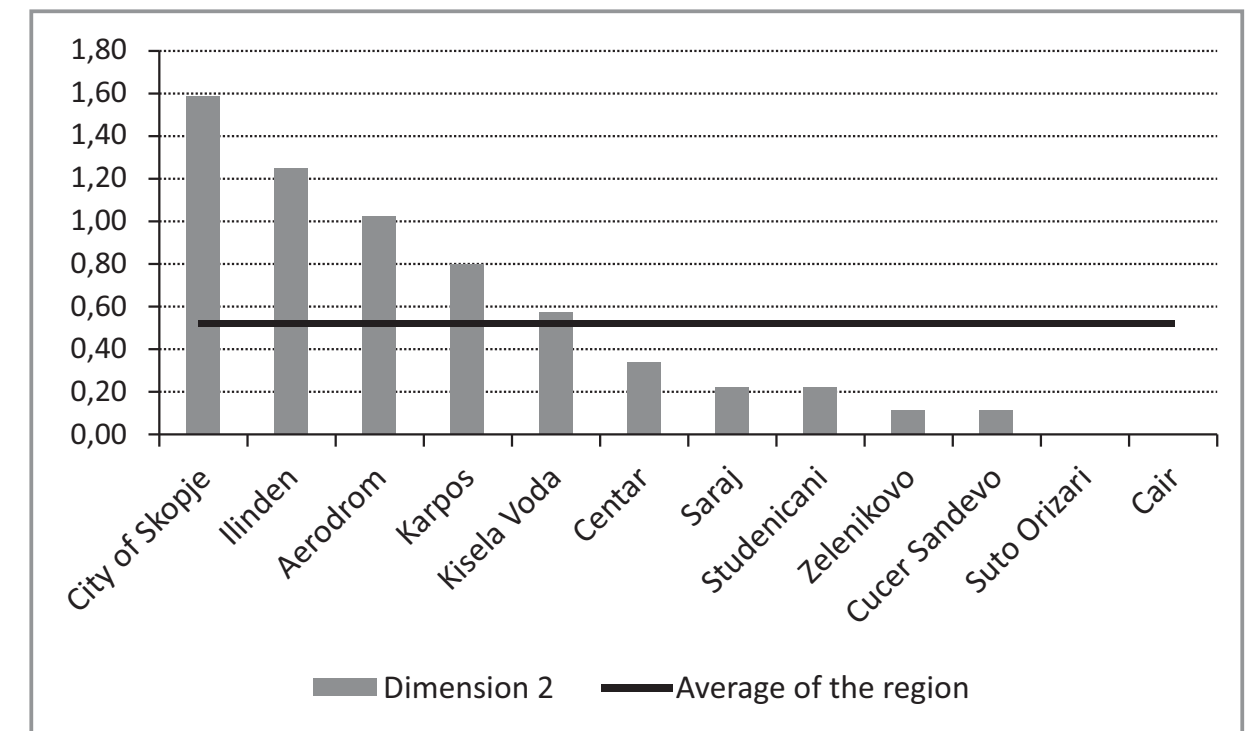
²⁴ <http://www.stat.gov.mk/Publikacii/PDFGodisnik2013/03-Naselenie-Population.pdf>

Chart 4: Results of the municipalities from the Skopje region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



According to the results of the municipalities in the second dimension - *Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)* the best results were achieved by the City of Skopje with a total score of 1.59 out of 2.5 points, i.e. 66% of fulfilment of the indicators, while the average for the municipalities from the Skopje region was 0.52 points, i.e. 21% of fulfilment of the indicators. The lowest results were achieved by the municipalities of Saraj and Shuto Orizari with 0% fulfilment of the indicators from this dimension and zero points. The second dimension that measures the participation of the citizens and the civil society organizations in the process of decision-making at local level does not show a significant lag of the municipalities from the Skopje region in terms of the average of all 43 municipalities which is 23%. Then again, the high percentage of municipalities (83%) that have a success rate in meeting the indicators from the second dimension of less than 50% push the average of the entire region down towards distinctively non-participative municipalities. This information is worrisome when it comes to the development of the democratic processes at local level, because the participation in the decision making is a crucial factor for good governance and there is no doubt that measures should be taken for improvement of this situation.

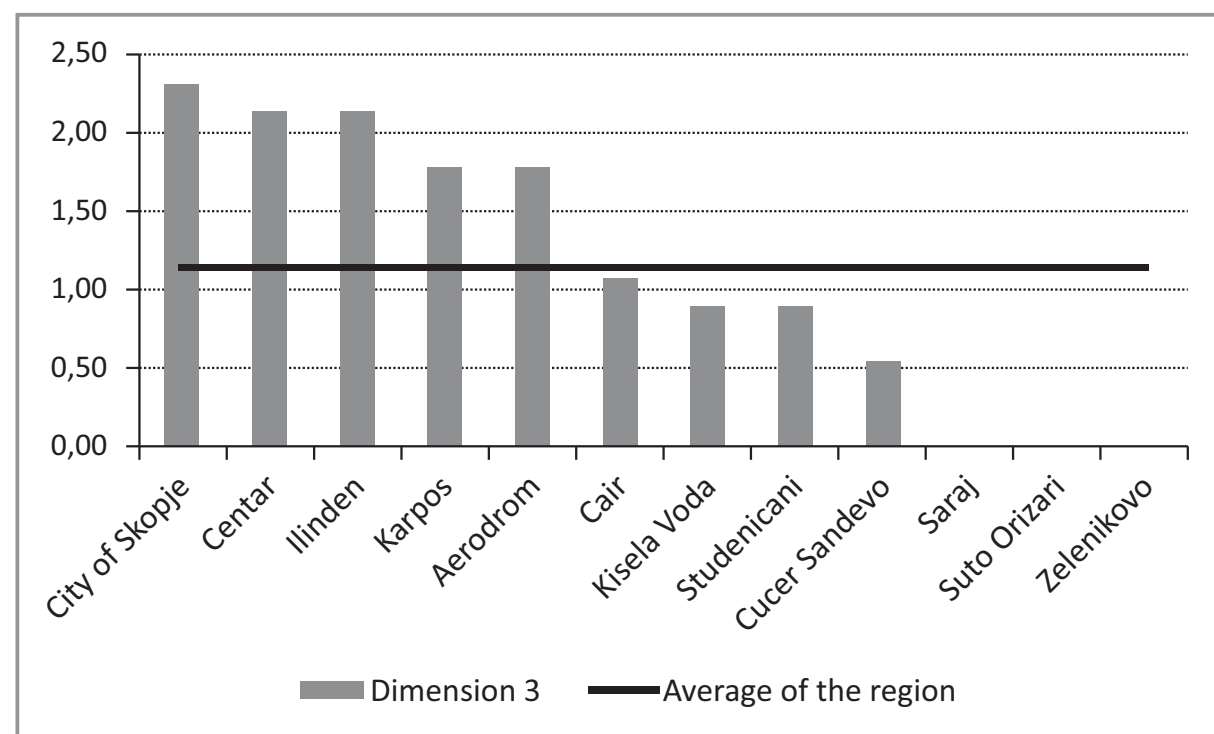
Chart 5: Results of the municipalities from the Skopje region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)



In the third dimension – **Responsive and accountable municipal administration**, 42% of the municipalities have gained more than 1.25 point out of the possible 2.5, i.e. they have gained more than half of the possible points for this dimension. The remaining 58% of the municipalities have achieved results that are less than half of the possible points.

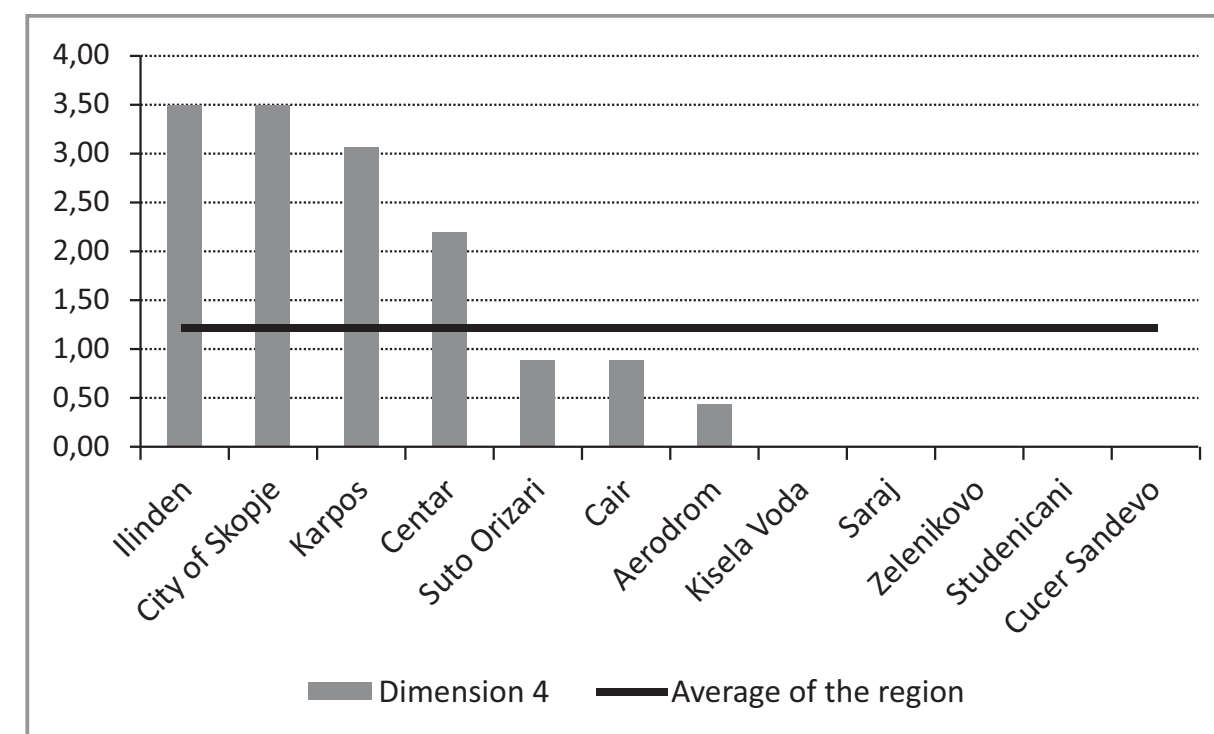
The responsiveness of the municipal administration is a key aspect in terms of the enabling of the citizens to exercise their rights and it reflects the willingness of the local self-government to consult the citizens about the services it offers so that they would be improved. In order to improve the services they offer to the citizens, the municipalities have several instruments at disposal (forms, surveys, questionnaires, meetings with citizens, gatherings, forms of direct democracy, etc.), so this dimension measures the extent to which these instruments are available to the citizens, i.e. the extent to which the municipality has used them during the research period. What can be concluded from the chart above is that generally the larger municipalities use the responsiveness tools more often, and primarily it is the urban municipalities in the Skopje region. The exception is the Municipality of Ilinden which although rural and smaller municipality in terms of number of inhabitants than, for example, the Municipality of Centar, has achieved good results. The reason for the greater use of the responsiveness tools in the larger municipalities, according to the interviews conducted during the research, is the fact that in the smaller municipalities the municipal administration is much more accessible to the citizens than in the larger municipalities and thus the citizens of the rural municipalities can express their satisfaction with the services directly when visiting the municipality, while in the larger municipalities the voice of the citizens can be best and most efficiently heard by using these tools.

Chart 6: Results of the municipalities from the Skopje region in Dimension 3 – Responsive and accountable municipal administration



According to the results of the fourth dimension - Effectiveness, efficiency and accountability of the local self-government, two municipalities – the City of Skopje and the Municipality of Ilinden have a maximum score of 3.5. However, the fact that as many as half of the municipalities in this dimension have 0 points, brings down the average of the municipalities in the region to 1.2 points. In this dimension it was examined whether the municipalities publish annual work programs by sectors with a defined time frame and whether documents are published that are related to the effectiveness of the operation of the municipality. The indicators of this dimension participate with 35% in the total points of municipalities because, as mentioned, the indicators from this dimension, although not a legal obligation of the municipalities, are an excellent benchmark that shows which municipalities are willing to implement the practices of good governance at local level, which is one of the objectives of this research.

Chart 7: Results of the municipalities from the Skopje region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



2.3 Results by indicators

According to the fulfilment of the indicators, the municipalities have achieved the best result in indicator 5 – In the municipality there is an appointed public relations officer whose task is to inform the public about the operation of the municipality with 100% fulfilment of this indicator, i.e. all the municipalities from this region have appointed a public relations officer. However, the next indicator – operativeness of the public relations officer, shows that although all municipalities have appointed such a person, which is by the way a legal obligation, in not all the municipalities this person performs the assigned task, i.e. this person is operational in 75% of the municipalities.

There is 67% fulfilment in 6 indicators:

- 4 – Holding team meetings at the Mayor's office with heads of departments, public enterprises and public services for the purposes of a better flow of information between the administration and increasing the transparency of the municipality
- 15 – The Statute of the municipality has been publicly published
- 16 – The Rules of Procedure of the Municipal Council has been publicly published
- 23 - Transparency of the municipal budgets
- 37 - Does the municipality have a procedure for organizing public consultation?

44 - Availability of forms for the citizens for exercising their rights (requests, desires and complaints) From this list it is evident that the basic acts and documents for the functioning of the municipality have not been published by all municipalities despite their legal obligation to do so. That raises concerns, as the Municipality's Rules of procedure, Statute and Budget should be available to all citizens at least upon their request, but it is advisable such documents to be published at the municipal web page as well. The Mayor's Committees are an important organizational and functional tool for increasing the efficiency of the municipal administration and improving the internal communication between the employees. However, for the most part these committees are not held upon a previously defined Agenda, and the unavailability of the conclusions impedes the verification of the contents of such committees by the researchers.

Further below are presented 5 indicators with 58% fulfilment:

- 17 - the Official Gazette of the Municipality is available to the citizens
- 18 - Time for consultations between the mayor and the citizens
- 25 - Information about the offered municipal services (municipal services sector)
- 28 - Cooperation between the municipality and the civil society organizations
- 42 - Exercising the right to complaints and petitions

Given the fact that the fulfilment of these indicators is also a legal obligation of the municipality, the fact that the official gazette and the informing about the offer of municipal services have only 58% fulfilment rate raises concerns. Furthermore, the municipality is obliged to allow its citizens unhindered use of their rights to file complaints and petitions, which means that it should also provide appropriate forms for such purposes, and respond promptly and effectively and act adequately upon such complaints and petitions.

The average fulfilment of the indicators in the municipalities in the Skopje region is 35%.

Four indicators on the list are not met by any municipality:

- 23.1 - The municipal budget for the previous year, in the form comprehensible to the ordinary citizen (information / explanations), is published on the municipal website + on the bulletin board and / or otherwise (at least 2 ways) in the form of an official document.

23.2 - The criteria and the amount for budget allocation of the municipality for transfers of funds from the national to the local institutions are published on the municipal website

23.3 - The information on municipal budgets comprises information per budget beneficiaries.

33.1 - Participation of the Youth Council in the work of the Municipal Council

From the table above, it is evident that the municipalities have not developed a practice of publishing the municipal budget in a form that is comprehensible to the ordinary citizen, i.e. a practice of presenting the income and expenditures in a more descriptive manner through charts, tables and other forms that will bring the budget closer to the average citizen who do not have economy skills. Moreover, in order to increase the transparency and the accountability of the municipalities it is of great importance to incorporate the information on the budget beneficiaries in the budget, which would give a clearer picture on the spending of the budget beneficiaries.

In order to ensure the participation of the Youth Council in the work of the Municipal Council, the municipalities should proceed with the establishing of such youth councils if they have not yet been established, and to treat them as partners in the decision-making process at local level in order to ensure that the voice of young people is appropriately represented at local level.

Recommendations

Based on the results of this research, the general recommendations for municipalities in this region are presented below:

- **The Statute and the Rules of Procedure** as basic acts for the functioning and organization of the municipalities **to be available to all citizens**. The simplest solution would be to make them available online, on the municipal website
- Municipalities to adopt adequate regulations (**Plan and Rules of Procedure**) so as to ensure the transparency of the operation of the municipal bodies
- **Budget** as a public document on how it is planned to spend the taxpayers' money to be available to the public in all municipalities
- the **Official Gazette** to be available to all citizens at least at their request, preferably on the municipal website
- Municipalities to publish a **list of public information**
- Municipalities to regularly publish **information on public procurement**
- **The signed public procurement contracts** to be available to the citizens
- Municipalities to publish the **criteria for awarding funds to civil society organizations** on their websites, or at least make them available at the request of the citizens
- To publish a list of **civil society organizations that have received financial support from the municipality**
- To publish a **list of companies** which due to a conflict of interest **are not eligible to participate in the public procurement procedures**
- Municipal budget to be available in a form comprehensible to the ordinary citizens - **civil budget**
- Municipalities to publish a **list of services** which they offer to the citizens
- Municipalities to ensure the availability of **forms** for easier implementation of citizens requests

Recommendations for the municipalities

Recommendations for the Municipality of Karpos

- to inform the public about the holding of the council meetings at least 7 days prior to the meeting (on the Internet, bulletin boards and in the media), except for extraordinary meetings²⁵;
- to make the working materials available to the members of the Council along with the invitations for the meeting, not less than 7 days prior to the holding of the meeting; currently the working materials are available only to people with user profiles on the municipal website, not to the general public;
- to make the working materials available to the municipality citizens, at their request or on the municipal website;
- to publish the Minutes from the meetings of the Council on the municipal website;
- to publicly announce the criteria for awarding funds to civil society organizations on the website;
- to publish the Municipal regulations (Statute, Rules of Procedure, etc.) on the municipal website;
- to enable citizens to access the signed public procurement contracts (to be published on the municipal website)
- to publish a list of economic operators which due to a conflict of interest are not eligible to participate in tender procedures
- to publish the budget in a form comprehensible to the citizens (with information per budget beneficiaries)
- to publish the projected budget for each planned municipal activity;
- to publish a list of civil society organizations that have been awarded funds.

Recommendations for the Municipality of Kisela Voda

- the Council to adopt *rules of procedure and plan* so as to ensure the transparency of the operation of the municipality

to make the working materials for the meetings of the municipal council available to the public (on the website or the bulletin board)

- to make the minutes of the meeting available to the citizens on the website, bulletin board or at the request of the citizens
- to establish a practice of using the council questions instrument at the meetings *at the beginning of the meetings*. They can be defined and established in the Rules of procedure and the Statute of the municipality
- To define a term for a meeting of the Mayor with the citizens and to abide by it
- to publish the signed public procurement contracts (on the website, bulletin board or otherwise)
- to publish a list of economic operators which due to a conflict of interest are not eligible to participate in tender procedures
- to make the decisions for employment in the municipal administration available to

citizens for inspection.

- to publish the criteria for awarding funds to the civil society organizations
- to publish the annual program including the success indicators
- to publish information about the bodies which monitor the work of the municipality (State Local Self-Government Inspectorate, Ministry of Local Self-Government)

Recommendations for the Municipality of Centar

- the Council to adopt rules of procedure and plan so as to ensure the transparency of the operation of the municipality
- to make the minutes of the meeting available to the citizens on the website, bulletin board or at the request of the citizens
- to establish a practice of using the council questions instrument at the meetings at the beginning of the meetings. They can be defined and established in the Rules of procedure and the Statute of the municipality
- to abide by the defined term for a meeting of the Mayor with the citizens
- to publish the signed public procurement contracts (on the website, bulletin board or otherwise)
- to publish a list of economic operators which due to a conflict of interest are not eligible to participate in tender procedures
- to publish the criteria for awarding funds to the civil society organizations
- to use questionnaires to evaluate the citizens' satisfaction with the services provided by the municipality
- to publish the annual program including the success indicators
- to publish information about the bodies which monitor the work of the municipality (State Local Self-Government Inspectorate, Ministry of Local Self-Government)

Recommendations for the Municipality of Suto Orizari

- The municipality must be open to the citizens both in terms of disseminating information but also in a literal sense, i.e. to avoid such practices of locking the municipality. The municipality must find a way to resolve the situation with the requests that are not under the jurisdiction of the municipality. In order to overcome this situation we propose
 - o to appoint a person who will refer the citizens to the right places for their requests and questions;
 - o to hold a series of lectures on the municipal jurisdiction where employees of the municipal administration, together with the Mayor, will seek solutions for the citizens' needs;
 - o in the long term - to hold a meeting with the citizens at least once a month where it will be discussed about all issues of interest to the citizens which are beyond municipal jurisdiction; representatives of the institutions that are competent for solving these problems of the citizens could attend these meetings as guests;
- to promote tools for participation of the citizens in the decision-making process and measuring the quality of the offered services such as the touch screen that has been installed as part of the *My Municipality* initiative by the UN Development Programme (UNDP) in Macedonia
- Given the weak results, the CRPM research team makes itself available especially to the municipality of Suto Orizari, to jointly review the weaknesses and give proposals to

²⁵ Article 39, LAW ON LOCAL SELF-GOVERNMENT OF THE RM "Official Gazette of the Republic of Macedonia" No.5 dated 29.01.2002

overcome the weaknesses. This initiative will be launched by us, and if the municipality accept, these activities would be part of the commitments for trial sharing of good practices from other municipalities and their practical implementation in a particular municipality.

Recommendations for the Municipality of Zelenikovo

- Municipality to put into operation the municipal website where citizens can be informed about the activities of the municipality Alternatively, the Municipality can increase the use of the social networks profile so that the information can reach a large number of citizens who are social network users
- to organize frequent meetings with the citizens and encourage them to submit citizens' initiatives. Concurrently, the Municipality should explain the procedure for submission, as well as the obligations of the municipality to act upon such initiatives;
- the Council to adopt rules of procedure and plan so as to ensure the transparency of the operation of the municipality
- to make the minutes of the meeting available to the citizens on the website, bulletin board or at the request of the citizens
- to establish a practice of using the council questions instrument at the meetings at the beginning of the meetings. They can be defined and established in the Rules of procedure and the Statute of the municipality
- to abide by the defined term for a meeting of the Mayor with the citizens
- to publish the signed public procurement contracts (on the website, bulletin board or otherwise)
- to publish a list of economic operators which due to a conflict of interest are not eligible participate in tender procedures
- to publish the municipal budget in a form comprehensible to the citizens
- to publish the final account
- to publish the criteria for awarding funds to the civil society organizations
- to use questionnaires to evaluate the citizens' satisfaction with the services provided by the municipality
- to publish the annual program including the success indicators
- to publish information about the bodies which monitor the work of the municipality (State Local Self-Government Inspectorate, Ministry of Local Self-Government)

Recommendations for the Municipality of Ilinden

- to promptly inform the citizens about the time of the holding of the council meetings at least 7 days prior to the meeting;
- to make the minutes of the meeting available to the citizens on the municipal website
- to publish the signed public procurement contracts on the municipal website
- to enable citizens to exercise their right to file complaints and petitions. The forms for filing complaints and petitions should be placed at the entrance, and the box for complaints and petitions should be placed at a location where people can deliver them anonymously;
- Facilitate the citizens access to public information;
- to place the code of ethics in a prominent place for the citizens;

Recommendations for the Municipality of Studenicani

- to adopt rules of procedure and plan so as to ensure the transparency of the operation of the municipality
- to hold committees at the Mayor's office at least once a month, which will allow internal flow of information, which in turn is important for sharing information with the public and raising the level of efficiency and effectiveness of the municipal administration
- to appoint a person for public relations who will be operational and will answer citizens' questions
- to inform the citizens about the holding of the municipal council meetings at least 7 days prior to the meeting
- to promptly submit the materials for the meeting and make them available to the interested public;
- to make the municipal budget available to the public (on the website, bulletin board or otherwise)
- to publish the municipal budget in a form comprehensible to the citizens
- to publish the final accounts and the other financial documents
- to use questionnaires to evaluate the citizens' satisfaction with the services provided by the municipal administration

Recommendations for the Municipality of Saraj

Same as for the Municipality of Suto Orizari, in the Municipality of Saraj, given the weak results, the CRPM research team makes itself available to the municipality to jointly review the weaknesses and give proposals to overcome the weaknesses. This initiative will be launched by us, and if the municipality accept, these activities would be part of the commitments for trial sharing of good practices from other municipalities and their practical implementation in a particular municipality.

As for the other detected weaknesses, even though they are many, we would like to point out the following as top priority ones:

- The municipality to put into operation the municipal website where citizens can be informed about the activities of the municipality Alternatively, the Municipality can increase the use of the social networks profile so that the information can reach a large number of citizens who are social network users
- to organize frequent meetings with the citizens and encourage them to submit citizens' initiatives. Concurrently, the Municipality should explain the procedure for submission, as well as the obligations of the municipality to act upon such initiatives;
- the Council to adopt rules of procedure and plan so as to ensure the transparency of the operation of the municipal council
- to make the minutes of the meeting available to the citizens on the website, bulletin board or at the request of the citizens
- to establish a practice of using the council questions instrument at the meetings at the beginning of the meetings. They can be defined and established in the Rules of procedure and the Statute of the municipality
- to publish the budget and the other documents related to the financial operation of the municipality.

Recommendations for the Municipality of Aerodrom

- the Council to adopt rules of procedure and plan so as to ensure the transparency of the operation of the municipal council
- to make the minutes of the meeting available to the citizens on the website, bulletin board or at the request of the citizens
- to publish the signed public procurement contracts (on the website, bulletin board or otherwise)
- to publish a list of economic operators which due to a conflict of interest are not eligible participate in tender procedures
- to publish the municipal budget in a form comprehensible to the citizens
- to use questionnaires to evaluate the citizens' satisfaction with the services provided by the municipality
- to publish the annual program including the success indicators
- to publish information about the bodies which monitor the work of the municipality (State Local Self-Government Inspectorate, Ministry of Local Self-Government)

Recommendations for the Municipality of Cucer Sandevo

- to adopt rules of procedure and plan so as to ensure the transparency of the operation of the municipality
- to hold committees at the Mayor's office at least once a month, which will allow internal flow of information, which in turn is important for sharing information with the public and raising the level of efficiency and effectiveness of the municipal administration
- to appoint a person for public relations who will be operational and will answer citizens' questions
- to inform the citizens about the holding of the municipal council meetings at least 7 days prior to the meeting
- to promptly submit the materials for the meeting and make them available to the interested public;
- to make the municipal budget available to the public (on the website, bulletin board or otherwise)
- to publish the municipal budget in a form comprehensible to the citizens
- to publish the final accounts and the other financial documents
- to use questionnaires to evaluate the citizens' satisfaction with the services provided by the municipal administration

Recommendations for the City of Skopje

- to adopt and implement rules of procedure and plan so as to ensure the transparency of the operation of the City of Skopje
- to inform the citizens about the holding of meetings at least 7 days prior to the meeting on the website or through other media
- to make the minutes of the council meeting available to the citizens on the municipal website
- to publish the budget in a form comprehensible to the citizens
- to publicly announce the criteria for awarding funds on the municipal website.
- to facilitate the citizens access to public information

Recommendations for the Municipality of Cair

- to adopt rules of procedure and plan so as to ensure the transparency of the operation of the municipality
- to hold committees at the Mayor's office at least once a month, which will allow internal flow of information, which in turn is important for sharing information with the public and raising the level of efficiency and effectiveness of the municipal administration
- to appoint a person for public relations who will be operational and will answer citizens' questions
- to inform the citizens about the holding of the municipal council meetings at least 7 days prior to the meeting
- to promptly submit the materials for the meeting and make them available to the interested public;
- to make the municipal budget available to the public (on the website, bulletin board or otherwise)
- to publish the municipal budget in a form comprehensible to the citizens
- to publish the final accounts and the other financial documents
- to use questionnaires to evaluate the citizens' satisfaction with the services provided by the municipal administration

Southeast planning region

Researcher: Beti Pejeva

1. Challenges in data collection

The LOTOS study in the Southeast planning region included the municipalities of **Strumica, Radovis, Novo Selo and Bogdanci**.

With the start of the research activities in these municipalities in May 2014, one of the biggest challenges was the establishing of initial contact with the municipalities and finding the right approach for obtaining appropriate and realistic information, especially when we take into account that the representatives of the municipalities do not necessarily present realistic data regarding their operation. It was necessary to find the right people in the municipality, who will be able to provide the relevant information, but who will also be prepared and have the capacity to change established practices in order to promote the work of their municipality. The risk of delay of information and lack of openness to collaboration was a real challenge, but was successfully overcome with persistence in the request for submission of information, including the questionnaire. However, in order to verify the information received we have consulted several sources, including the informal conversations with local residents, local journalists, representatives of the media, the business community and civil society organizations, which was crucial for the completion of the real picture about the functioning of the municipality.

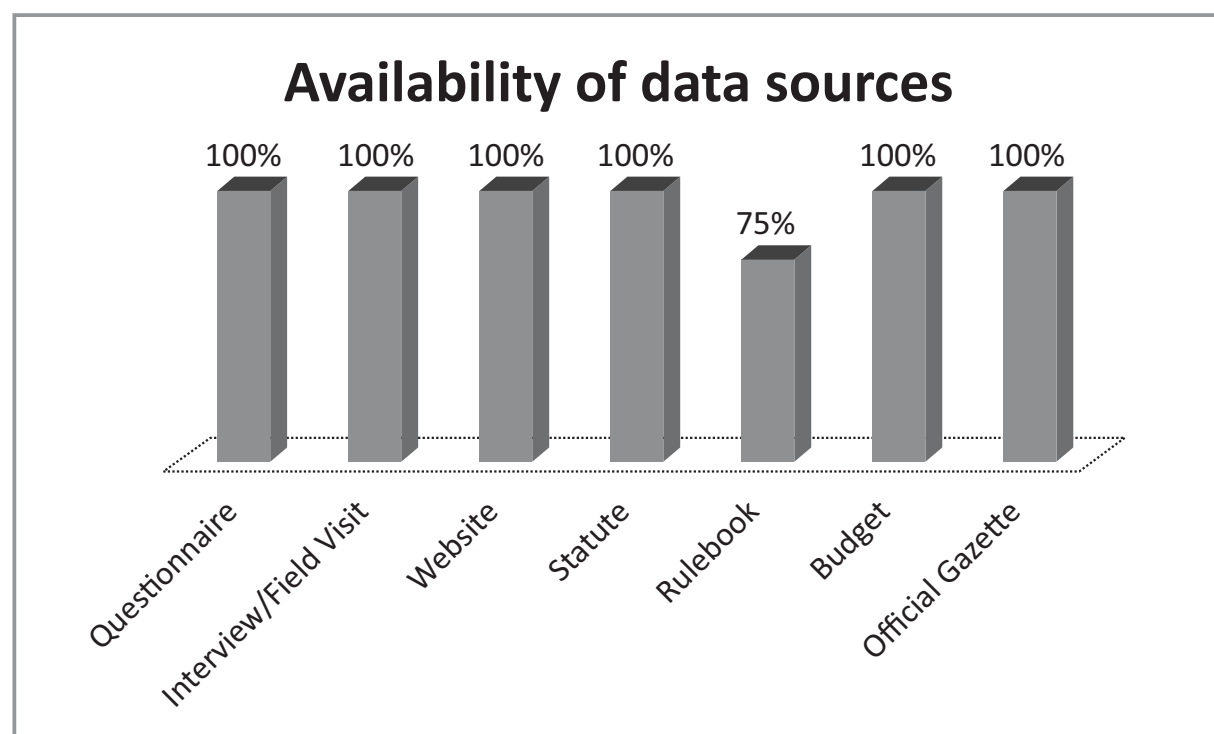
Information and thorough explanation of the objectives of the project were necessary for a part of the municipal administration to realize that the project works in favour of promoting the

work of the municipalities and that the creation of an atmosphere of competition between municipalities actually increases the benefit both for the service users and for the municipal authorities.

Direct contact with the municipal administration for obtaining certain information proved to be one of the best methods for implementation of comprehensive research, not only because of the fact that in that way the employees with whom we worked became more receptive to accept some of our suggestions and guidelines, but also because of the direct monitoring the effectiveness of municipal units, their efficiency and professionalism, as well as the insight into the situation directly "on the field". However, this approach has required frequent presence of the researchers in the municipalities that are geographically remote from each other, some more than 100 km. from our headquarters.

The use of various tools for data collection in this research, contributed to greater confidentiality of the data and increases their reliability, and for that purpose we used several different methods of collecting information: questionnaires, field research, information from the websites and the use of the tool "mystery shoppers".

Chart 1. Percentage of availability of data sources for the municipalities from the Southeast region



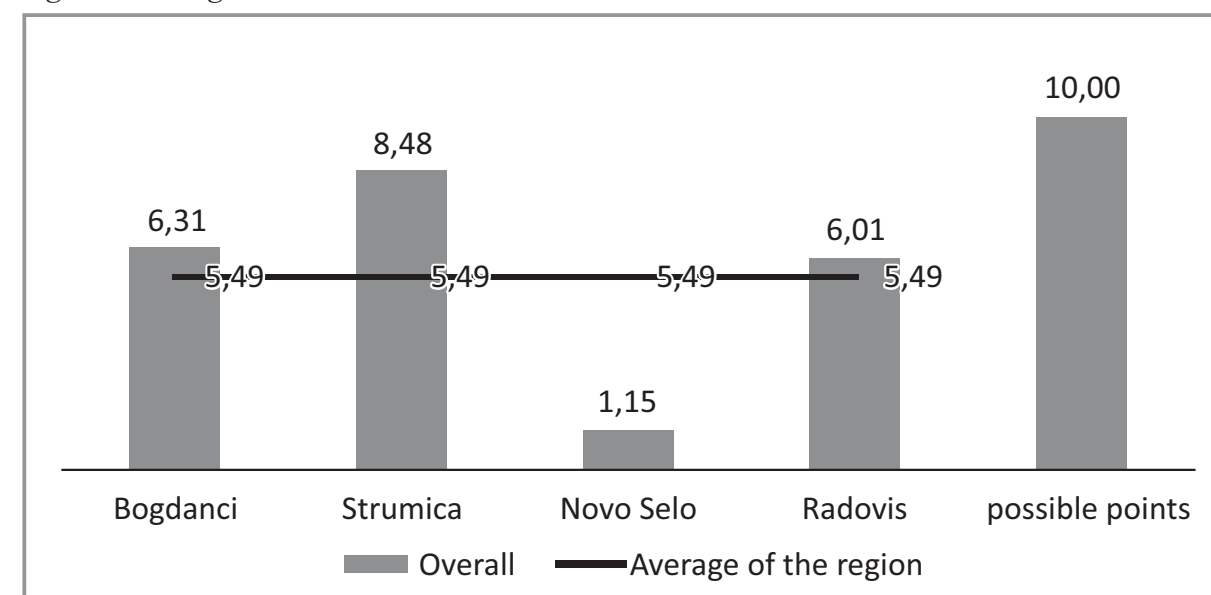
As you can see from the chart above, during the research we were able to provide all data sources from the municipalities, except the Rules of procedure the Municipality of Novo Selo. This means that in the process of verification of the data, we were able to consult multiple sources of information.

2. Results of the research

2.1 Total results in the Southeast region

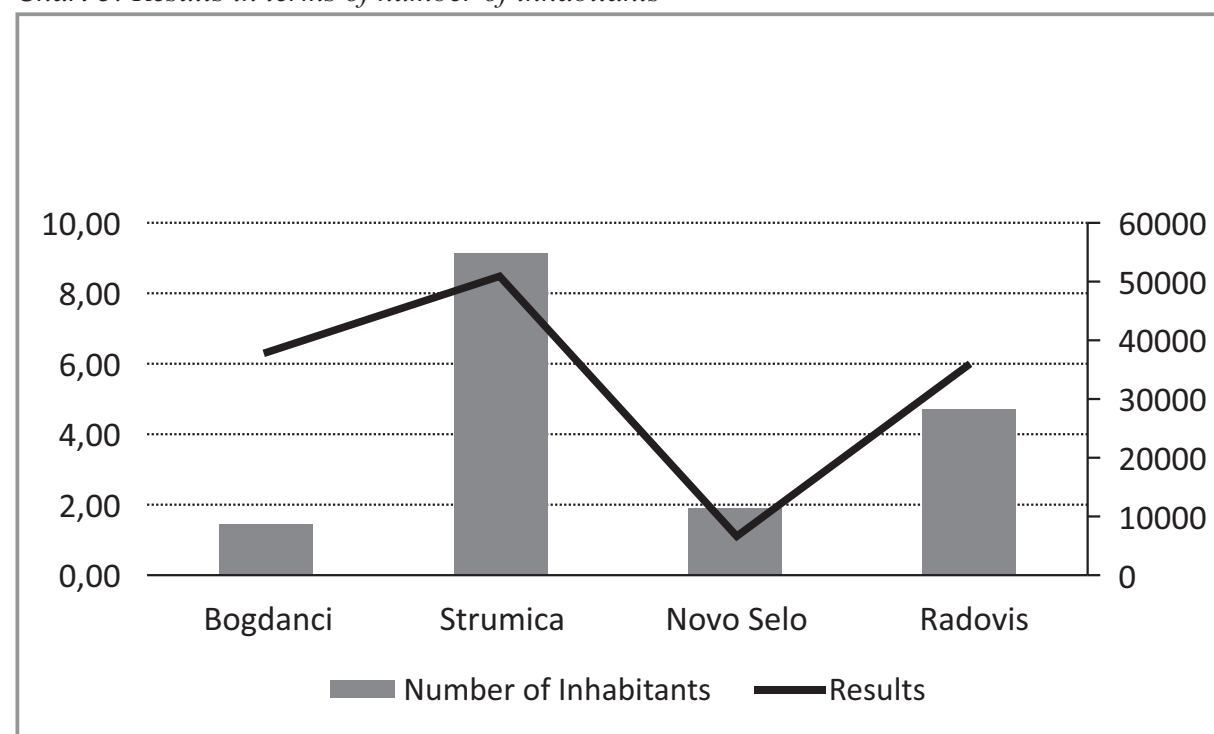
In the Southeast region, the Municipality of Strumica has the best result of 8.48, which is also the best total result of all 43 municipalities. The average for this region is quite high, at 5.49, which means that these municipalities together exceed the 5.00 point limit for a passing grade. The Municipality of Novo Selo has the weakest results in this region with 1.15 points, which significantly reduces the average of the other municipalities. For comparison purposes, without the results of this municipality, the average would be 6.93

Chart 2. Results for the municipalities from the Southeast region in terms of the overall and the regional average



It must be noted that the results of the Municipality of Strumica are largely a result of the cooperation of the municipality with the civil society organizations in terms of improving the transparency of the municipality. However, we were left with an impression that in all communities, regardless of the results shown, there is much room for improvement and promotion of the work, especially in the area of active involvement of citizens in policymaking. Participation in municipal decision-making is one of the fundamental rights of the citizens. Regardless of the fact that the Law on Local Self-Government provides for a wide range of forms of citizen participation, this citizens' right, which on the other hand is an obligation of the municipality, is considered as one of the ways for achieving local democracy, without being precisely specified in the legislation. Hence, a municipality that works according to the principles of good governance independently finds and uses various ways and forms for allowing citizen participation in the decision-making process at local level. The importance of this right derives from the fact that the decisions of the local self-government largely determine the life and work of the citizens.

Chart 3: Results in terms of number of inhabitants



From the table it can be seen that the number of inhabitants in the case of the municipalities from Southeast region is not of crucial importance in terms of the results. For example, the Municipality of Bogdanci although the smallest according to the number of inhabitants has achieved better results from Novo Selo which is a larger municipality. However, better access to infrastructure and human capacity seems to be crucial in the cases of the Municipalities of Strumica and Radovis, which have achieved high scores, not only in the region but also compared to the other 43 municipalities.

The classification of municipalities according to the degree of good governance is as follows:

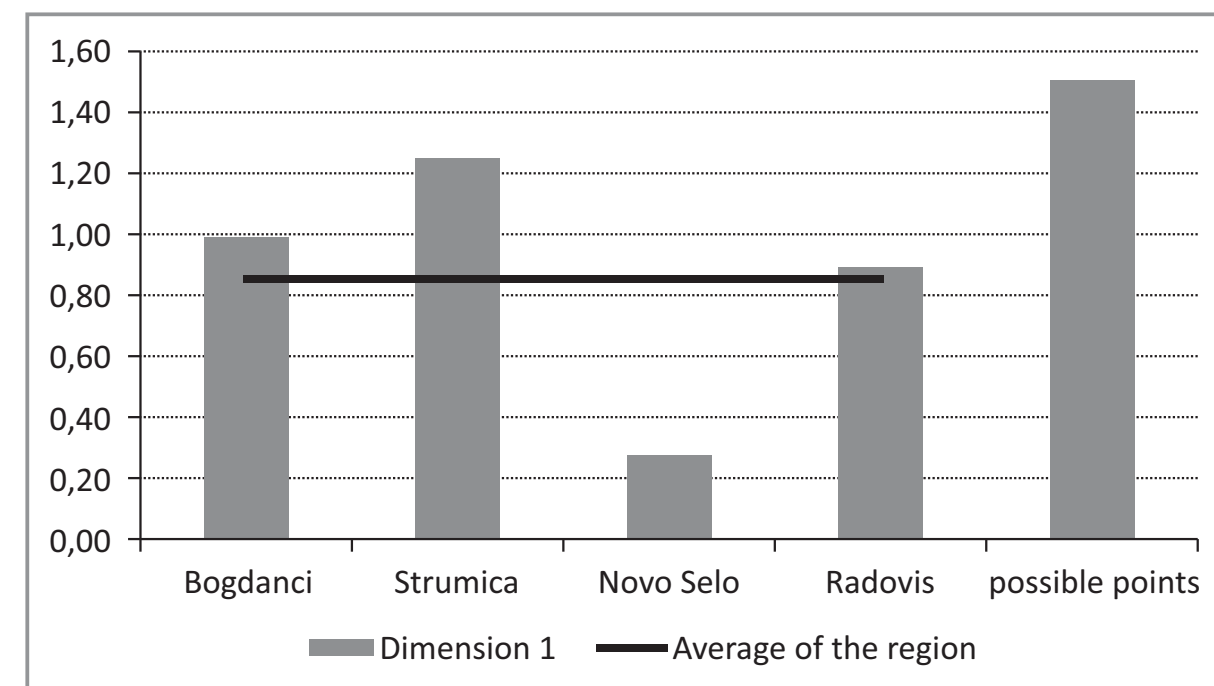
Table 1. Grouping of municipalities according to the degree of good governance at the local level

Municipality		Classification	Scale of good governance
Strumica	8,48	Excellent governance	9.51-10.00
		Very good governance	7.51-10.00
Bogdanci	6,31	Good governance	5.51-7.50
Radovis	4,88	Satisfactory governance	3.51-5.50
		Unsatisfactory governance	1.51-3.50
Novo Selo	1,15	Very bad governance	0.0-1.50

2.2 Results by dimension

The best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration**, among the municipalities in this region has been achieved by the Municipality of Strumica with 1.24 out of 1.5 points for this dimension. The average result for this dimension in the Southeast region is 0.89, where as many as three municipalities have achieved scores above the average: Bogdanci with 0.99, Radovish with 0.89 and as we already mentioned Strumica. The weakest result in this dimension has the Municipality of Novo Selo with a modest score of 0.27. As can be seen from the results, the average for the region is higher than the total average for all 43 municipalities which is 0.54 for this dimension.

Chart 5: Results of the municipalities from the Southeast region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



However, despite the excellent results that we were achieved by these municipalities, during the research were noted several challenges that they are facing. Namely none of the municipalities included in the research have adopted a Rulebook for transparency in the work of municipalities, in order to establish operational procedures for the transparency in the operation of the municipality, although such form is recommended by ZELS as well.

Committees at the Mayor's office with heads of sectors are established practice only in larger municipalities, while in the smaller ones they are held when necessary.

The same conclusion applies to the notifications for holding the Council meetings, as well as to the publishing of the Agenda for the meetings. Timely delivery and availability of the working materials for the Council meetings is a problem in almost all municipalities. In the smaller

municipalities, the transparency of the operation in the council is further hindered by the lack of local media.

The statutes and rules of procedure of the councils of Strumica, Radovis and Bogdanci are publicly published via direct links on the websites, or in the Official Gazette, while in the Municipality of Novo Selo it is possible for the respective documents to be obtained through correspondence or request for access to information of public interest.

The official gazettes of Strumica, Radovis and Bogdanci are regularly published on the municipal websites and chronologically arranged by year, while the official gazettes of the Municipality of Novo Selo are not publicly available.

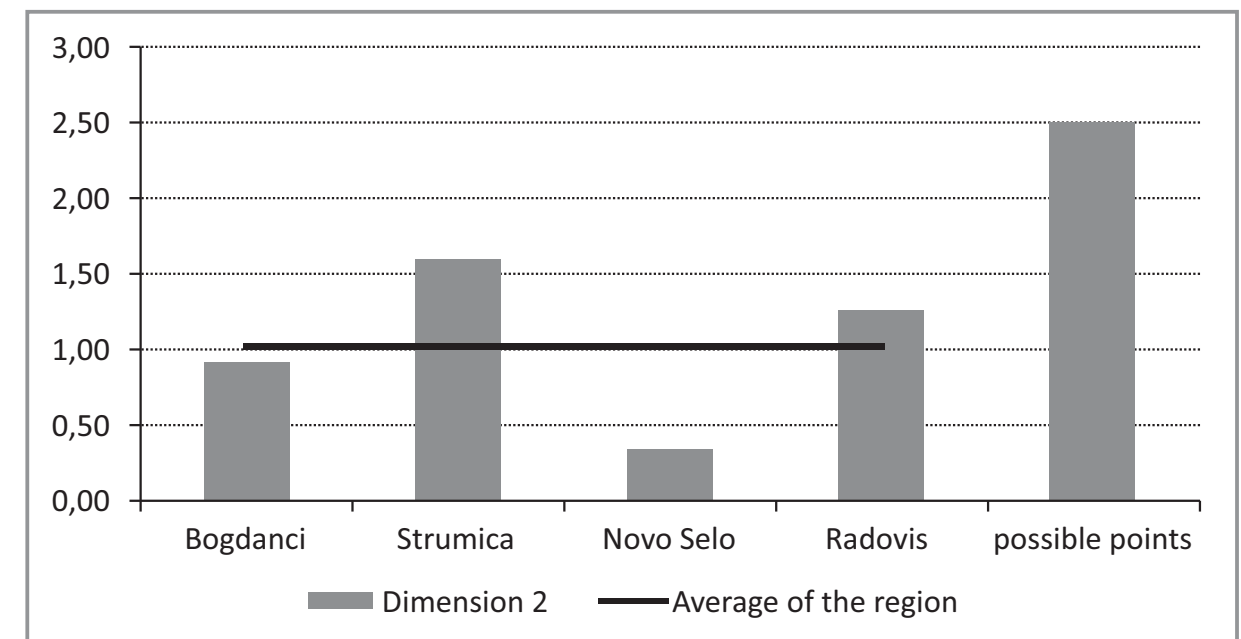
The municipal budgets, financial reports, final accounts and the notifications on budget adjustments of the Municipality of Strumica and the Municipality of Bogdanci are available on the websites via direct links or in the official gazettes, the respective documents of the Municipality of Radovis are available only in the official gazettes, whereas the ones of the Municipality of Novo Selo are not available except through a request for access to public information.

The time for consultation of the Mayor with the citizens is regulated, and the compliance with the announced terms is practiced in all municipalities that were subject of the research.

None of the researched municipalities has published the Plan for public procurement, the concluded and the annulled public procurement procedures. Strumica and Radovis have placed a link to the ESPP page of the Bureau for Public Procurement, where the announcements must be searched and the concluded contracts are published with a delay of 6 months, so it is not possible to have an insight into the currently concluded contracts.

In the second dimension - *Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)*, the best results were once again achieved by the Municipality of Strumica with 1.59 points, followed by the Municipality of Radovis with 1.25 and Bogdanci with 0.91 points. The average of the municipalities for this dimension is 1.32, which is above the average within the research that is 0.57.

Chart 6: Results of the municipalities from the Southeast region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)



Although the collaboration with the civil society organizations informally exists in all municipalities, still documented presence of the representatives of the civil society organizations at the council meetings is observed only in the Municipality of Strumica. In terms of transparency in the allocation of funds to the civil society organizations, Municipality of Strumica and Municipality of Bogdanci are leaders, whereas in the Municipality of Novo Selo there is no such practice.

It is interesting to note that, although the results show such structure, in addition to the Municipality of Strumica which has a regular practice of collecting suggestions and proposals by the local self-governments, the Municipality of Bogdanci is one of the rare municipalities which organizes a contest for the local communities for granting funds from the municipal budget, and there are even cases of collecting proposals from tenants' associations.

Youth Council is established only in the Municipalities of Strumica and Radovish, and their representatives participate in the meetings of the council.

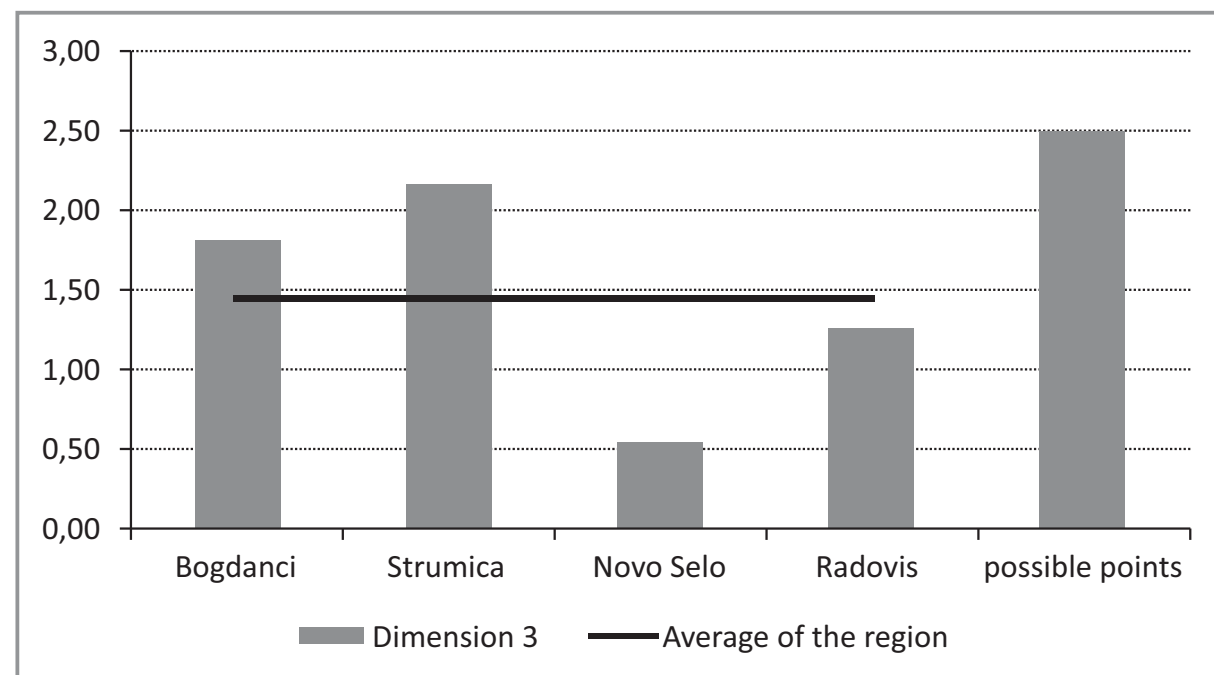
Information about the commissions established by the municipality and their work is published by the municipalities of Strumica and Radovis, whereas advisory bodies that include representatives of the civil society organizations or the business community are established only in the Municipality of Strumica and they participate in the work of the council.

According to the responses to the questionnaires, all four municipalities have established urban and rural communities that are functioning. However, with the field research it was established that only in the Municipality of Strumica there is a department and officer working with urban and rural communities.

The results of the municipalities from the Southeast region for the third dimension - **Responsive and accountable municipal administration**, are as follows: the Municipality of Strumica has

2.14 out of the possible 2.5, followed by Bogdanci with 1.79 and Radovis with 1.25, wherein the last place is taken by Novo Selo with 0.54. This means that Strumica, Bogdanci and Radovis have passed the threshold of 50% for this dimension, and have achieved scores above the average for the 43 municipalities which is 1.22 for this dimension.

Chart 7: Results of the municipalities from the Southeast region in Dimension 3 – Responsive and accountable municipal administration



Here it should also be noted that during the field researches that were regularly practiced in all municipalities subject of the research, the impression of the researcher regarding responsiveness and accountability, at least in the meetings that were held during the research, was that almost all municipalities were at the similar level, but we should also consider the other tools that were used.

However, in order to get a true picture about the work of the municipal administration, in some later research we should anticipate collecting opinions and conducting interviews with citizens who use the services of the municipality, representatives of the civil society organizations and the business community.

Urban plans are generally adopted in consultation with the public, as regulated under the Law on Urban Planning.

In all municipalities, except in the Municipality of Novo Selo there are procedures for consultation with the public. In the Municipality of Strumica there is also a communication strategy and operational plan for public relations, whereas a practice of holding public consultations is mostly evident in the Municipality of Strumica and somewhat less in the Municipality of Radovis.

Municipality of Strumica and Municipality Novo Selo use questionnaires on the satisfaction with the services. Municipality of Strumica uses questionnaires for the services in

almost all areas, while Municipality of Novo Selo uses such questionnaires in the Centre for Citizen Services.

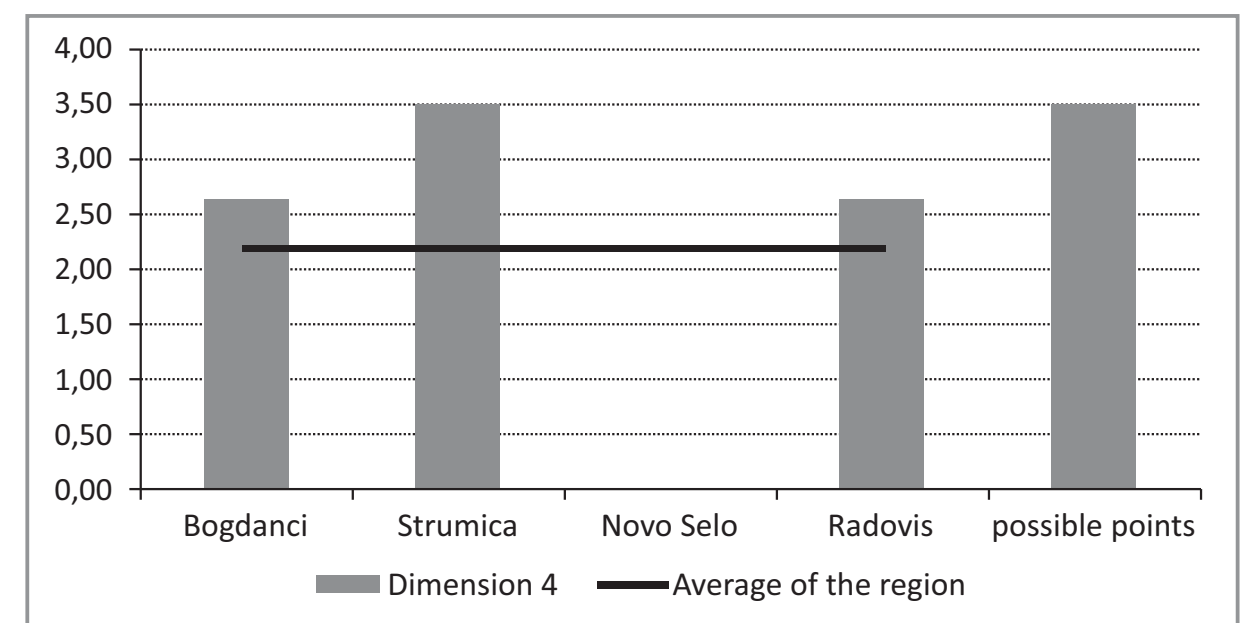
Of the four municipalities subject of the research, Community Needs Assessment is conducted solely in the Municipality of Strumica.

Information and forms for exercising the right of access to public information are available on the websites of the Municipality of Strumica and Municipality of Bogdanci, whereas forms and requests for exercising of certain rights and use of municipal services are available in electronic form on the websites of the Municipalities of Strumica, Radovis and Bogdanci, while in the Municipality of Novo Selo they can be obtained at the Centre for Citizen Services.

None of the municipalities has a specific written procedure for exercising the right to complaints and petitions by the citizens, i.e. on the municipal bulletin board and on the municipal website there is no official information about the official procedure with clear steps for filing complaints and petitions by the citizens, but the municipal administration responds to complaints and petitions in accordance with the valid legal regulations, or procedures according to established ISO quality standards, as is the case in the Municipality of Strumica, where at the entrance to the municipal hall there is a book for writing impressions by the citizens who visit the municipality.

According to the results of the fourth dimension which measures the **Effectiveness, efficiency and accountability of the local self-government** the highest number of points were achieved by the Municipality of Strumica - 3.50, which are the maximum points for this dimension. The average for this dimension is 2.19 for the Southeast region, while the weakest result was achieved by the Municipality of Novo Selo with 0 points. Bogdanci and Radovis have equal number of points - 2.63, and undoubtedly the municipalities of this region have one of the highest averages in this dimension

Chart 8: Results of the municipalities from the Southeast region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



The local self-governments of Strumica, Radovis and Bogdanci are usually informing about the achievements of certain policies which were a result of requests or civic initiatives. Such information can be found at their websites, Facebook pages and online portals, as well as through the local media (where they exist).

In all municipalities, the adopted ethical codes are displayed on visible places, usually in the lobby of the municipal building.

The Municipality of Strumica and Municipality of Bogdanci are also publishing annual programs by sectors including the projected budget for such programs, and the adjusted budget is also published on the web pages.

There is no specific information about the bodies monitoring the work of the municipalities, except a link to the Ministry of Local Self-Government and ZELS, where one can find such information, as exemplified on the website of the Municipality of Strumica.

RECOMMENDATIONS

- To prepare and adopt a plan on the transparency of the operation of the municipality
- Municipalities should publish on their websites the plans for public procurements, the announcements for public procurements and the concluded public procurement contracts.
- The budget, the final account and the financial statements to be published in a form understandable for the citizens.
- To prepare and implement a plan for encouraging the active participation of citizens in the work of the urban and local communities
- To establish a unit (where applicable), or appoint an officer for promoting cooperation with urban and local communities
- Municipalities should constantly explore and monitor the problems and needs of the local community and to take appropriate measures to address them.
- In terms of municipal employees, municipalities need to publish on the municipal websites both the job advertisements and the recruitment decisions.
- Municipalities should introduce the practice of regular announcement about the holding of the Council meetings, announcement of the agenda, as well as sending invitations to the interested parties.

- To use different mechanisms for inviting citizens and encouraging their active participation in local policymaking
- Municipalities should publish annual work programs per department for each year with a clearly defined time frame for implementation and indicators of success, as well as the anticipated budget for each activity of the annual program and regularly publish reports on the progress of implementation of activities.
- It is advisable to publish audit reports and the conclusions of the inspectors who monitor the municipal services.

Recommendations for the municipalities

Strumica

- to publish all announced, concluded and annulled public procurement procedures on the website
- to publish job announcement, as well as information on new recruitments in the municipality on its website
- It is advisable to publish audit reports and the conclusions of the inspectors who monitor the municipal services.
- the list of services per sectors , as well as the pricelist for the services, in addition to the website, to be published in a prominent place in the municipal building.

Radovis

- to publish all announced, concluded and annulled public procurement procedures on the website
- to publish job announcement, as well as information on new recruitments in the municipality on its website
- to prepare and adopt a procedure for citizen participation in the creation and adoption of the municipal budget.
- the municipality should regulate the way of getting feedback from citizens regarding their satisfaction with the municipal services and to conduct community needs assessment
- to regulate the right to complaints, petitions and appeals under a separate procedure

Bogdanci

- to practice holding regular committees with the mayor and the heads of sectors
- to publish all announced, concluded and annulled public procurement procedures on the website
- to publish the date and time of holding of the municipal council meetings and to find a way to inform the public
- to prepare and adopt a procedure for citizen participation in the creation and adoption of the municipal budget.
- to develop and adopt a procedure for public consultation
- to regulate the right to complaints, petitions and appeals under a separate procedure

Novo Selo

- to update regularly the website and upgrade it with the Statute of the municipality, municipal regulations, laws, and to regularly upload the official gazettes of the municipality.
- to publish the list of public information on the website and how to obtain them
- to practice holding regular committees with the mayor and the heads of sectors
- to publish the date and time of holding of the municipal council the meetings and to find a way to inform the public
- to publish the municipal budget and financial reports on the website
- to prepare and adopt a procedure for citizen participation in the creation and adoption of the municipal budget.
- to adopt a plan for municipal cooperation with the civil society.
- to develop and adopt a procedure for public consultation
- the municipality should regulate the way of getting feedback from citizens regarding their satisfaction with the municipal services and to conduct community needs assessment
- To regulate the right to complaints, petitions and appeals under a separate procedure

For municipalities that are not specifically mentioned in the recommendation, the implementation of general recommendations for the municipalities applies.

Pelagonia planning region

Researcher: Diogen Hadzi Kosta Milevski

1. Challenges in data collection

The Center for European Development and Integration, as a partner of the Center for Research and Policy Making, within the LOTOS project, implemented the research for the transparency and the anti-corruption measures implemented by the municipalities in the Pelagonia region. The focus of the research team of CEDI was put on the following four municipalities: **Bitola, Demir Hisar, Krushevo and Dolneni.**

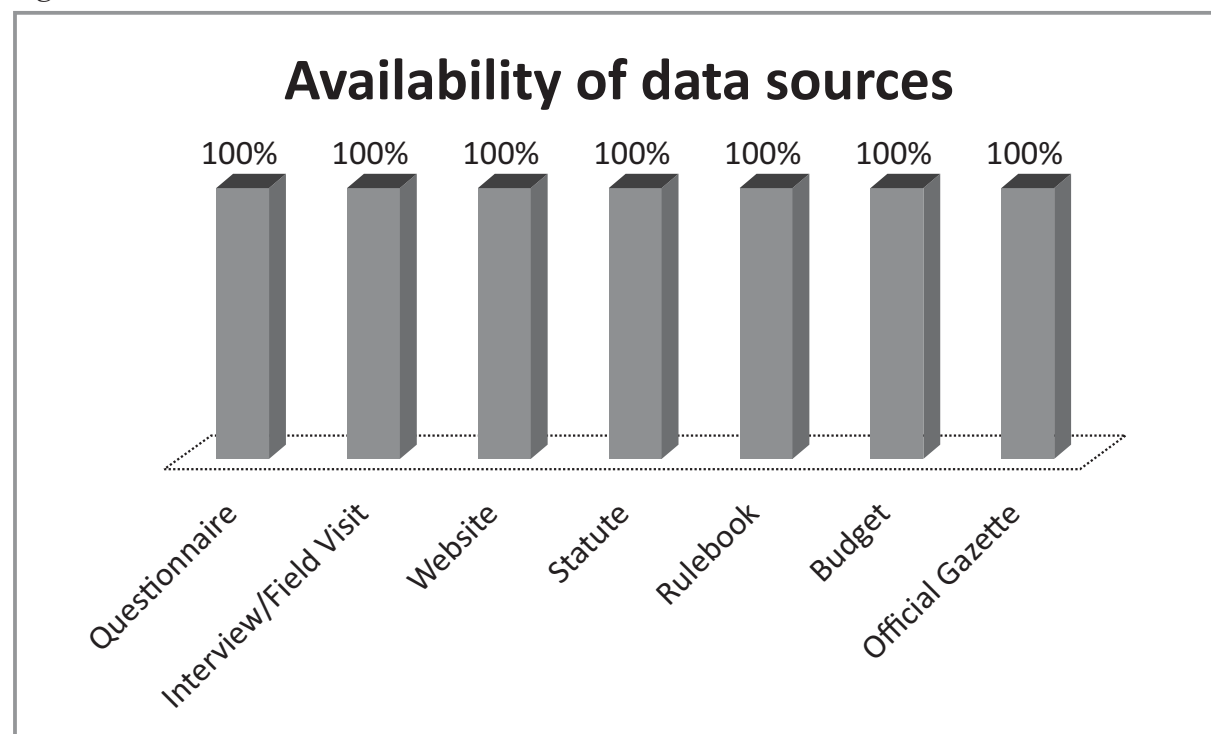
The data collection was implemented through a field research and analysis of the documents and data that were available in electronic form.

The field researches were implemented in two phases. The first phase was implemented in the second half of the month of May 2014 when the team visited all four municipalities and made an initial analysis which was used as a reference point in the further research. Within the first phase of the research during the visit to the municipalities they were submitted the standardized questionnaire with a list of questions and necessary documents as proof of the answers to the questions. This visit was used to scan the indicators that were related to the physical and the material conditions for meeting the legally defined rules for the functioning of the local self-government units.

The second and final stage of field research was implemented in the second half of the month in October 2014 when the second visit to the municipalities was made, which visit was used to gather data for the indicators and to complete and further define the indicators regarding which there was a lack of verified data.

In addition to the field research, from the moment of the start of the research phase of the LOTOS project. i.e. as of 01.05.2014, the CEDI team started the process of collecting, analyzing and monitoring all available information in electronic form. Within this component of the study, the way in which the municipalities present the relevant information and documents for the citizens were monitored. Also, the responsiveness of the municipal administration was verified and it was tested by sending letters and making visits to the municipalities by mystery shoppers. Part of the research was directed towards the manner of managing and adding contents to the municipal websites and their updating.

Chart 1. Percentage of availability of data sources for the municipalities from the Pelagonia region



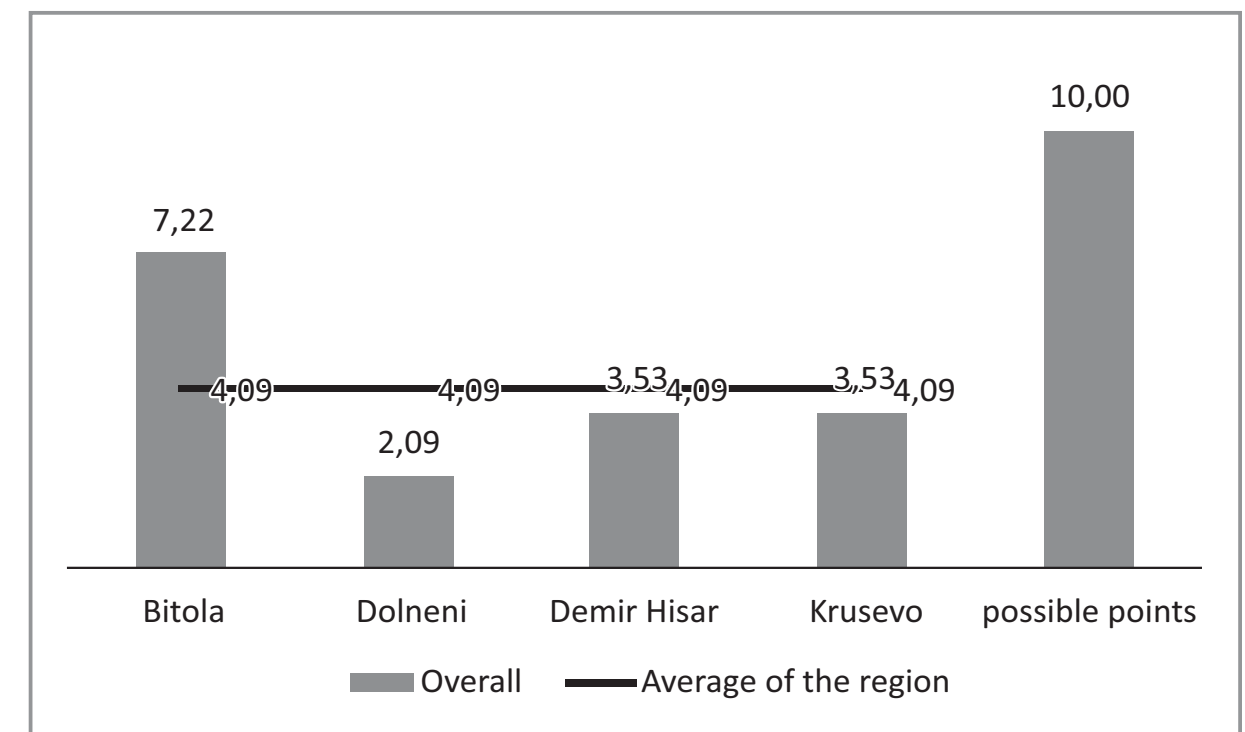
Within this research the CEDI team established a direct contact with the mayors and the municipal administration in the four municipalities that were part of the study and it faced a constructive and open approach by all subjects that were included in the research. At our request, the municipalities provided us with all the necessary documents that were relevant to the study and we were enabled to take insight into the official gazettes and the manner of operation of the municipal administration, which can also be seen from the chart given above.

2. Results of the research

2.1 Total results in the Pelagonia region

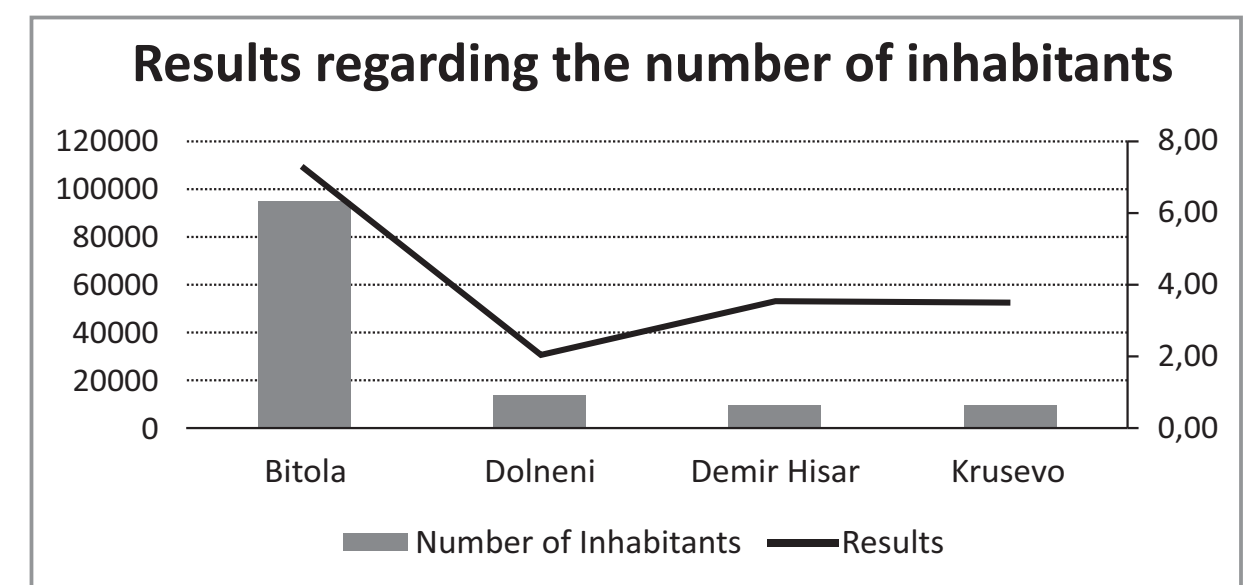
From the municipalities in the Pelagonia planning region in which the research was conducted, the best overall results were achieved by the Municipality of Bitola (7.22), followed by the municipalities of Demir Hisar and Krushevo with 3.53 points each out of a total of 10 points. The Municipality of Dolneni lagged behind these municipalities with an achieved score of 2.09 which contributes to the overall average for the municipalities of this region to be 4.09. Then again, in comparison with the overall average of the results of this research of 3.53, it can be seen that the municipalities from this region are somewhat better compared to the other regions. Interestingly, the results of Demir Hisar and Krushevo are identical with the overall average of achieved results.

Chart 2. Results for the municipalities from the Pelagonia region in terms of the overall and the regional average



However, in terms of the passing grade of 5.00, only the Municipality of Bitola exceeds this limit, Demir Hisar and Krushevo are slightly lagging behind, whereas the Municipality of Dolneni will have to do more work on the implementation of the good governance practices at local level.

Chart 3: Results in terms of number of inhabitants



The table shows the results of the 4 municipalities from the Pelagonia region combined with the number of inhabitants in the municipalities. From the table it can be noted that there is a trend of better results of the urban municipalities compared to the rural ones. Due to the better infrastructure and availability of human resources, the urban municipalities have the capacity to meet some of the indicators related to the services available to the citizens and thus they have an advantage compared to the rural municipalities. Thus, we can conclude that it is not the number of inhabitants that has a big impact on the results, but rather it is the better infrastructure of the urban municipalities.

The classification of municipalities according to the degree of good governance is as follows:

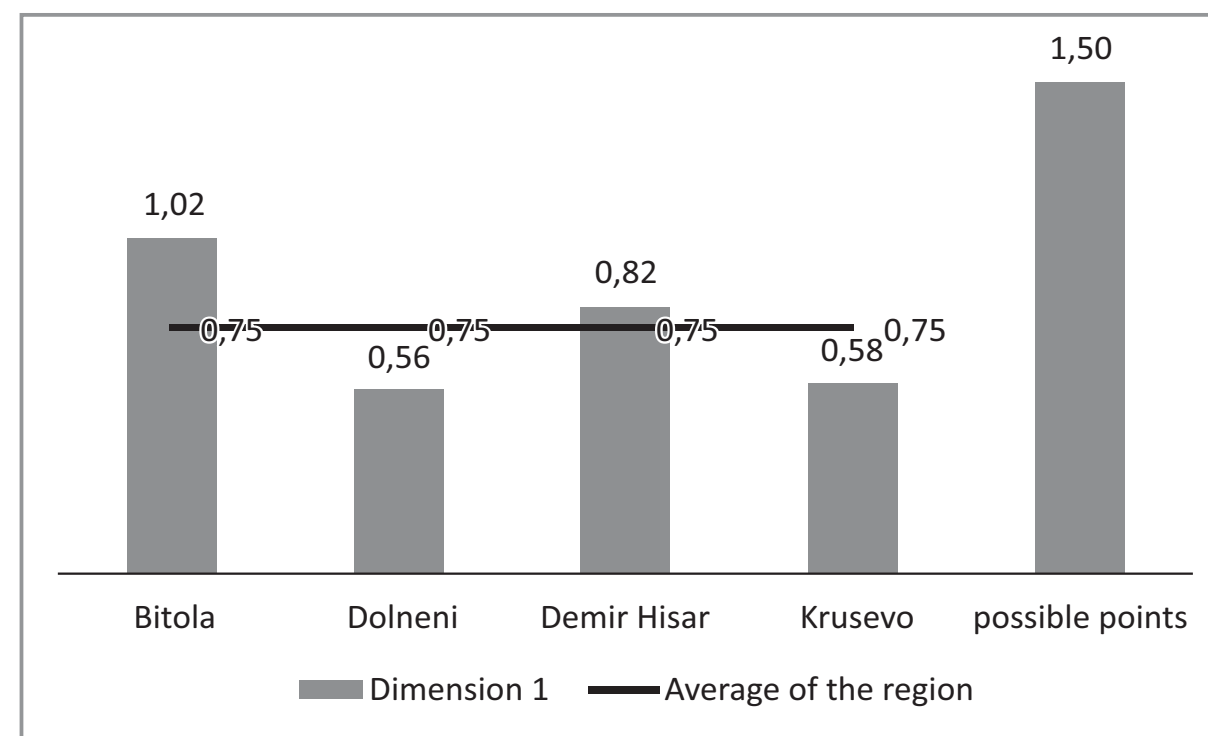
Table 1. Grouping of municipalities according to the degree of good governance at the local level

Municipality		Classification	Scale of good governance
Bitola	7,22	Excellent governance	9.51-10.00
		Very good governance	7.51-10.00
Krusevo	3,53	Good governance	5.51-7.50
Demir Hisar	3,53		
		Satisfactory governance	3.51-5.50
Dolneni	2,09	Unsatisfactory governance	1.51-3.50
		Very bad governance	0.0-1.50

2.2 Results by dimension

From the municipalities in this region, the best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration** was achieved by the Municipality of Bitola (1.02) out of possible 1.5, and the second best result was achieved by Demir Hisar with 0.82. The average for this dimension for the Pelagonia region is 0.75 and the municipalities of Krushevo (0.58) and Dolneni (0.56) have results lower than this average. In this dimension, the municipalities of Bitola and Demir Hisar have achieved results of more than 50% of the points for this dimension, while Krushevo and Dolneni are under this percent and did not get a passing grade. Compared to the average for this dimension for the 43 municipalities (0.54), the municipalities from this region can be said to be transparent with respect to the operation of the municipal bodies.

Chart 5: Results of the municipalities from the Pelagonia region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



What can be concluded by analyzing the indicators from this dimension is that the Municipality of Bitola and the Municipality of Demir Hisar have better results than Krushevo and Dolneni due to the wider array of possibilities for informing the citizens on the operation of the municipal government through electronic media.

In terms of the formalization of the procedures for monitoring the meetings of the municipal council, all of the municipalities from the Pelagonia region show poor results. None of the municipalities has adopted a **Rulebook for transparency in the work of the municipality** which defines, regulates and systematizes the procedures for raising the transparency of the operation of the municipality.

The municipalities of Bitola and Demir Hisar have appointed public relations officers and in these municipalities that is the primary job description of these employees, while in the cases of Krushevo and Dolneni the function of public relations officers is performed by persons who in their job descriptions also have other working tasks in the structure of the municipal administration.

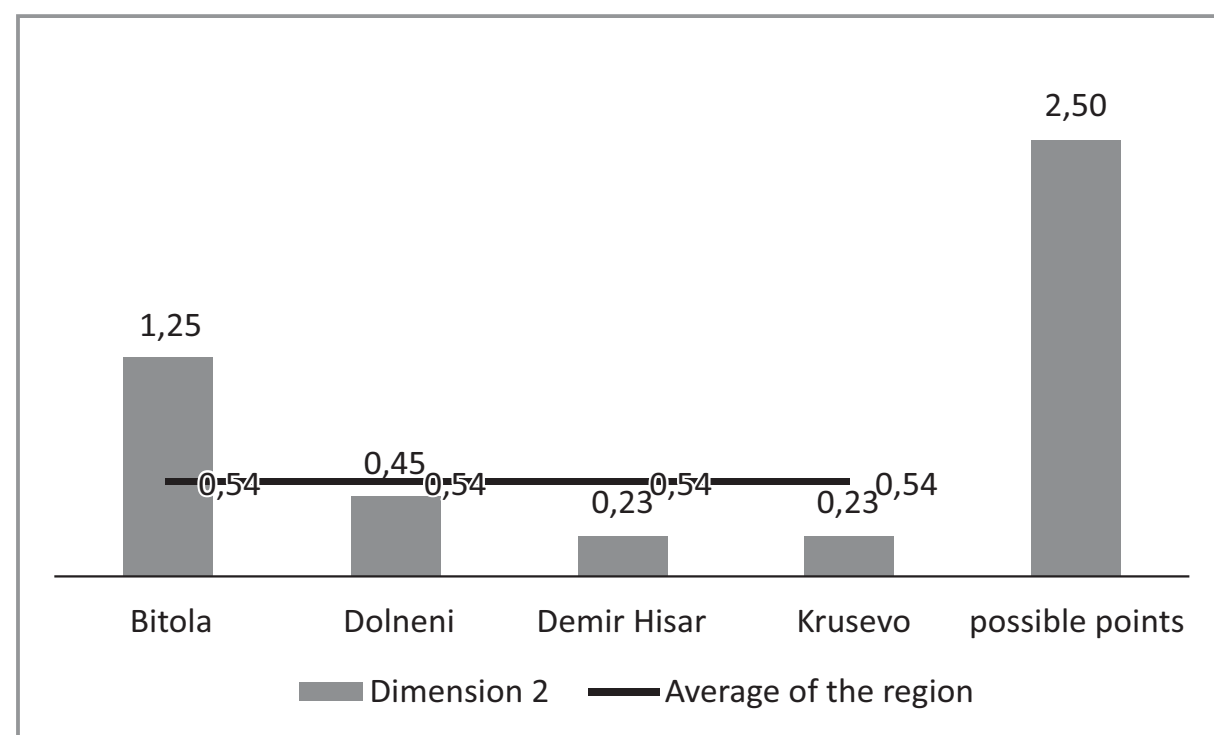
Except for the Municipality of Bitola that has published the 2013 financial statements in a form understandable to the citizens the other municipalities have not gained points on the basis of this indicator.

All municipalities are underperforming in the part of the publication of the signed public procurement contracts and most often invoke the centralized national system for publication of the tendering procedures and the contracts. However, this manner of publication does not allow the citizens to have an easy and fast access to the information from this category and for those who are not well aware of the system of functioning of this service it practically renders the data

completely unavailable.

In the second dimension - *Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)*, the best results were once again achieved by the Municipality of Bitola with 1.25 points, followed by the Municipality of Dolneni with 0.45 and Demir Hisar and Krushevo with 0.23 points. The average of the municipalities for this dimension is 0.54, which is slightly below the average within the research which is 0.57.

Chart 6: Results of the municipalities from the Pelagonia region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)



What can be concluded from the analysis of the individual indicators in this dimension is that the municipalities have not standardized the manner of participation of the civil society organizations in the operation of the council and almost none of them has any formal documents that can prove such participation of civil society organizations in the operation of the council or the operation of the commissions and bodies established by the council.

Furthermore, in all municipalities except for the Municipality of Bitola there is no clearly defined procedure and criteria under which the organizations can apply for funds from the municipal budget.

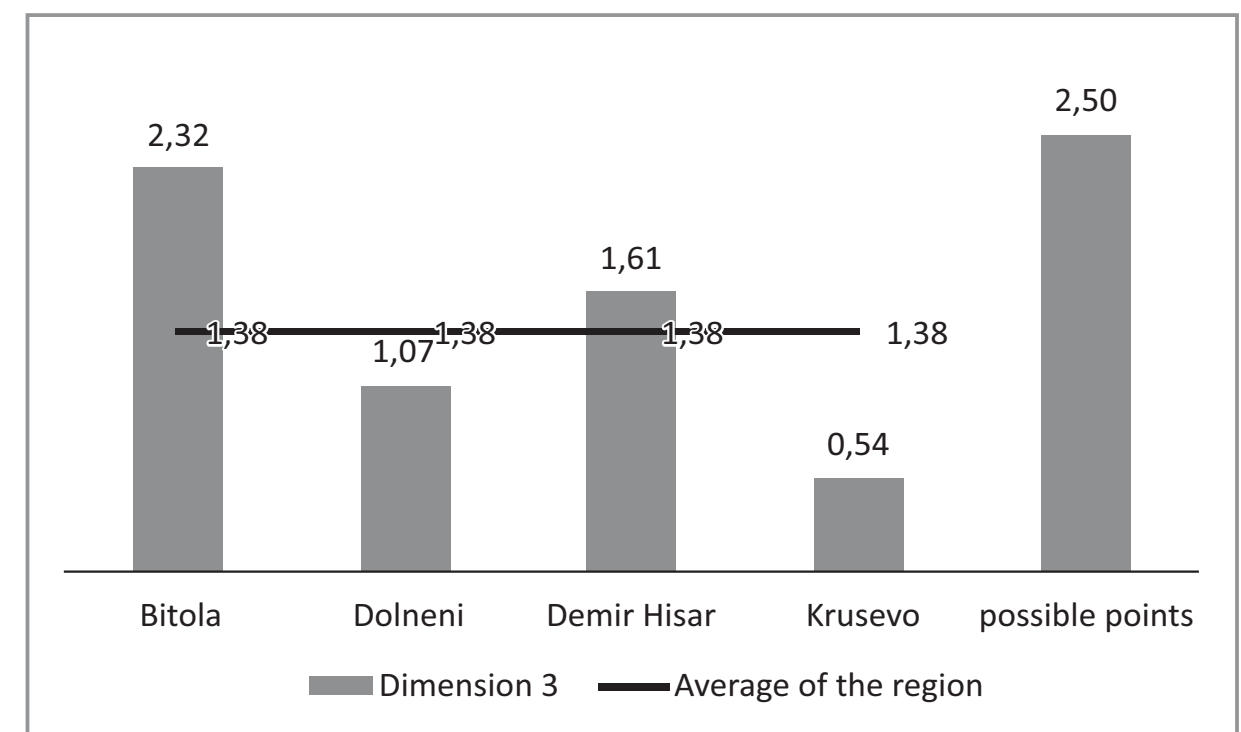
None of the municipalities has published a list of civil society organizations that are not eligible to receive funds due to a conflict of interest.

In defence of the municipalities we may argue that in view of the limited financial resources that are at disposal of the smaller municipalities they are not able to provide a pool of funds for which

the civil society organizations would apply, as is the case with the Municipality of Bitola.

The results of the municipalities from the Pelagonia region for the third dimension - **Responsive and accountable municipal administration**, are as follows: the Municipality of Bitola has 2.32 out of the possible 2.5, followed by Demir Hisar with 1.61 and Dolneni with 1.07, wherein the last place is taken by Krushevo with 0.54. This means that Bitola and Demir Hisar have passed the threshold of 50% for this dimension, and have achieved scores above the average for the 43 municipalities which is 1.22 for this dimension.

Chart 7: Results of the municipalities from the Pelagonia region in Dimension 3 – Responsive and accountable municipal administration



The data for the indicators in this dimension are obtained by combining several research methods: analysis of documents, field verification with mystery shoppers and sending letters to the administrative bodies at local level.

Due to its human resources, the developed practice and the infrastructure, as a large municipality, Bitola has the most points in this dimension as well. What the Municipality of Bitola is missing is the enabling of the right to free access to public information which is not clearly marked neither in the building of the municipality nor at the website of the municipality. In terms of this indicator the only municipality from the Pelagonia region that meets all criteria is Demir Hisar,

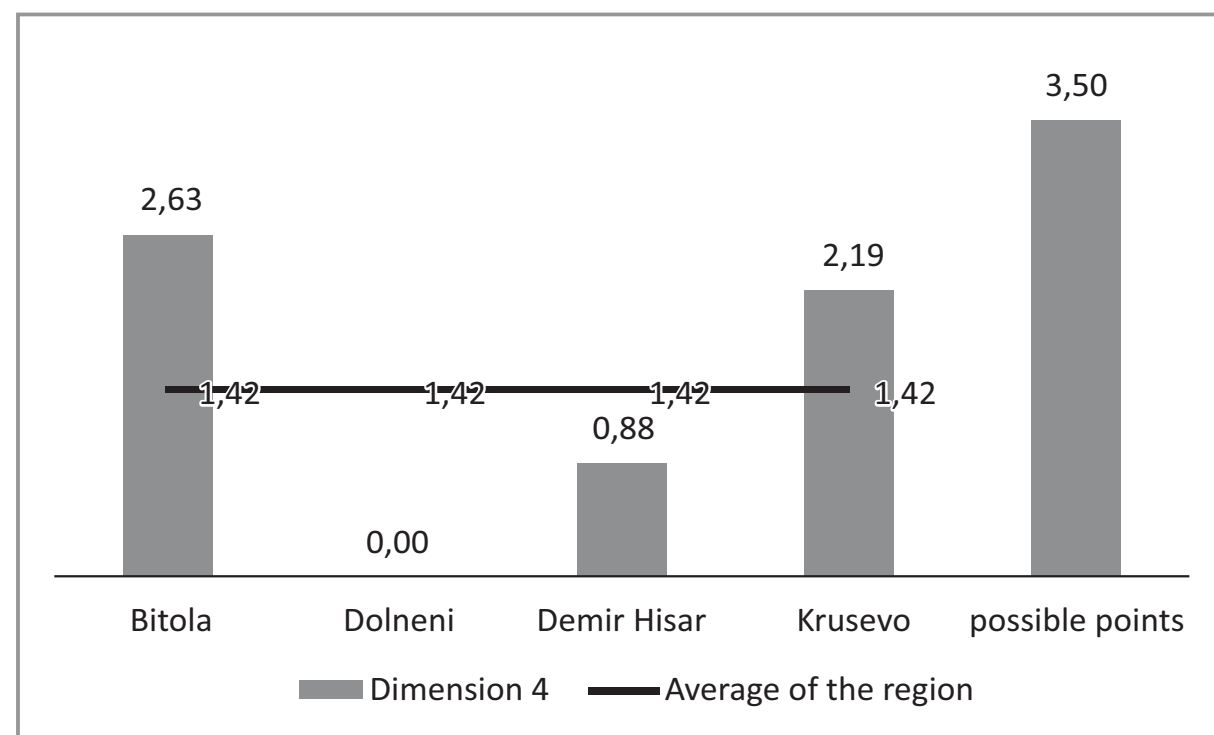
Krushevo has the poorest results in this dimension and it is due to the non-establishment of the local communities which consequently entails negative points on several indicators.

The municipalities of Dolneni, Krushevo and Demir Hisar have not defined any procedures or conducted public consultation, which ultimately brings about negative points in the part pertaining to the adoption of the DUP and GUP, the municipal budget and the review of

the needs of the citizens in these municipalities. Although some informal instruments for checking the priorities of the citizens are existing and are being implemented at a personal level, still there is no clear and systematic practice that could be the subject of research and analysis.

According to the results of the fourth dimension which measures the **Effectiveness, efficiency and accountability of the local self-government** the highest number of points were achieved by the Municipality of Bitola - 2.63, the average for this dimension is 1.38 for the Pelagonia region, while the poorest result was achieved by the Municipality of Dolneni with 0 points. Demir Hisar has won 0.88 points, which is below the passing grade of 50% of fulfilment of the indicators for this dimension.

Chart 8: Results of the municipalities from the Pelagonia region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



What can be noticed in some of the municipalities in this dimension is the non-publication of the final accounts for the budget spending (Krushevo and Dolneni). These final accounts can be found in the official gazettes of the municipalities, but they are not available as separate electronic documents easily accessible through the Internet. The same goes for the budget adjustments (Demir Hisar, Krushevo and Dolneni). All municipalities except for Bitola do not publish an annual work program by sectors.

The conclusion that we can make from the analysis of the results achieved by the municipalities from the Pelagonia region is that there is a need and room for increase of the transparency and the accountability in the operation of the municipalities, as well as strengthening of the instruments and the practices that will lead to a reduction in the possibilities for corruption. Although our experience from the field shows that most of the municipalities are faced with a lack of human resources and financial and even physical conditions for the fulfilment of some of the indicators it does not mean that the situation cannot be improved.

The municipalities are not doing enough in the area of involvement of the civil society organizations and the citizens in the activities and the projects undertaken thereby, which ultimately brings about underperformance in terms of the transparency of their operations. As a proof of this we can give the fact that none of the municipalities were able to show proof that they have duly invited civil society organizations to participate in public debates or in the operation of the municipal council when resolving issues related to the interest of the citizens and of the scope of the registered civil society organizations, which in itself does not mean that there is no public participation in the work of municipal bodies but points to the existence of a gray area and absence of a clearly defined practice which increases the space for a preferential treatment and corruption.

More than a third of the data that were the subject of analysis by the research team of CEDI were collected by monitoring the websites of the municipalities and in many cases they represent a kind of a promotional medium for the municipality, while the fundamentally important public information are often found at locations that are not readily available (visible). In this manner the websites serve as a newsletter for the activities of the municipality, and not as an electronic public service through which the citizens could be able to obtain relevant data and services.

The municipalities do not use questionnaires that would poll the opinion, the needs and the views of the citizens about the activities undertaken thereby and in most cases that is justified by the communication with the representatives of the local and the rural communities which ultimately does not provide a clear picture of some issues that are important at local level and covers only the citizens who participate in the operation of the local and the rural communities.

The representatives of the municipalities with whom the CEDI team cooperated in many situations informed us about the other side of the reality of the functioning of the local self-government and during these discussions with them we were able to truly discern those areas where progress and improvement of the transparency and the anti-corruption practices are possible in the work of municipalities which will ultimately enable the citizens to obtain a better service and a route for informing and monitoring the operation of the local self-government.

RECOMMENDATIONS

The general recommendations concerning all four municipalities from the Pelagonia region are as follows:

- 1- The municipalities should adopt rulebooks and plans for transparency of the operation that will formally regulate the manner of participation of the citizens and the civil society organizations in the operation of the municipal council and the bodies established by the council.
- 2- To define the council questions within the statute and the rules of procedure of the council at the beginning of the meetings
- 3- To inform the citizens about the work of the commissions established by the municipality
- 4- The municipalities must start publishing the public procurement contracts at the municipal websites.
- 5- The municipalities should publish the information about the employments within the

municipality.

- 6- The municipalities should develop systems for verification of the interests and the needs of the citizens which will ultimately lead to more efficient use of the resources at their disposal.

For each municipality, in addition to the general recommendations we also list the individual recommendations:

Municipality of Bitola

1 – To develop a website which will structure the large amounts of information that are currently uploaded but are not clearly arranged in a neat and intuitive manner.

2 – To publish a list of public information in the municipality, as well as the procedure on the manner in which the citizens can access this information

3 – To update the bulletin board in the municipality with relevant and current information and calls.

Municipality of Demir Hisar

- 1- To publish the content of the agenda of the meetings of the council prior to the holding of the meeting
- 2- To publish the financial statements in a form understandable for the citizens
- 3- To publish the final accounts despite its publication in the official gazette of the municipality.
- 4- To prepare a rulebook and criteria that will ensure transparency in the allocation of funds to the civil society organizations by the municipality
- 5- To enable (additional) participation in the Municipal Council to advisory bodies comprised of representatives of the civil society or representatives of the business sector.
- 6- To publish the annual work program by sector

Municipality of Krushevo

- 1- To appoint – engage a public relations officer
- 2- To establish urban and rural communities as a system of communication with the citizens
- 3- To publish the content of the agenda of the meetings of the council prior to the holding of the meeting
- 4- To publish the financial statements in a form understandable for the citizens
- 5- To prepare a rulebook and criteria that will ensure transparency in the allocation of funds to the civil society organizations by the municipality
- 6- To enable the participation in the Municipal Council to advisory bodies comprised of representatives of the civil society or representatives of the business sector.
- 7- To publish the annual work program by sector

Municipality of Dolneni

- 1- To appoint – engage a public relations officer
- 2- To publish the content of the agenda of the meetings of the council prior to the holding of

the meeting

- 3- To publish the financial statements in a form understandable for the citizens
- 4- To prepare a rulebook and criteria that will ensure transparency in the allocation of funds to the civil society organizations by the municipality
- 5- To enable the participation in the Municipal Council to advisory bodies comprised of representatives of the civil society or representatives of the business sector.
- 6- To publish the annual work program by sector

To publish the final accounts despite its publication in the official gazette of the municipality.

Polog planning region

Researcher: Rudina Pasholi

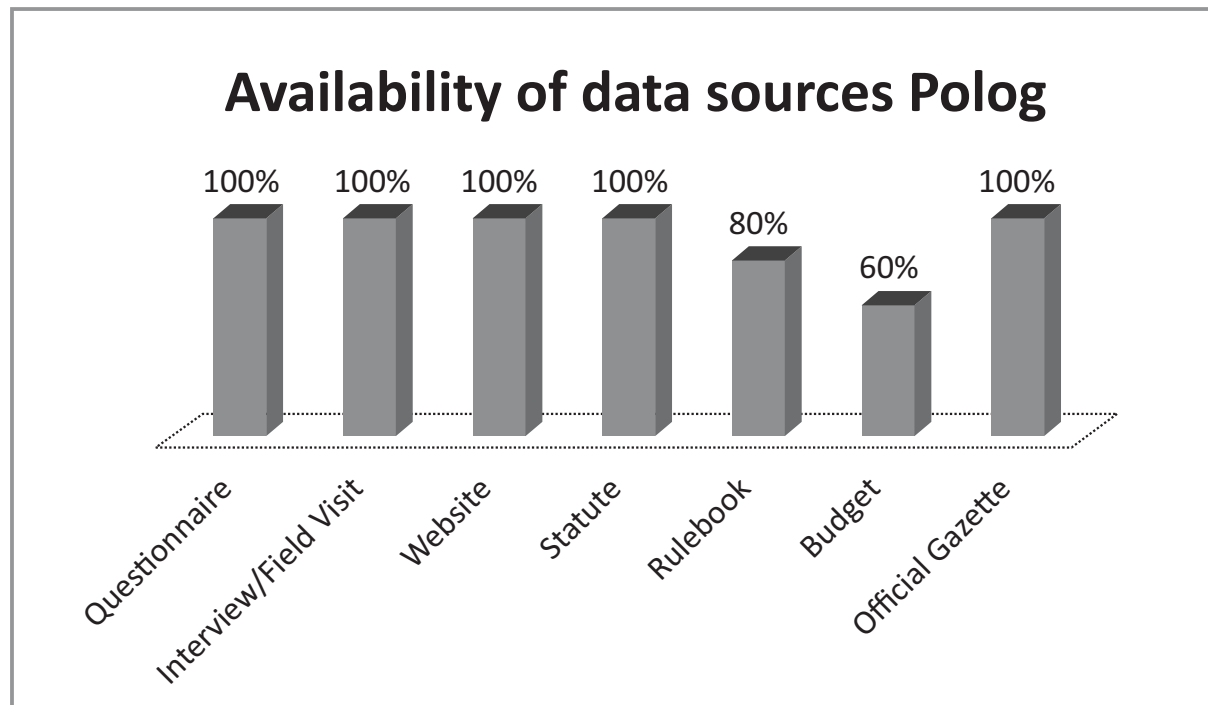
1. Challenges in data collection

The LOTOS study in the Polog planning region included the municipalities of **Tetovo, Gostivar, Brvenica, Vrapchiste and Bogovinje**. From these municipalities, 2 are based in urban settlements, while 3 municipalities are located in rural settlements.

The research was conducted in the period May to October 2014. On 09.05.2014 we sent a letter to the municipalities which included an explanation of the purpose of the research and basic information about the project. Along with the letter, a questionnaire with 26 short questions was sent to the municipalities to fill out for the purposes of collecting data regarding the research objectives. Municipalities were given a period of 15 days to return the filled out questionnaire.

In the given deadline until 24.05.2014, municipalities of Brvenica, Vrapchiste and Bogovinje returned the filled out questionnaire, while the municipality of Gostivar submitted the completed questionnaire with a delay - on 06.03.2014. The municipality of Tetovo submitted the questionnaire in the next month. This means that the responsiveness of the municipalities in the region is solid, taking into consideration that within the first deadline, although in the case of Gostivar with a delay, 4 out of 5 municipalities returned a filled out questionnaire by email. However, one of the challenges that we faced during the research was the unavailability of certain information on the municipal websites. The required materials were delivered at the request of the researcher during the research period.

Chart 1. Percentage of availability of data sources for the municipalities from the Polog region



In the Polog region conducted field researches in all 5 municipalities subject of the research; questionnaire was obtained from all municipalities; the statute and the official gazette, and all municipalities had functional websites. The rules of procedure was missing in one municipality - Gostivar, and the budget was not available for the researcher in 2 municipalities - Vrapchiste and Gostivar.

2. Results of the research

2.1 Total results in the Polog region

In the Polog region, the best total results were achieved by the Municipality of Tetovo with 4.89 points, followed by the municipalities of Bogovinje with 2.91, Vrapcishe with 2.17, Gostivar with 1.57 and Brvenica with 1.12. The average for this region is quite low, at 2.53, which is 1 point below the average for all 43 municipalities together, which is 3.53. Worrying is also the fact that none of these municipalities have fulfilled 50% of the indicators, which points to the need for improvements in all dimensions of the good governance indicators at the local level.

Chart 2. Results for the municipalities from the Polog region in terms of the total and the regional average

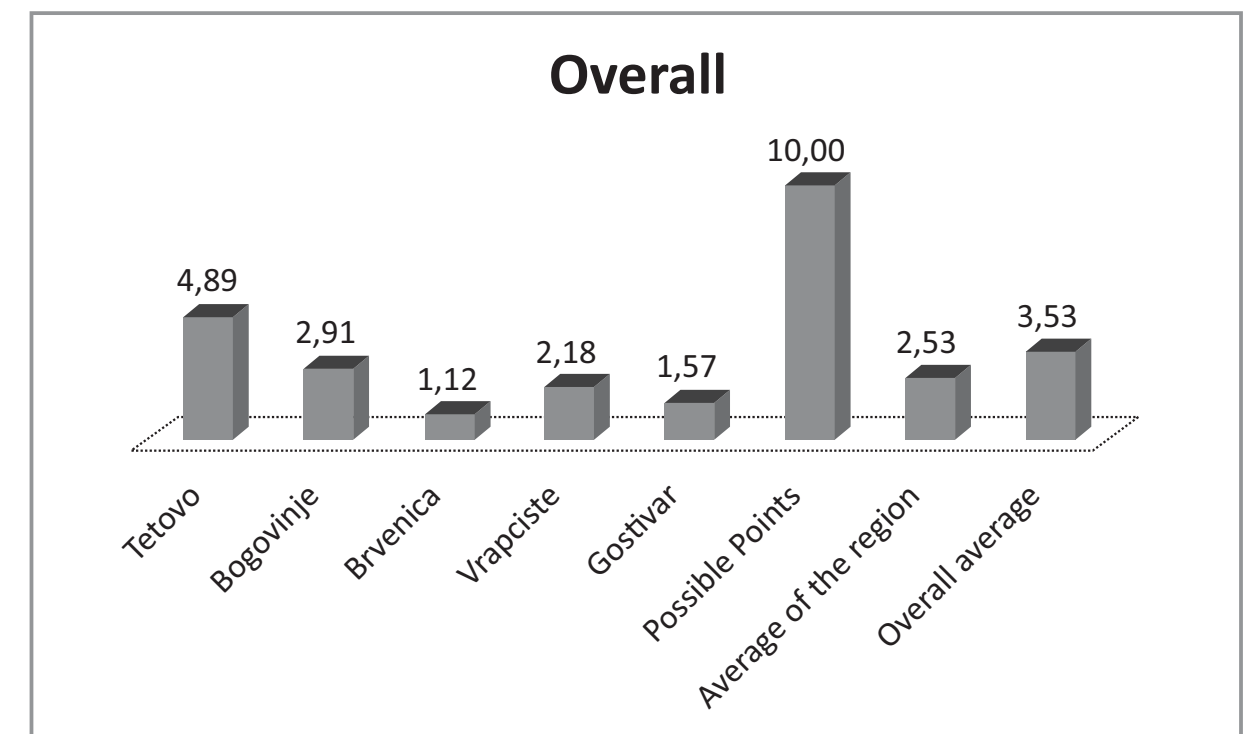
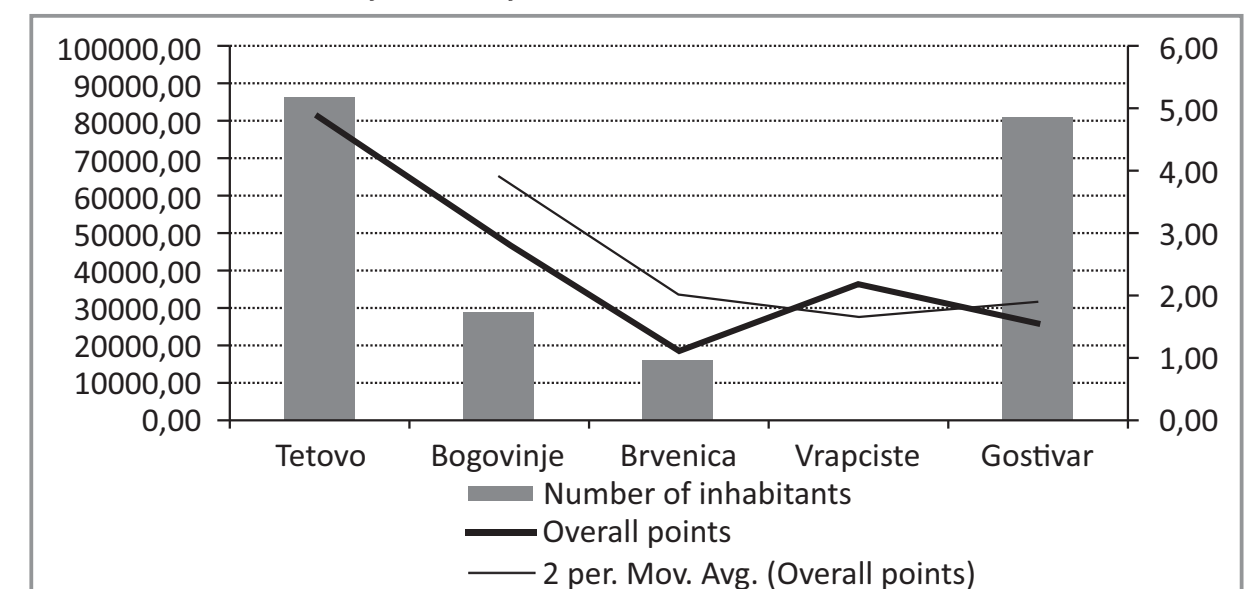


Chart 3: Results in terms of number of inhabitants



In view of the correlation between the number of inhabitants and the implementation of the good governance practices, on the chart above you can see that in general the line of number of inhabitants follows the line of the results achieved in LOTOS2014 up to the Municipality of Gostivar, where we have deviations from this trend. In the municipality Gostivar the achieved result is significantly lower compared to the number of inhabitants. This means that despite the fact that it has better access to human resources, and if we add to this the fact that its seat is located in urban environment and has better infrastructural development, the results in this research are

unsatisfactory. For comparison, the municipality of Tetovo, with similar number of inhabitants has significantly better results, and is located at the other end of the line that represents the total achieved result of the municipalities. This case, except the deviation in Gostivar, confirms the thesis that the research results generally follow the line of the number of inhabitants in the municipality.

The classification of municipalities according to the degree of good governance is as follows:

Table 1. Grouping of municipalities according to the degree of good governance at the local level

Municipality		Classification	Scale of good governance
		Excellent governance	9.51-10.00
		Very good governance	7.51-10.00
		Good governance	5.51-7.50
Tetovo	4,89	Satisfactory governance	3.51-5.50
Bogovinje	2,91	Unsatisfactory governance	1.51-3.50
Vrapchishte	2,18		
Gostivar	1,57		
Brvenica	1,12	Very bad governance	0.0-1.50

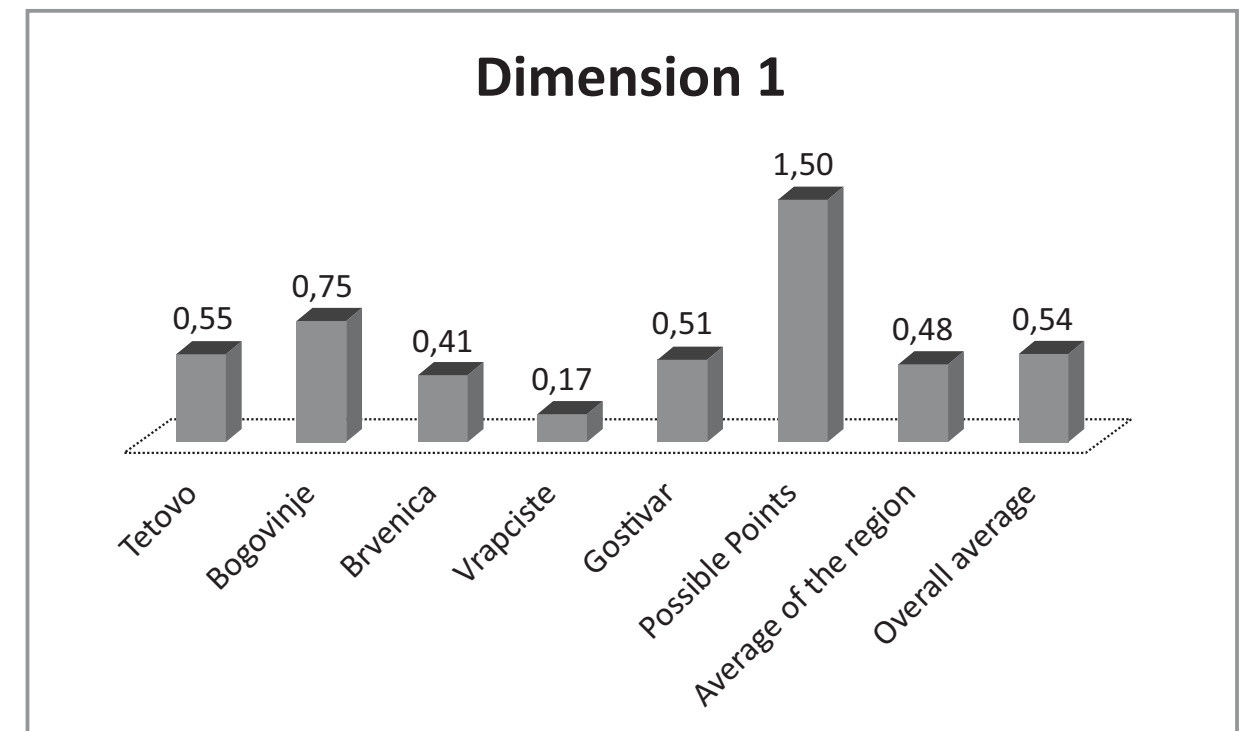
According to the classification of good governance at the local level, none of the municipalities in the Polog region belongs to the group of municipalities with excellent, very good or good governance. Tetovo belongs to the group of satisfactory governance, Bogovinje, Vrapchiste and Gostivar in the group of municipalities with unsatisfactory governance, while Brvenica is in the group of municipalities with very bad governance.

2.2 Results by dimension

The best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration**, among the municipalities in this region has been achieved by the Municipality of Bogovinje with 0.75, followed by Tetovo with 0.55, Gostivar with 0.51, Brvenica with 0.41.

The average in this dimension for the municipalities in the Polog region is 0.48 which is relatively low considering that the average for this dimension among the 43 municipalities is 0.54. Furthermore, this means that none of the municipalities has exceeded the threshold for a passing grade of 50% fulfilment of the indicators of this dimension or 0.75.

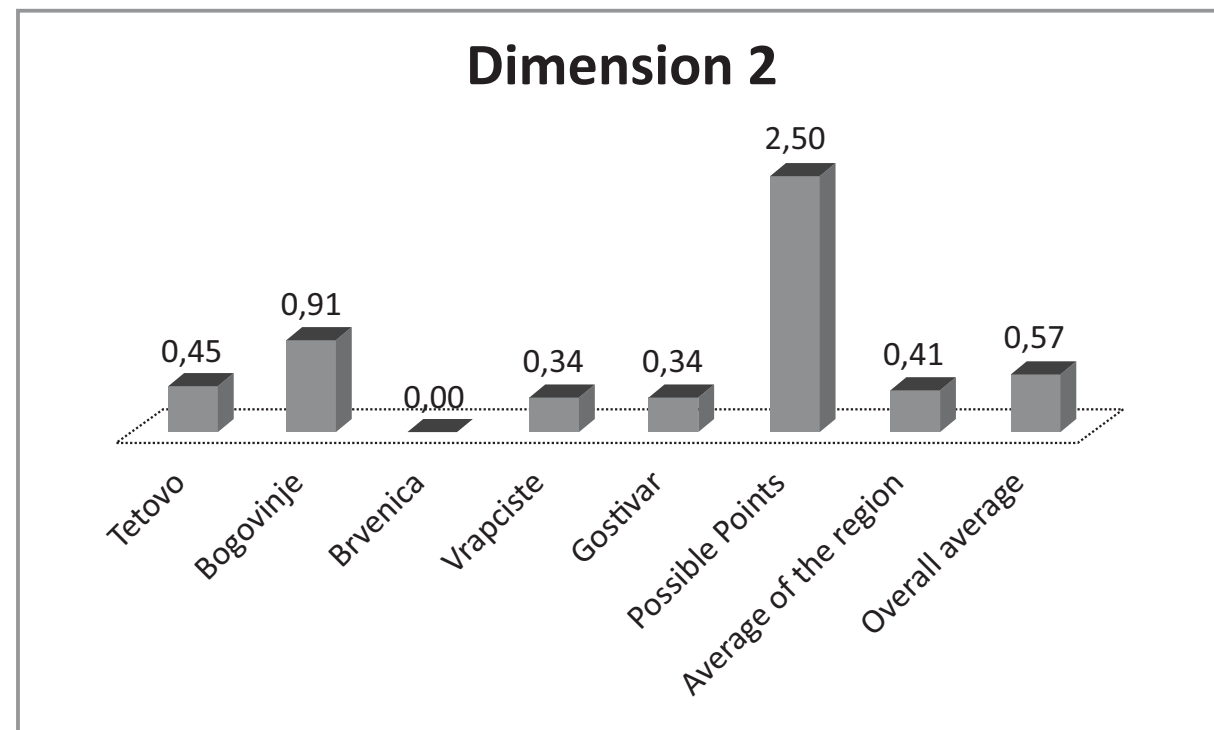
Chart 5: Results of the municipalities from the Polog region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



The analysis of the fulfilment of the indicators of this dimension points to several shortcomings in the implementation of the good governance practices. None of the municipalities has adopted Rules of procedure and plan for transparency of the operation. Council questions are regulated only in the acts of Bogovinje, and only this municipality has published financial documents and financial records of the municipality in a language understandable for the citizens of the municipality. The agenda and the working materials are available only to the citizens of the municipality of Brvenica, and the respective materials for the council members are timely delivered only in the Municipality of Tetovo.

In the second dimension - **Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)**, the best results were achieved by the Municipality of Bogovinje with 0.91 points, followed by the Municipality of Tetovo with 0.45. The average of the municipalities for this dimension is 0.41, which is slightly below the average within the research which is 0.57.

Chart 6: Results of the municipalities from the Polog region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)

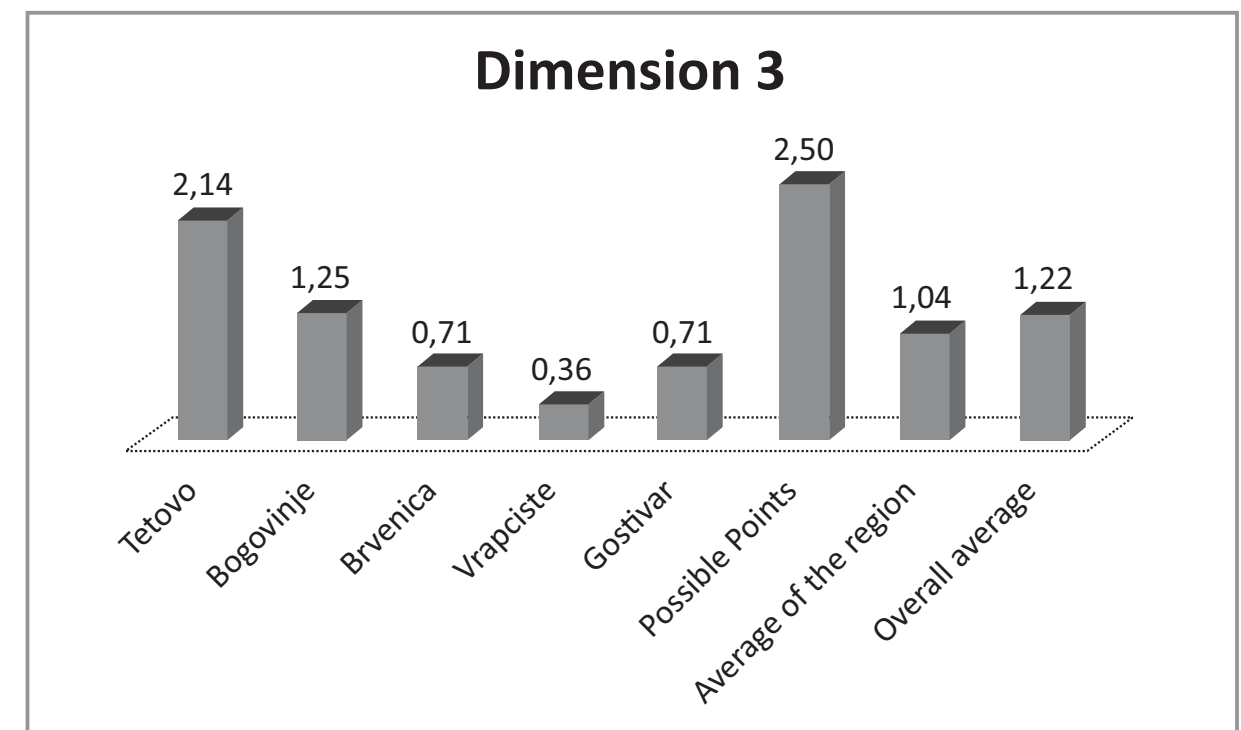


According to the analysis of the fulfilment of the indicators in this dimension, the weakest point of the municipalities of this region is the publication of criteria for awarding funds to civil society organizations. This primarily refers to a written document that is available to the citizens, according to which THE civil society organizations can conduct prior self-evaluation as to whether they meet the criteria or not. Furthermore, none of the municipalities publishes a list of civil society organizations that have received financial support from the municipality for the previous year.

According to the information we obtained during the research, invitations to civil society organizations to participate in the decision-making process had been submitted only by the municipalities of Tetovo and Bogovinje.

The results of the municipalities from the Polog region for the third dimension - **Responsive and accountable municipal administration**, are as follows: municipality of Tetovo has 2.14 out of possible 2.5, followed by Bogovinje with 1.25. The average for this dimension is 1.04 while the lowest ranked municipality has achieved a score of 0.36.

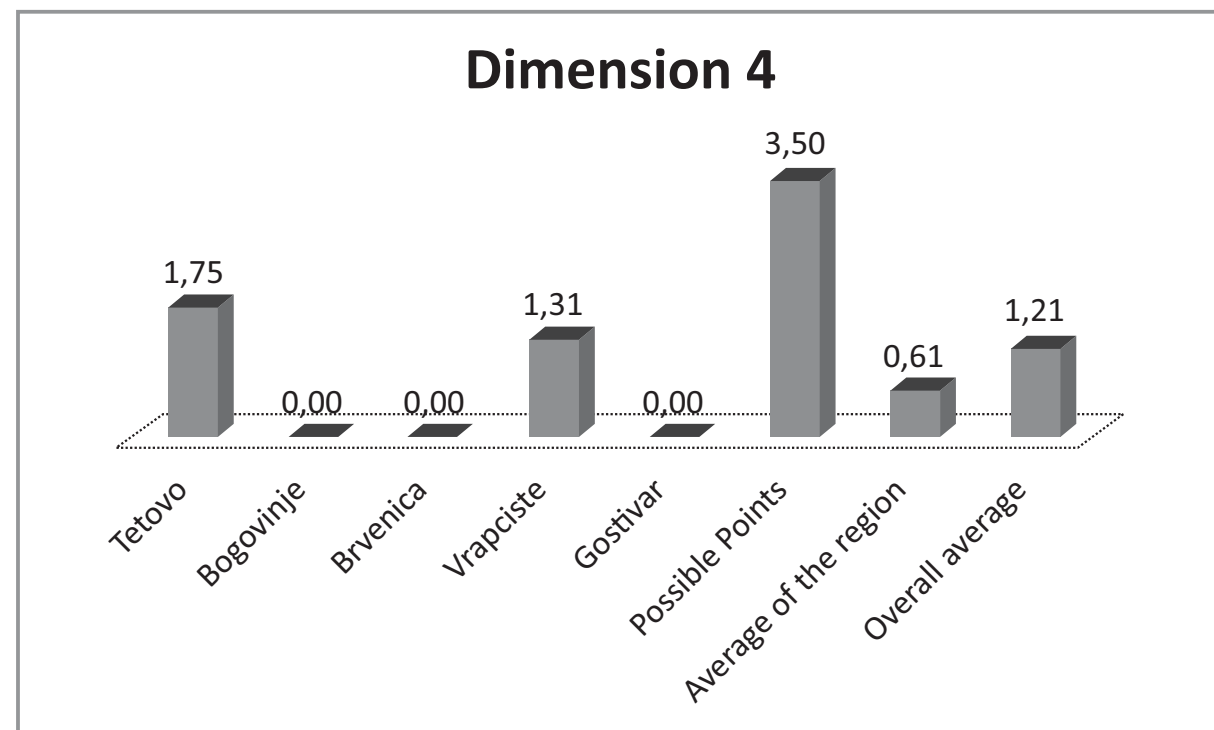
Chart 7: Results of the municipalities from the Polog region in Dimension 3 – Responsive and accountable municipal administration



According to the analysis, the municipalities of this region have a very limited use of questionnaires on the citizens' satisfaction with the municipal services. The only municipality that does this is the municipality of Tetovo, which also provides its citizens with the right of free access to public information. From the analysis we can conclude that the municipalities from this region are not sufficiently informing the citizens about the progress of the policies resulting from their initiatives, which is an indicator of the municipalities' accountability and responsibility towards its citizens when it comes to their involvement in the decision-making process at local level. Or in other words, to what extent do they seriously take the citizens' initiatives into consideration.

According to the results of the fourth dimension which measures the **Effectiveness, efficiency and accountability of the local self-government** the highest number of points were achieved by the Municipality of Tetovo - 1.75. The average for this dimension is 0.61, and as many as three municipalities have not fulfilled any of the indicators of this dimension. The municipality of Gostivar has a score of 1.31 which is less than half of the indicators of this dimension.

Chart 8: Results of the municipalities from the Polog region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



The data on the points from the fourth dimension in all municipalities shows that there is a need for improvement. Only two municipalities publish the adjusted municipal budgets, and only one municipality has published the final accounts for the previous year. A large portion of the data on the financial performance of the municipalities is not published or is insufficiently clear and we have no information about the allocation of those funds by sectors and how they are spent within the annual work programs.

RECOMMENDATIONS

General recommendations for all municipalities in the region are as follows:

- The fundamental acts of the municipality to be available to citizens
 - o on their request
 - o on the municipal website
- Municipalities to inform the public about the holding of the municipal council meetings and to abide by the legally defined deadline of at least 7 days prior to the holding of the council meeting
- Municipalities to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- The minutes of the council meeting to be publicly available
- to take steps to involve the public in decision making process at the local level
- to publish publicly the criteria for awarding funds to the civil society organizations

- to regularly update the municipal websites with useful information for the citizens
- to use questionnaires on the satisfaction with the services offered by the municipalities
- to make available to the citizens the forms for citizens' requests, including clear steps for their submission
- to regularly publish the final accounts for the previous year

Municipality of Tetovo

- to regulate the council questions which should be held at the beginning of each council meeting
- to regularly publish the signed public procurement contracts
- to publish a list of economic operators which are not eligible participate in public procurement procedures due to a conflict of interest
- to strengthen the cooperation with all interested parties by sending invitations to monitor the meetings in the field of their interest
- Municipality to adopt and place on a visible place the ethical code of conduct for municipal officials
- to report regularly on the progress of the policies, especially those submitted by citizens and civil society associations

Municipality of Gostivar

- to prepare a procedure for monitoring the council meetings which shall be available to the citizens
- to regularly publish the signed public procurement contracts
- to publish a list of economic operators which are not eligible participate in public procurement procedures due to a conflict of interest
- to strengthen the cooperation with all interested parties by sending invitations to monitor the meetings in the field of their interest
- to strengthen the accountability and the responsiveness of the municipality
 - o by using questionnaires for the services
 - o by publishing the final accounts
 - o reporting on the progress of certain policies

Municipality of Brvenica

- to establish a practice of holding team meetings at the Mayor's office based on a predefined agenda
- to regularly publish the signed public procurement contracts
- to publish a list of economic operators which are not eligible participate in public procurement procedures due to a conflict of interest
- to strengthen the cooperation with all interested parties by sending invitations to monitor the meetings in the field of their interest
- to regularly hold public consultations on the implementation of policies at local level
- to publish the list of public information
- To provide access to public information by preparing forms and observing the legal deadline for responding to requests
- to publish the final accounts

Municipality of Vrapchista

- to establish a practice of holding team meetings at the Mayor's office based on a predefined agenda

- to regularly publish the signed public procurement contracts
- to publish a list of economic operators which are not eligible participate in public procurement procedures due to a conflict of interest
- to strengthen the cooperation with all interested parties by sending invitations to monitor the meetings in the field of their interest
- to respect the right of the citizens to petitions and complaints before the municipality and to facilitate their smooth application
- to regularly hold public consultations on the implementation of policies at local level
- to publish the list of public information
- to prepare and publish reports on the progress of implementation of the policies at local level

Municipality of Gostivar

- to inform the public about the holding of the municipal council meetings and to abide by the legally defined deadline of at least 7 days prior to the holding of the council meeting
- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- The minutes of the council meeting to be publicly available
- to take steps to involve the public in decision making process at the local level
- to publish the financial statements in a form understandable for the ordinary citizen
- to publish publicly the criteria for awarding funds to the civil society organizations
- to regularly update the municipal websites with useful information for the citizens

to use questionnaires on the satisfaction with the services offered by the municipalities

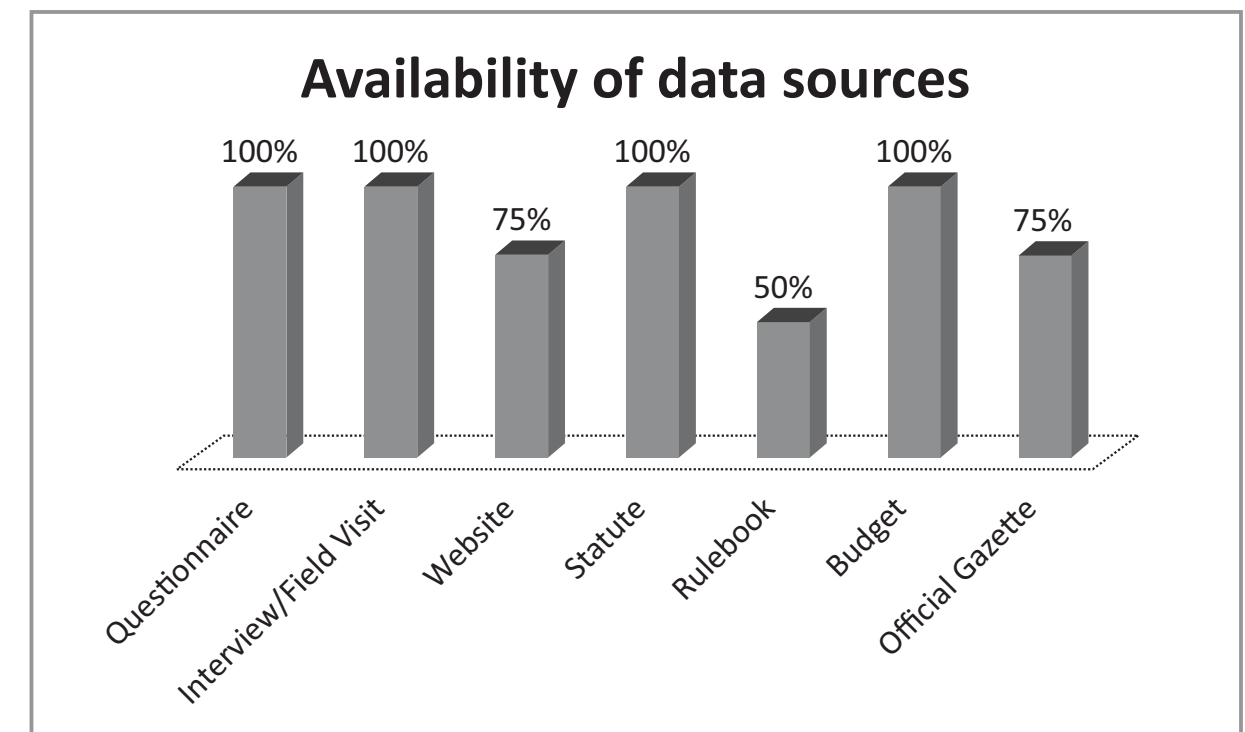
Northeast planning region

Researcher: Gabrijela Boshkov

1. Challenges in data collection

The research within the LOTOS study in the Northeast planning region comprised the municipalities of **Kumanovo, Staro Nagorichane, Lipkovo and Kriva Palanka**. The research was conducted in the period May-October 2014, followed by a period of processing of the data and their analysis according to previously defined methods and dynamics. The initial results were then controlled by a controller who was tasked to evaluate the process of evaluation and awarding points for fulfilment of the indicators. The results were then sent to the municipalities, and they were given a deadline to submit evidence for the fulfilment of the indicators if they consider that some indicators have been met thereby, and the researcher has not taken them into account. The usage of various tools for data collection in this research contributed to the greater level of confidentiality of the data which also increases their reliability and for that purpose several different methods for collection of information were used: questionnaires, field research, information from monitoring of the websites and use of the "mystery shoppers" tool.

Chart 1. Percentage of availability of data sources for the municipalities from the Northeast region



As you can see from the chart above, during the research we managed to obtain most of the data sources from the municipalities, except for the rules of procedure of the municipalities of Kriva Palanka and Staro Nagorichane. Furthermore, we failed to obtain the official gazette of the Municipality of Lipkovo, and this municipality does not have a functional website. It must be noted that in the Municipality of Lipkovo, where the official language is Albanian, most of the information is in Albanian which was an additional difficulty when collecting the data for this municipality.

2. Results of the research

2.1 Total results in the Northeast region

In the Northeast region, the best overall results were achieved by Kriva Palanka with 4.60, followed by Kumanovo with 3.48, Lipkovo with 1.73 and Staro Nagorichane with 0.69. The average for the region is very low and it is 2.63, which is 0.93 less than the average for all 43 municipalities in total, which amounts to 3.53. A worrying fact is also that none of these municipalities have passed the threshold of 50% of fulfillment of the indicators.

Chart 2. Results for the municipalities from the Northeast region in terms of the overall and the regional average

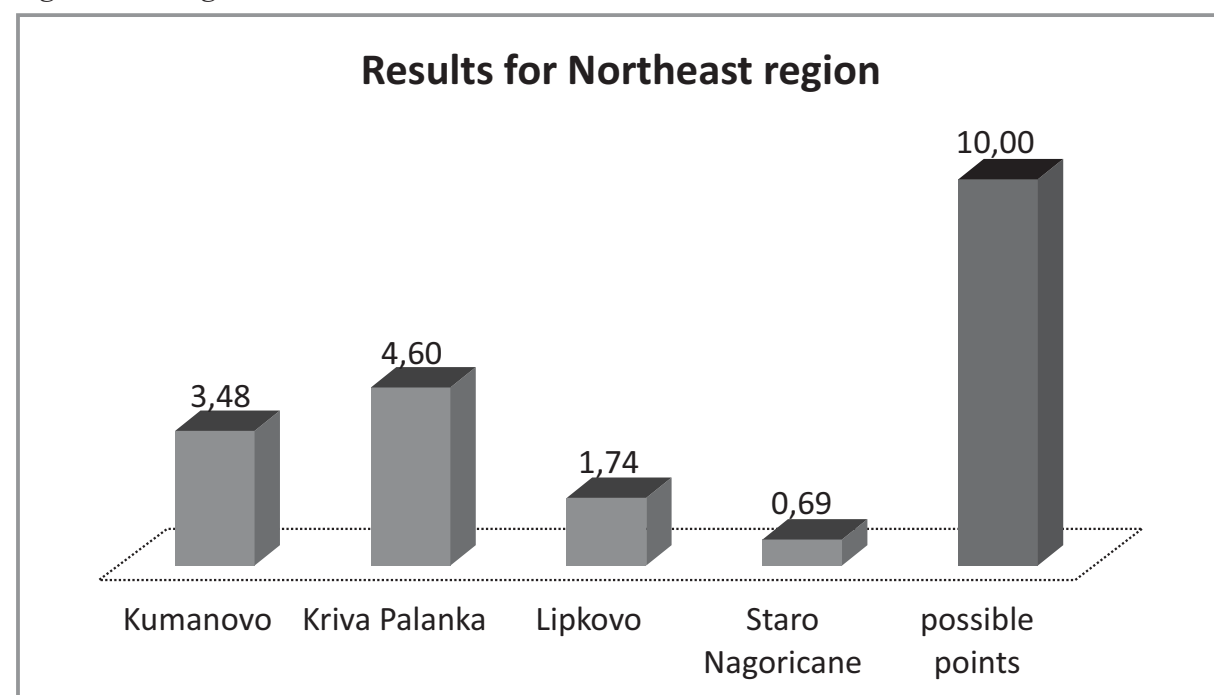
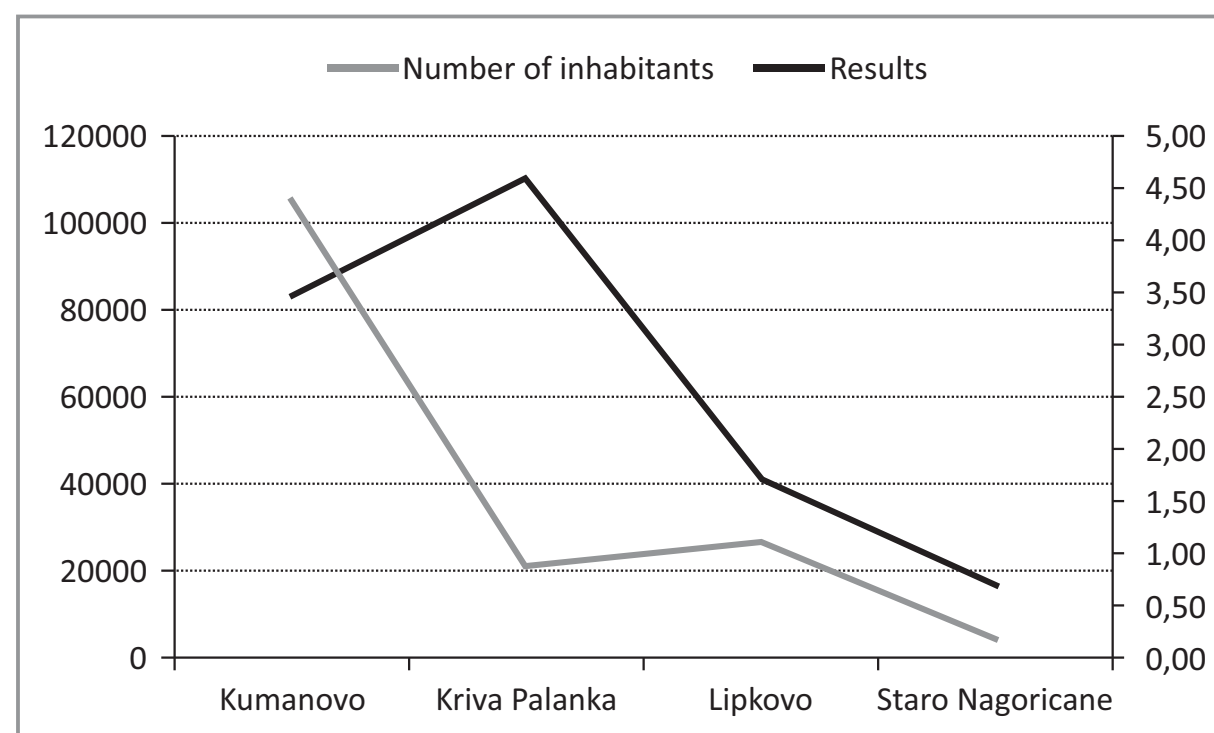


Chart 3: Results in terms of number of inhabitants



In terms of the correlation between the number of inhabitants and the implementation of the good governance practices, from the chart above it can be seen that generally the line of the number of inhabitants follows the line of the results achieved in LOTOS 2014. However, it is also evident that in the case of Kriva Palanka there is a wide gap between these two parameters, which leads to the conclusion that despite the relatively smaller number of inhabitants and number of employees in the municipal administration this municipality has achieved quite high results. This is not the case with the Municipality of Lipkovo, which in its turn has very low scores both within the region and within the research. However, it should be also noted that the Municipality of Kriva Palanka has its seat in an urban place, while the seat of Lipkovo is in a rural place, which within the research has proved to affect the results in terms of the meeting of the good governance indicators.

The classification of municipalities according to the degree of good governance is as follows:

Table 1. Grouping of municipalities according to the degree of good governance at the local level

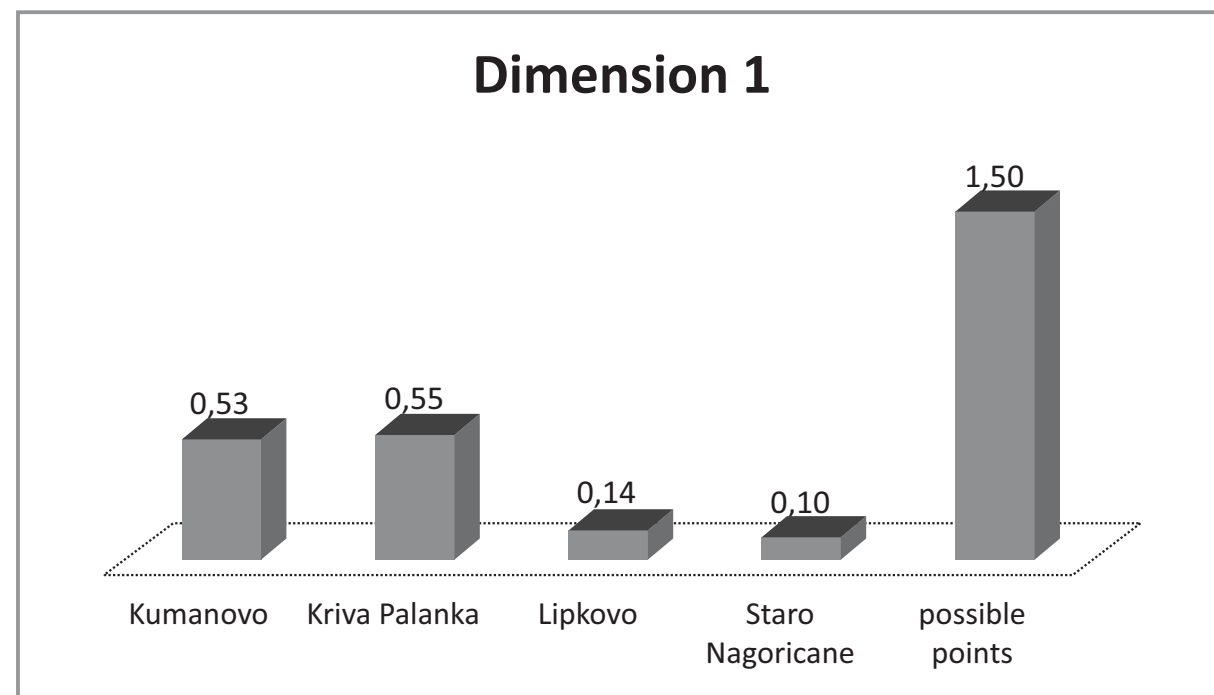
Municipality	Classification	Scale of good governance
	Excellent governance	9.51-10.00
	Very good governance	7.51-10.00
	Good governance	5.51-7.50
Kriva Palanka Kumanovo	Satisfactory governance	3.51-5.50
Lipkovo	Unsatisfactory governance	1.51-3.50
Staro Nagorichane	Very bad governance	0.0-1.50

According to the classification of good governance at local level, none of the municipalities from the Northeast region belongs to the group of municipalities with excellent, very good or good governance. Kumanovo and Kriva Palanka are in the group of municipalities with satisfactory governance, Lipkovo is a municipality with unsatisfactory governance, while Staro Nagorichane is a municipality with a very bad governance.

2.2 Results by dimension

The best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration** of the municipalities from this region has been achieved by Kriva Palanka with 0.55, immediately followed by Kumanovo with 0.53. The average in this dimension for the municipalities from the Northeast region is 0.33 which is quite low if we take into consideration the average of the 43 municipalities for this dimension which is 0.54. Furthermore, this means that none of the municipalities has passed the threshold necessary for getting a passing grade of 50% of fulfilment of the indicators of this dimension, i.e. 0.75.

Chart 5: Results of the municipalities from the Northeast region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



From the table it is easy to notice that the strongest side of the Municipality of Kumanovo is the transparent governance and the operation of the Council and the Mayor of the municipality. The Council holds regular meetings and the official gazettes are published regularly although not regularly updated. Team meetings are held in the Mayor's office regarding which that are written documents. In the municipality, the person in charge of the public relations is available and the rules of procedure of the municipality are available to the public. The financial statements and similar documents are published.

However, it can be said that the total number of points of the Municipality of Kumanovo is still small, which means that there is a huge area of the municipal governance that needs improvement and increase of transparency. First of all, there is no Plan for transparency of the operation which operationalizes the procedures for transparency of governance.

Another big negative aspect is the operation of the Municipal Council. Transparency of the operation of the council is not provided because there are no public records from the meetings of live streaming. The meetings and the agenda of the meetings are not announced in a timely manner and there is no trend of regular giving statements and reports from the held meetings to the public.

The municipality has adopted a Rulebook on the transparency of the operation of the Council which defines, regulates and systemizes the procedures for raising the transparency of the municipality, but it was not made available to us at our request. There are minutes from all held team meetings at the Mayor's office with heads of departments, public enterprises and public services for the purposes of a better flow of information between the administration and increasing the transparency of the municipality. A strong side of the municipality is the informing

of the citizens about the services offered by the municipality with all supporting documents and information. Also, the municipal budgets are available to the public but not in a form understandable to citizens.

The municipality of Kriva Palanka, although very transparent in its functioning, does not have an appointed public relations officer whose task is to inform the public about the operation of the municipality.

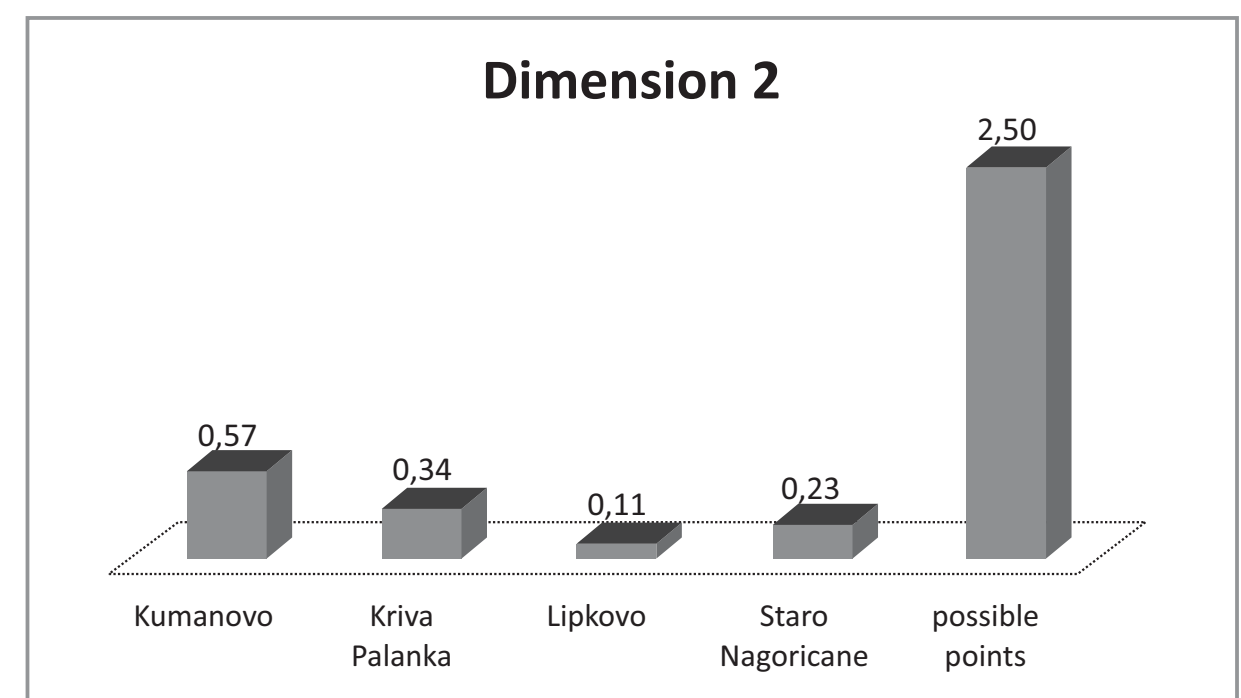
The monitoring of the meetings of the council is not regulated by a procedure in the form of a written document. However, an electronic request was sent to the president of the municipal council asking for an explanation about the manner of applying for attendance at the meeting of the council by a civil party because with the desktop research of the municipal website we did not find this kind of information.

In terms of the work of the Council, there are no videos of its operation that are available to the public, which public also does not have insight into the working materials for the meetings of the council. Also, there is no practice to inform the public about the held meetings.

The Municipality of Staro Nagorichane has so few points that it seems that there is practically no transparency, i.e. much work is necessary on all aspects of dimension 1.

In the second dimension - *Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)*, the best results were achieved by the Municipality of Kumanovo with 0.57 points, followed by the Municipality of Kriva Palanka with 0.34 points. The average of the municipalities for this dimension is 0.31, which is far below the average within the research which is 0.57.

Chart 6: Results of the municipalities from the Northeast region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)

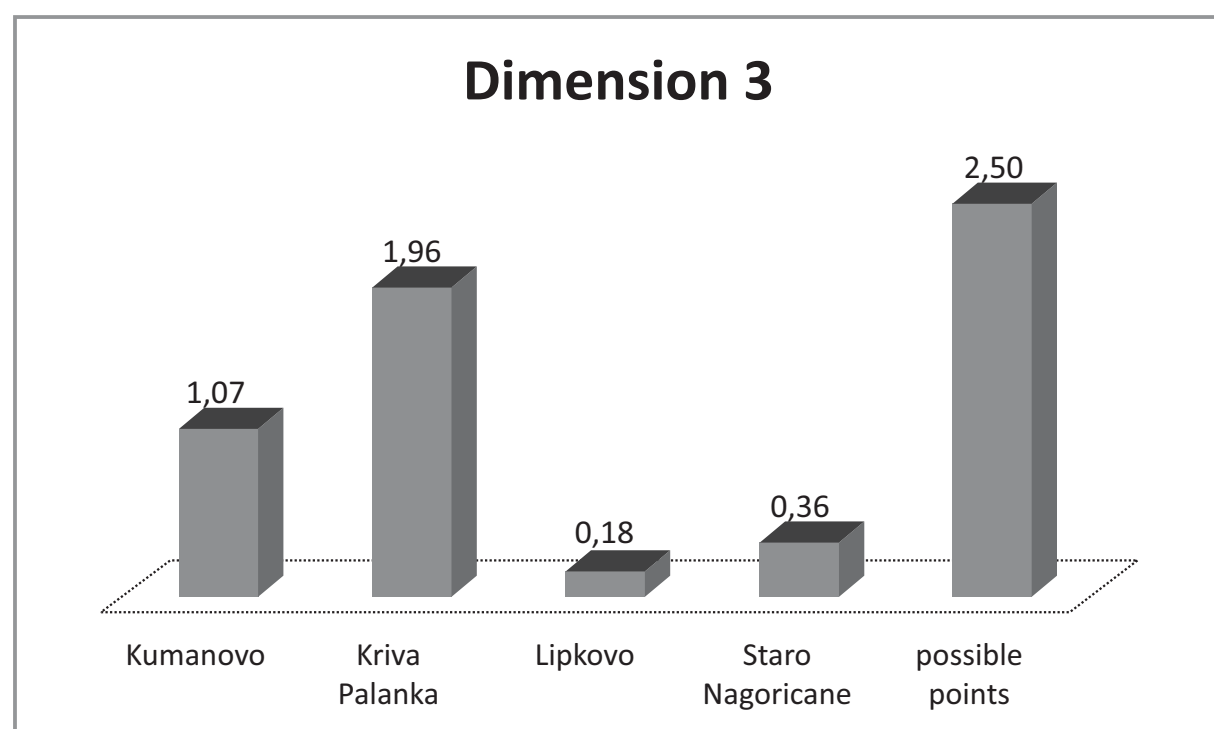


The scores for this dimension show poor results in all municipalities. The difference between the municipalities in rural and urban areas pertains to the cooperation with the civil society organizations and the consultations with the citizens about the GUP and DUP which is also a legal obligation of the municipality to consult the citizens about the changes.

The negative aspect of all municipalities is the non-transparency in terms of the establishment of the local communities and their functioning.

The results of the municipalities from the Northeast region for the third dimension - **Responsive and accountable municipal administration**, are as follows: Municipality of Kriva Palanka has 1.96 out of 2.5 points, followed by Kumanovo with 1.07. The average for this dimension is 0.89, while the lowest ranked municipalities of Lipkovo and Staro Nagorichane have achieved results of 0.18, i.e. 0.36 respectively.

Chart 7: Results of the municipalities from the Northeast region in Dimension 3 – Responsive and accountable municipal administration



The Municipality of Kumanovo needs to improve the responsiveness and the accountability of the municipal administration. First of all, the right of the citizens to file complaints and petitions is not easily exercisable, nor is it possible to exercise the right of free access to public information due to the lack of information at the municipal sites and gazettes. The municipality has not published a Code of Ethics.

When it comes to the accountability and the responsiveness, the Municipality of Kriva Palanka has the best results of the surveyed municipalities from the region. Although the municipality has not adopted a procedure for organizing public consultations, it regularly holds consultations with the public and makes assessments of the needs of the local community.

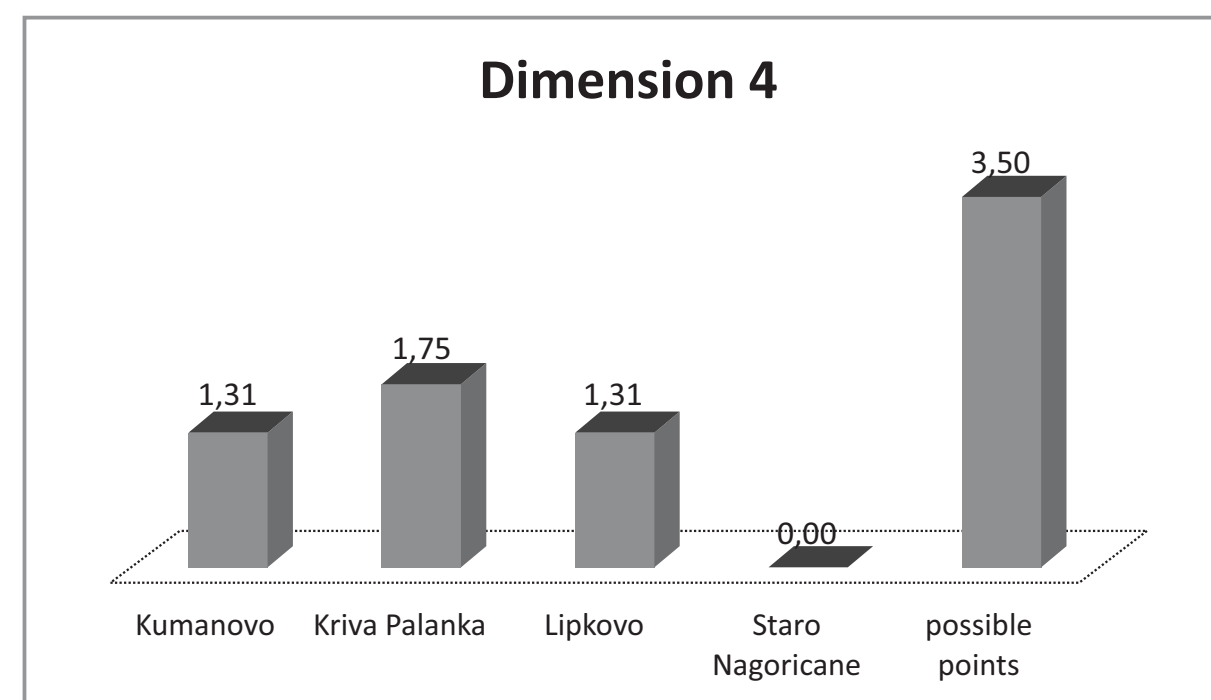
And of course, the availability of forms and a detailed procedure for filing complaints, petitions and compliments facilitates the functioning of the citizens to a great extent.

They also exercise the right of free access to public information which is fully regulated. However, the code of ethics of the municipality is not available, i.e., it is not published in a prominent place in the municipality, nor has it been published on the website of the municipality.

The results of this dimension for the Municipality of Staro Nagorichane are very weak and work is needed on all segments in order to increase the responsiveness and the accountability of the municipal administration. First of all it is necessary to facilitate the right to file a complaint and petition, the availability of information on the bulletin board, and the access to public information.

According to the results of the fourth dimension which measures the **Effectiveness, efficiency and accountability of the local self-government** the highest number of points were achieved by the Municipality of Kriva Palanka - 1.75, the average for this dimension is 1.09, while the poorest result was achieved by the Municipality of Staro Nagorichane with zero fulfilled indicators. Kumanovo has 1.31, and Lipkovo has 1.31.

Chart 8: Results of the municipalities from the Northeast region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



The data arising from the points from the fourth dimension in all municipalities show the necessity of improvement. Only the urban municipalities publish the municipal budgets, as opposed to the rural municipalities that do not publish any info on these data. Moreover, these data are insufficiently clearly organized, i.e. they are shallow and incomprehensible to the ordinary citizen, and at the same time there is no information about the allocation of the funds by sectors and the manner in which they are spent within the annual work programs.

Conclusion

The transparency and accountability of the municipalities of Kumanovo, Kriva Palanka, Staro Nagorichane and Lipkovo is within the red zone, i.e., this region requires huge changes in terms of the operation in respect of all dimensions.

It seems that the municipalities still operate without being sufficiently aware of their "closeness" or inaccessibility by the ordinary citizen. The bulletin boards are insufficiently supplied with new information and information in terms of numbers and, what is most important, with information that is necessary for facilitation of the performance of their obligations and the usage of the services offered by the municipality.

The municipality councils are insufficiently transparent in terms of their work, i.e. they do not have videos from the meetings or reports about the work completed by them. The citizens do not have insight into the manner of decision-making and the importance of such decisions.

Consultations with the citizens and assessment of the needs of the local community are not organized except for the public consultation on the GUP and DUP, which is a legal obligation.

The cooperation with civil society organizations is only implemented at memorandum level which means it involves short-term and one-time collaborations most often initiated by the civil society organizations themselves.

The budget-related operations are only seemingly transparent in all 4 municipalities. The published adopted budgets and final accounts are incomprehensible to the ordinary citizen, i.e. they are in the form of a document that only well educated economists could understand.

RECOMMENDATIONS

The municipalities from the Northeast planning region should be open to the citizens, they need to change the motto of their governance and to adopt the motto that the municipality is at the service of the citizens and that should be the guiding principle in their work.

Bulletin boards and availability of information

All municipalities need to create space for the citizens within their premises.

-Where they will be informed and educated and where they will learn and share information on what is happening in the municipality.

-The possibilities they have in the municipality, the services, the manner of execution of the services, the rulebooks for the functioning of the departments in the municipality.

-The rights of the citizens, the accessibility to public information, the facilitation of requests, the manner of spending the public money.

-How and where to get help, how to thank somebody, how to initiate changes and improvement of the local community and the life in the municipality

-To publish the Code of Ethics in accordance with which the municipality should function and to adhere to the same

-Criteria for the operation and measures taken to improve it.

- Functioning which is not based on friendship on the one hand and kindness of all employees in the municipality on the other.

Operation of the Councils and the Mayor:

- To raise the transparency of the operation and decision-making to a high level
- To announce the agenda of the meetings in a timely manner and to make the materials for

such meetings available

- To enable insight into the allocation and spending of the public money, to consult with the citizens and to assess the needs of the local community
- To open the doors of the Mayor's office to the citizens, to enable a pleasant atmosphere and to present a real image of the "city fathers" who care for the citizens and are willing to listen
- To give clear rules for the manner of operation and to abide by them
- To prevent conflict of interest and to publicly announce the manner in which it is done
- Monitoring of the work - rulebooks and procedures that are known to the public

Informing the public about the work and the achievements

-Regular updating of the websites with all the information about the events

-Publishing the criteria for allocation of funds

-Sending invitations for constant public consultations to the citizens and having an understanding for the recommendations of the citizens, as well as insight into the needs and assessment of the achievements.

It is necessary to raise the overall awareness of the citizens about their role and the importance of their involvement in the work of the municipality and the municipal administration.

Vardar planning region

Researcher: Igor Smilev

1. Challenges in data collection

The LOTOS study in the Vardar planning region included the municipalities of **Veles, Chashka, Gradsko, Negotino and Lozovo**. According to the location of the municipalities, 2 are based in urban settlements, while 3 municipalities are located in rural settlements.

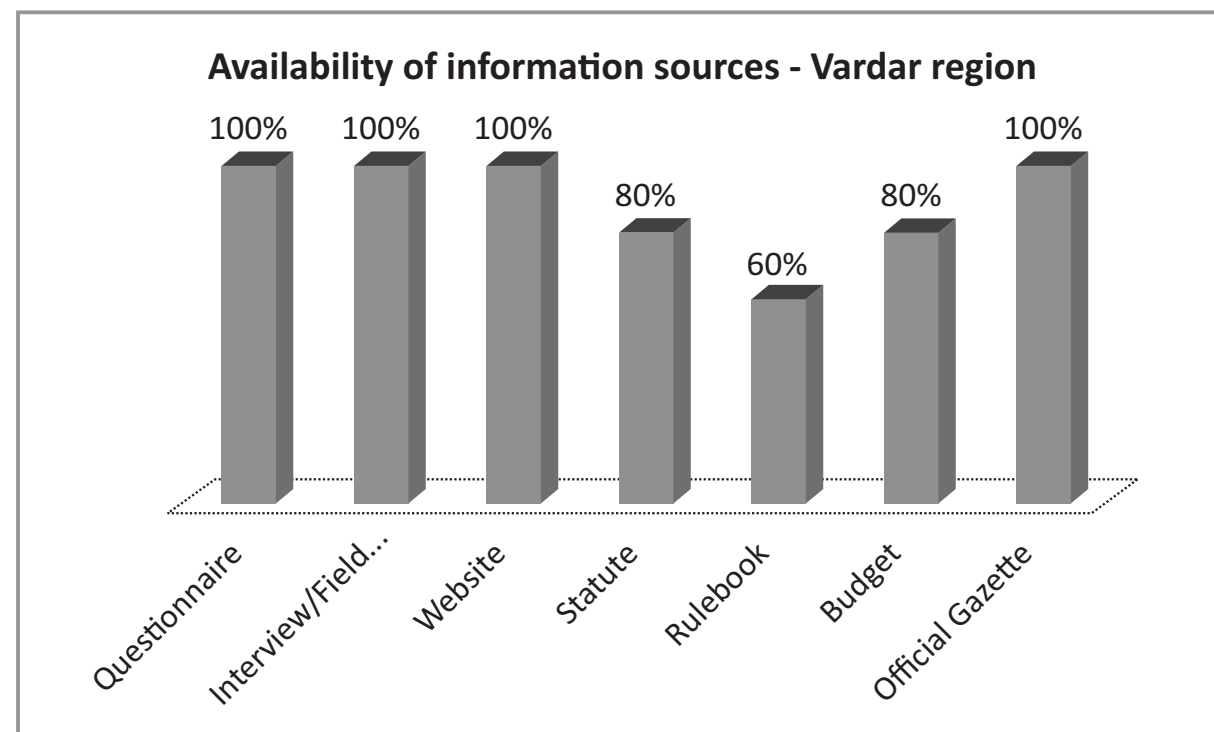
With the official launch of the research LOTOS May 5, 2014, we started to conduct the activities in accordance with the criteria set out at the last coordination meeting with the partner organizations held on April 28 at MCC in Skopje.

EG Green Power started its activities in the first week of May (April 29-May 5) when telephone contacts were established with the responsible persons in the municipalities studied. We had a short and heartfelt conversation at the personal meeting where it was agreed for the previously prepared questionnaires and the letter to the mayors containing the main objectives of the research to be delivered by May 15 at the latest. At the meeting with the officials were also submitted a part of the information materials to further promotion of the activities.

Municipalities Veles and Lozovo returned the completed questionnaire within the given deadline - 30.05.2014. However, it should be noted that the questionnaire from the municipality of Veles was obtained partly completed. The questionnaires from the other municipalities were submitted

after several our interventions and reminders during the months of June and August. In the spirit of openness and transparency (two principles that we seek in the municipalities), and for the purposes of ensuring greater relevance, quality and objectivity, the research will be lead by three researchers - the principal researcher will establish direct contact with each responsible person at the delivery of the questionnaires, while the second researcher will monitor the situation on the field (bulletin board, the communication between the municipal employees and the citizens, openness of the municipality, reception days). The third researcher will conduct constant monitoring of the web pages (desk research) and align the timeframe for the purposes of more successful implementation of the indicators. In parallel, all three researchers will participate in the collection and processing of data and writing regular monthly and daily reports to the Centre for Research and Policy Making.

Chart 1. Percentage of availability of data sources for the municipalities from the Vardar region



The availability of the sources of information can be seen from the table above. The statutes and municipal budgets were available in 80% of the municipalities, or in 4 out of 5, while the rules of procedure we were available as a source of information in 60% of the municipalities, i.e. in 3 out of 5 municipalities. Each data was verified against at least three sources of information so as to determine the reliability of the data. However, it should be noted that data collection largely depends on the availability of materials for researchers, so it can happen that some data indicator to be fulfilled and not registered by the researchers. To that end, the municipalities were given the results for endorsement, and were given 5 days to submit evidence about the fulfilment of any of the indicators. Following this period, the indicators for which no evidence was obtained were rated with 0 points.

Only Veles and Gradsko gave feedback regarding the results that were sent for endorsement. In the case of Veles, upon the submitted materials, the results have changed dramatically since at the beginning of the research they have submitted only a partly completed questionnaire. This practice is in the spirit of the LOTOS research, which takes the approach that the municipalities can use list of indicators to improve good governance between two research cycles as well.

2. Results of the research

2.1 Total results in the Vardar region

In the Vardar region, the best total results were achieved by the Municipality of Veles with 7.95 points, followed by the municipalities of Negotino with 4.72, Chashka with 3.08, Lozovo with 1.41 and Gradsko with 0.93. The average for this region is somewhat above the average for all municipalities at 3.63. From the municipalities in this region only the Municipality of Veles has passed the 50% threshold of fulfilment of the indicators for good governance at the local level.

Chart 2. Results for the municipalities from the Vardar region in terms of the overall and the regional average

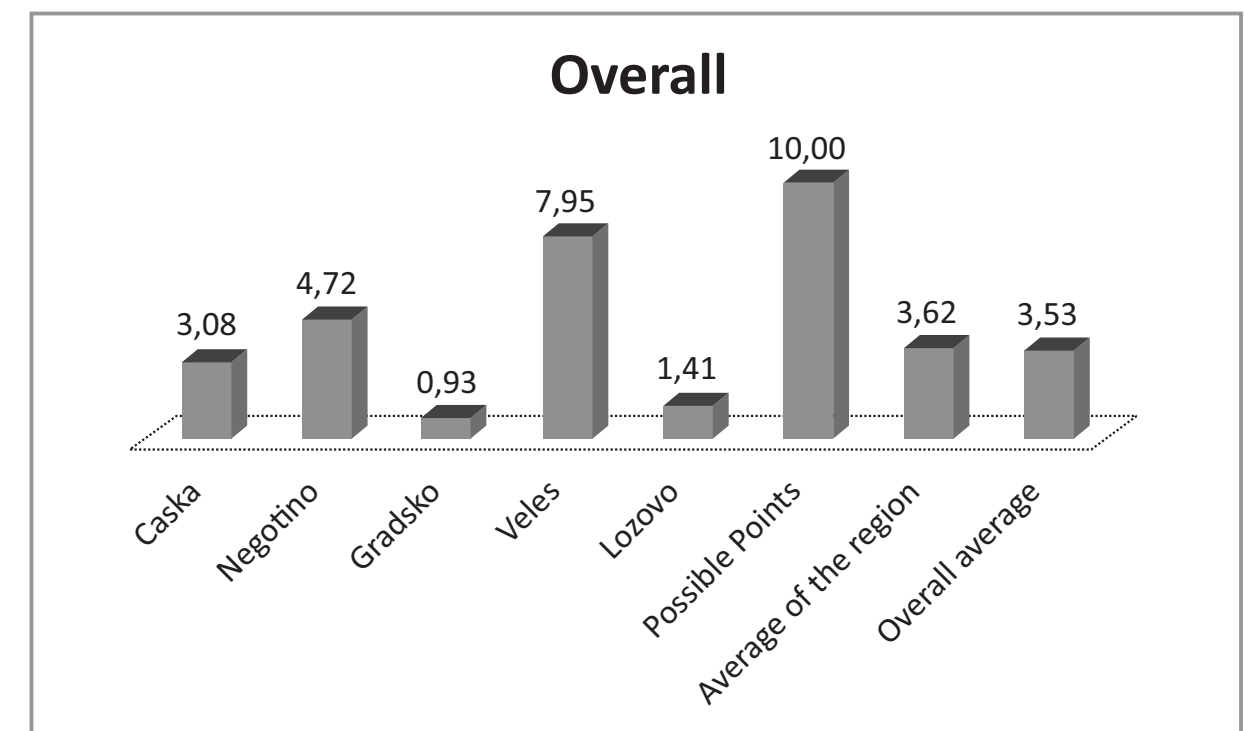
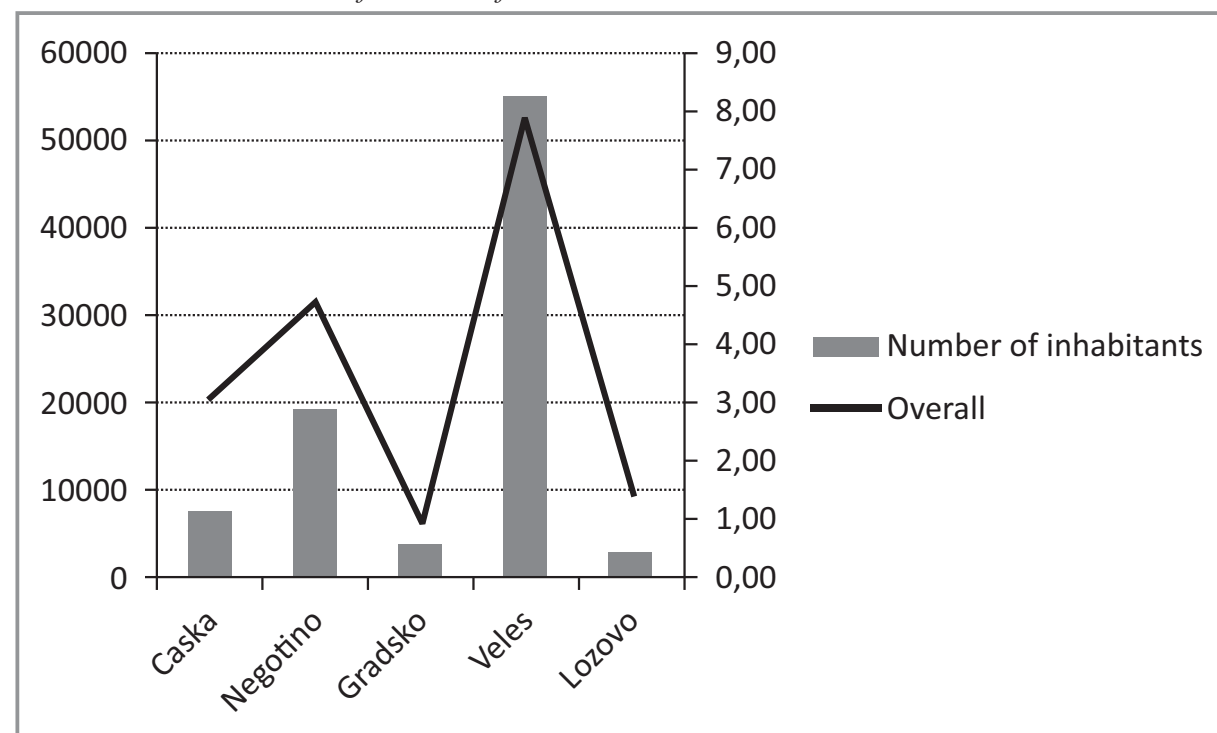


Chart 3: Results in terms of number of inhabitants



In view of the correlation between the number of inhabitants and the implementation of good governance practices, on the chart above you can see that in general the line of number of inhabitants follows the line of the results achieved in LOTOS2014. This correlation confirms the thesis that municipalities with larger number of inhabitants located in urban areas achieve better results in terms of good governance practices.

The classification of municipalities according to the degree of good governance is as follows:

Table 1. Grouping of municipalities according to the degree of good governance at the local level

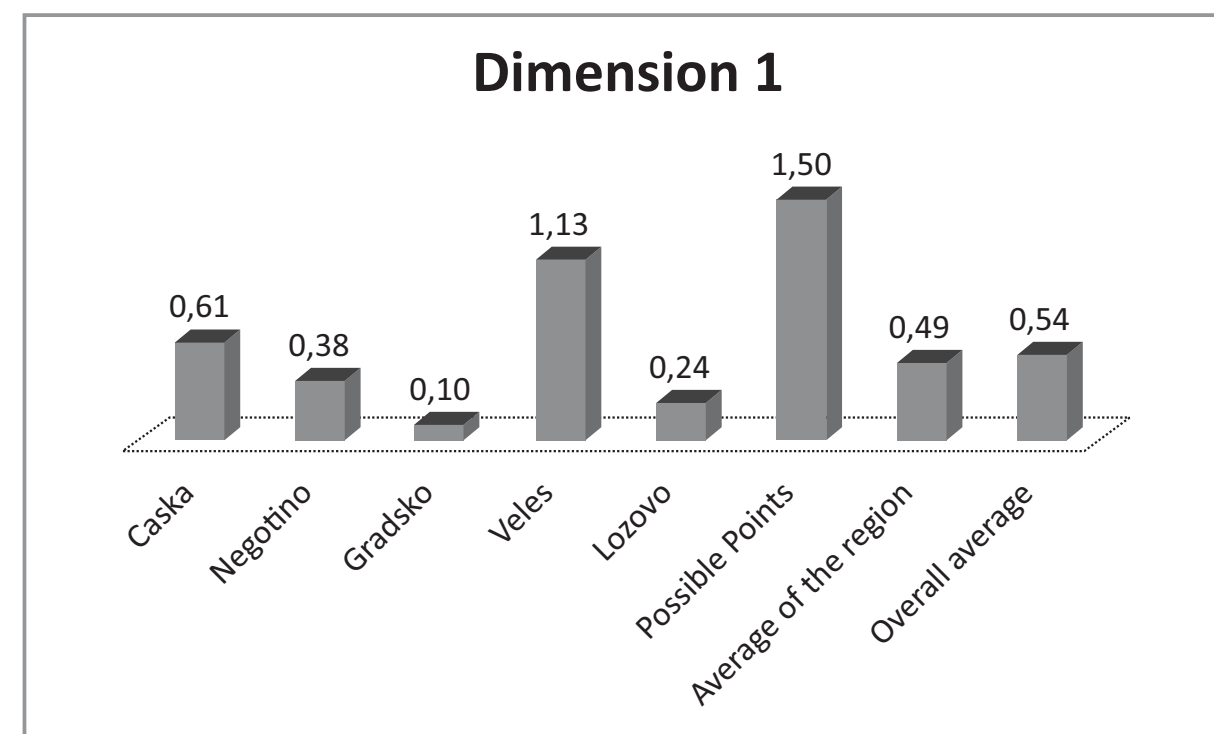
Municipality		Classification	Scale of good governance
		Excellent governance	9.51-10.00
Veles	7,95	Very good governance	7.51-10.00
		Good governance	5.51-7.50
Negotino	4,72	Satisfactory governance	3.51-5.50
Chashka	3,08	Unsatisfactory governance	1.51-3.50
Lozovo	1,41	Very bad governance	0.0-1.50
Gradsko	0,93		

According to the classification of good governance at the local level, none of the municipalities in the Vardar region belongs to the group of municipalities with excellent governance. Veles belongs to the group of very good governance, while Negotino is the group of municipalities with good governance. Chashka is in the group of municipalities with unsatisfactory governance, while the municipalities of Lozovo and Gradsko are in the group of municipalities with very bad governance.

2.2 Results by dimension

From the municipalities in this region, the best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration** was achieved by the Municipality of Bogovinje with 0.75, followed by Tetovo with 0.55, Gostivar with 0.51, Brvenica with 0.41. The average in this dimension for the municipalities in the Polog region is 0.48 which is relatively low considering that the average for this dimension among the 43 municipalities is 0.54. Furthermore, this means that none of the municipalities has exceeded the threshold for a passing grade of 50% fulfilment of the indicators of this dimension or 0.75.

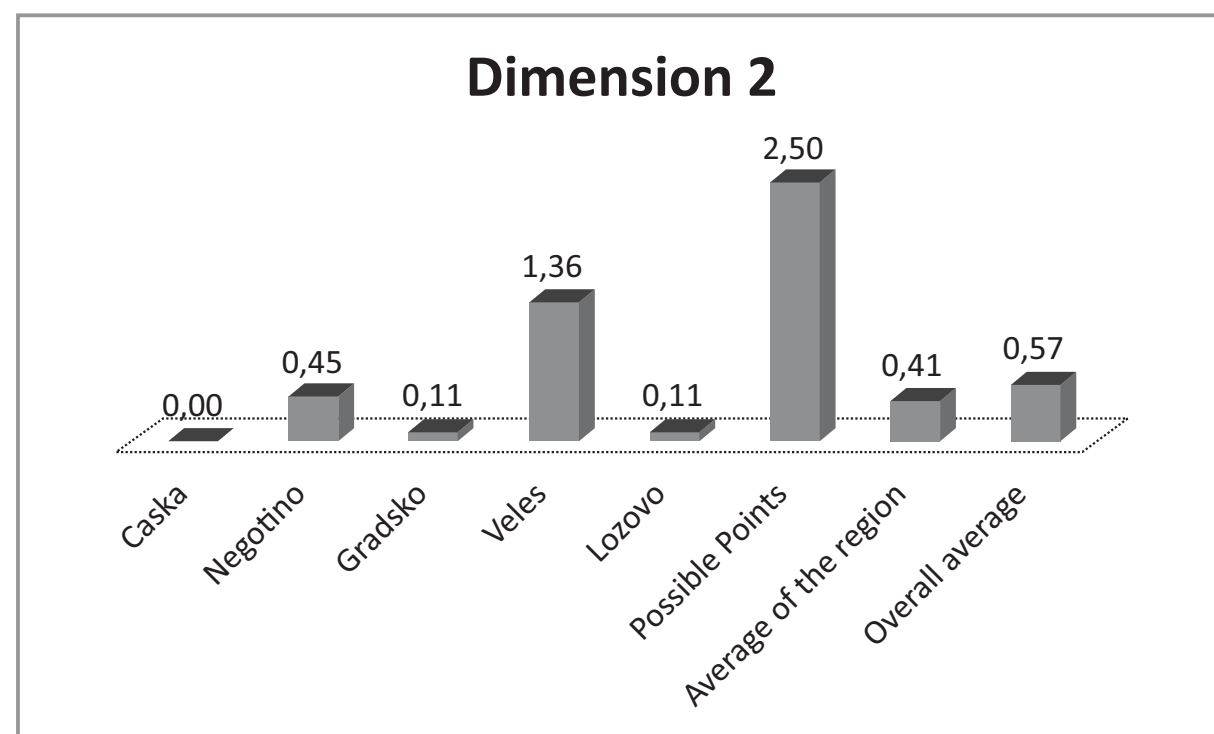
Chart 5: Results of the municipalities from the Polog region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



The analysis of the indicators of this dimension indicates that the municipalities of the region, which are included in the research, are facing certain challenges related to the fulfilment of the good governance practices. Thus, except in Veles, none of the other municipalities held team meetings in the Mayor's office. The procedure for monitoring the council meetings by the citizens is defined in 1 out of 5 municipalities, as only in Veles the citizens are timely informed about the holding of the council meeting. The minutes are not available in any municipality, and the holding of council questions before determining the agenda of the council meeting is regulated only in one municipality - Veles.

In the second dimension - *Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)*, the best results were achieved by the Municipality of Veles with 1.36 points, followed by the Municipality of Negotino with 0.45. The average of the municipalities for this dimension is 0.41, which is slightly below the average within the research which is 0.57.

Chart 6: Results of the municipalities from the Vardar region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)



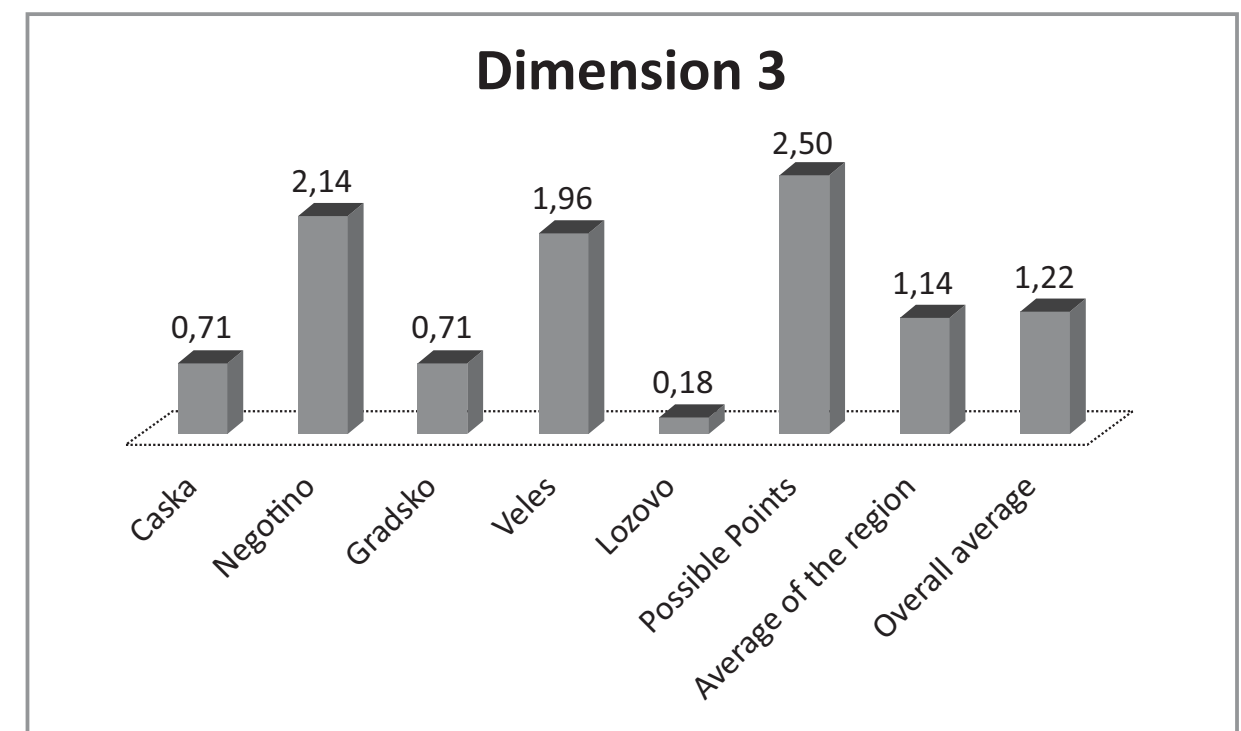
According to the analysis of the fulfilment of the indicators in this dimension, one of the weak points of the municipalities of this region is the publication of criteria for awarding funds to civil society organizations.

Furthermore, just one of the municipalities has published a list of civil society organizations that have received financial support from the municipality for the previous year.

Invitations to civil society organizations to participate in the decision-making process, according to our information from the research were submitted only by the municipalities of Veles and Lozovo.

The results of the municipalities from the Vardar region for the third dimension - **Responsive and accountable municipal administration**, are as follows: municipality of Negotino has 2.14 out of possible 2.5, followed by Veles with 1.96. The average for this dimension is 1.14 while the lowest ranked municipality Lozovo has achieved a score of 0.18.

Chart 7: Results of the municipalities from the Vardar region in Dimension 3 – Responsive and accountable municipal administration



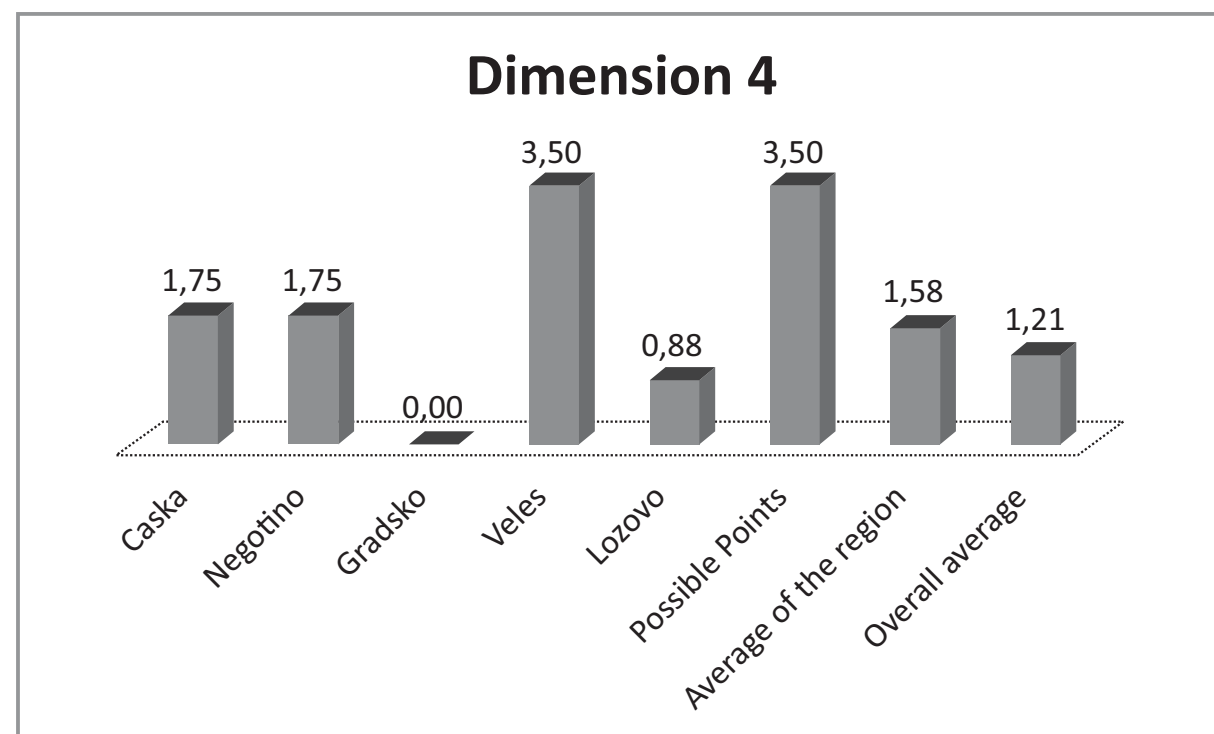
Based on the analysis of the fulfilment of the indicators, the weakest percentage of fulfilment we have in the indicator that measures whether the municipality has a procedure for consultation with the public, where only Veles has fulfilled this indicator.

Other indicators of this dimension are met in 2/5 of the cases. Thus, in terms of the responsiveness of the local administration, only two municipalities have a mechanism for processing complaints from citizens about services provided by the municipality.

Code of Ethics, which is placed in a visible place in the municipality, have only the municipalities of Chashka and Negotino.

According to the results of the fourth dimension which measures the **Effectiveness, efficiency and accountability of the local self-government** the highest number of points were achieved by the Municipality of Negotino – 2.14. The average for this dimension is 1.14, and as many as three municipalities have not pass the threshold of 50% of the indicators in this dimension. The municipality of Lozovo has a result of 0.18 which is the worst result in this dimension.

Chart 8: Results of the municipalities from the Vardar region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



The data points obtained from the analysis of the fulfilment of the indicators within the fourth dimension in all municipalities show that there is still room for improvement. Only two municipalities are publishing the municipal budget adjustments.

Compared to the other municipalities, 4 municipalities from this region have published the final bill for the previous year. A large portion of the data on the financial performance of the municipalities is not published or is insufficiently clear and we have no information about the allocation of those funds by sectors and how they are spent within the annual work programs.

RECOMMENDATIONS

The general recommendations concerning all the four municipalities from the Vardar region are as follows:

- 1- The municipalities should adopt rulebooks and plans for transparency of the operation that will formally regulate the manner of participation of the citizens and the civil society organizations in

the operation of the municipal council and the bodies established by the council.

- 2- To define the council questions within the statute and the rules of procedure of the council at the beginning of the meetings and to be held prior to the adoption of the agenda for the meetings
- 3- To publish information about the work of the commissions established by the municipality
- 4- The municipalities should start publishing the public procurement contracts at the municipal websites.
- 5- Municipalities to publish the job announcement as well as the concluded employment contracts that are implemented in the municipality.
- 6- municipalities to develop mechanisms for consultation of citizens in decision-making

Municipality of Chashka

- 7- Municipality to inform the public within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 8- to publish the minutes of the council meeting
- 9- To define the council questions within the acts of the municipality and to hold them at the beginning of the meetings prior to the adoption of the agenda for the new meeting
- 10- to make the public procurement contracts publicly available (on the municipal website)
- 11- To increase the participation of citizens in decision-making process by sending invitations to the interested parties
- 12- To use the mechanisms for consultation with the public whenever possible.

Municipality of Negotino

- 13- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- 14- to appoint a public relations officer who will be operational, i.e. available to the citizens and answer citizens' questions
- 15- to publish the agenda for the municipal council meeting within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 16- to make the minutes of the council meeting publicly available
- 17- to make the municipal budget publicly available and post it on the municipal website
- 18- to publish reports on the progress of implementation of the policies at local level

Municipality of Gradsko

- 19- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- 20- to appoint a public relations officer who will be operational, i.e. available to the citizens and answer citizens' questions
- 21- to establish a practice of holding team meetings at the Mayor's office based on a predefined agenda
- 22- to publish the agenda for the municipal council meeting within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 23- to make the Statute and the Rules of procedure of the Council available to citizens and to post them on the municipal website
- 24- to make the minutes of the council meeting publicly available
- 25- to make the municipal budget publicly available and post it on the municipal website
- 26- to improve the cooperation with the civil sector in the decision-making process by

- sending invitations to the stakeholders to participate in the discussion on specific topics
- 27- to publish reports on the progress of policy implementation at local level
- 28- to publish the final account on the website and make it available at the request of citizens

Municipality of Veles

- 29- to adopt plan for transparency of the operation of the municipality
- 30- to establish a practice of holding team meetings at the Mayor's office based on a predefined agenda
- 31- to make the minutes of the council meeting available to the citizens on the municipal website
- 32- to publish the municipal budget in a form comprehensible to the citizens

Municipality of Lozovo

- 33- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- 34- to appoint a public relations officer who will be operational, i.e. available to the citizens and answer citizens' questions
- 35- to establish a practices of holding team meetings at the Mayor's office based on a predefined agenda
- 36- to publish the agenda for the municipal council meeting within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 37- to make the Rules of procedure of the Council available to citizens and to post them on the municipal website
- 38- to make the minutes of the council meeting publicly available
- 39- to improve the cooperation with the civil sector in the decision-making process by sending invitations to the stakeholders to participate in the discussion on specific topics
- 40- to publish reports on the progress of policy implementation at local level

Eastern planning region

Researcher: Juliana Davkova

1. Challenges in data collection

The research within the LOTOS study in the Eastern planning region was conducted in **Shtip, Karbinci, Zrnovci and Sveti Nikole**. In this regard, it should be noted that despite the fact that the municipality of Sveti Nikole belongs to the Vardar region, for the purposes of evenly representing the rural and the urban municipalities. Given the fact that the research was limited to 43 municipalities, we were not able to include a municipality with a seat in for the purpose of this research was analyzed as part of the Eastern region. In the subsequent LOTOS cycles, the municipality of Sveti Nikole will be analyzed within the Vardar region.

The process of data collection from the Eastern region began in May 2014 and it lasted until October 2014 and from its very beginnings it was implemented with certain challenges. In terms of the willingness of the municipalities to participate in the research, the experience varied. Initially, the municipalities accepted to be visited and to make contacts with the public relations

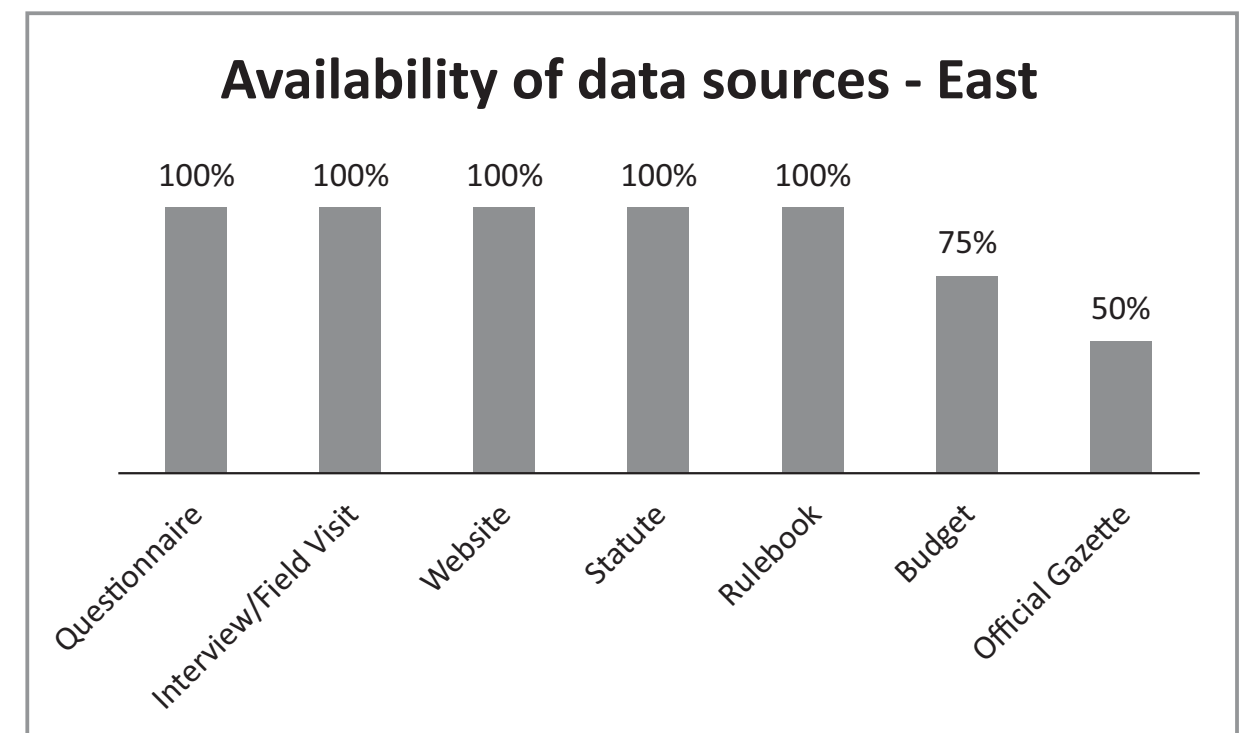
officers and the mayors, but in some municipalities we had to intervene several times in order to make the visits.

For the implementation of the LOTOS research and for the collection of information we used a questionnaire that was sent to the municipalities, a field research - observation, a secondary research (Desk research) and mystery shoppers (anonymous phone calls and sending letters (on behalf of citizens)).

The researches and the experiences of EHO from the past work with the municipalities, as well as the information obtained from the numerous visits and held discussions with the municipal administrations, showed that the data provided by the municipalities are to a large extent incomplete, and therefore the field research was necessary in order to obtain reliable data for the purposes of the project. The biggest problem and difficulty is still the need to find the right people in the municipality who will be willing to submit the requested data to the researcher. Given the approach of the research that is implemented from the aspect of the citizens, i.e. it examines to what extent the information is available to the ordinary citizen, it is concluded that the responsiveness of the municipalities should be improved.

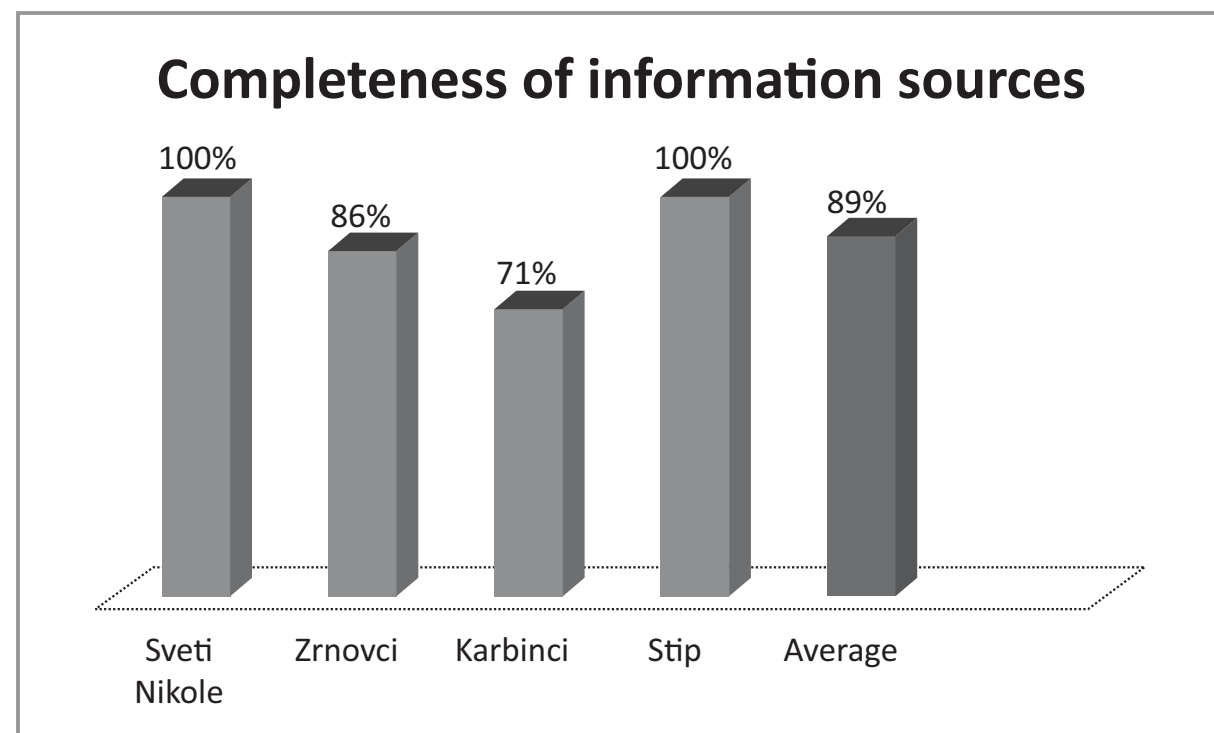
Upon the submission of the letter and the questionnaire, the municipalities were visited and the first impression from the field observation was defined. With the questionnaire in which the municipal officials were able to express their views on the efficiency in the provision of services, information were obtained for the existence of procedures that guarantee the quality of the operation of the municipality. Although the questionnaires were delivered to all municipalities in the same period, only two of the municipalities in the Eastern region that were covered by the research completed and submitted the questionnaire within the prescribed deadline. In the other two municipalities further engagements of the researcher were necessary in order to obtain the completed questionnaire.

Chart 1. Percentage of availability of data sources for the municipalities from the Eastern region



As you can see from the chart above, during the research we were able to obtain most of the data sources from the municipalities, except for the budget of the Municipality of Karbinci and the official gazettes of Karbinci and Zrnovci. This means that in the process of verification of the data, we were able to consult multiple sources of information but still some information was not available to us.

Chart 2. Participation of the information sources in the research



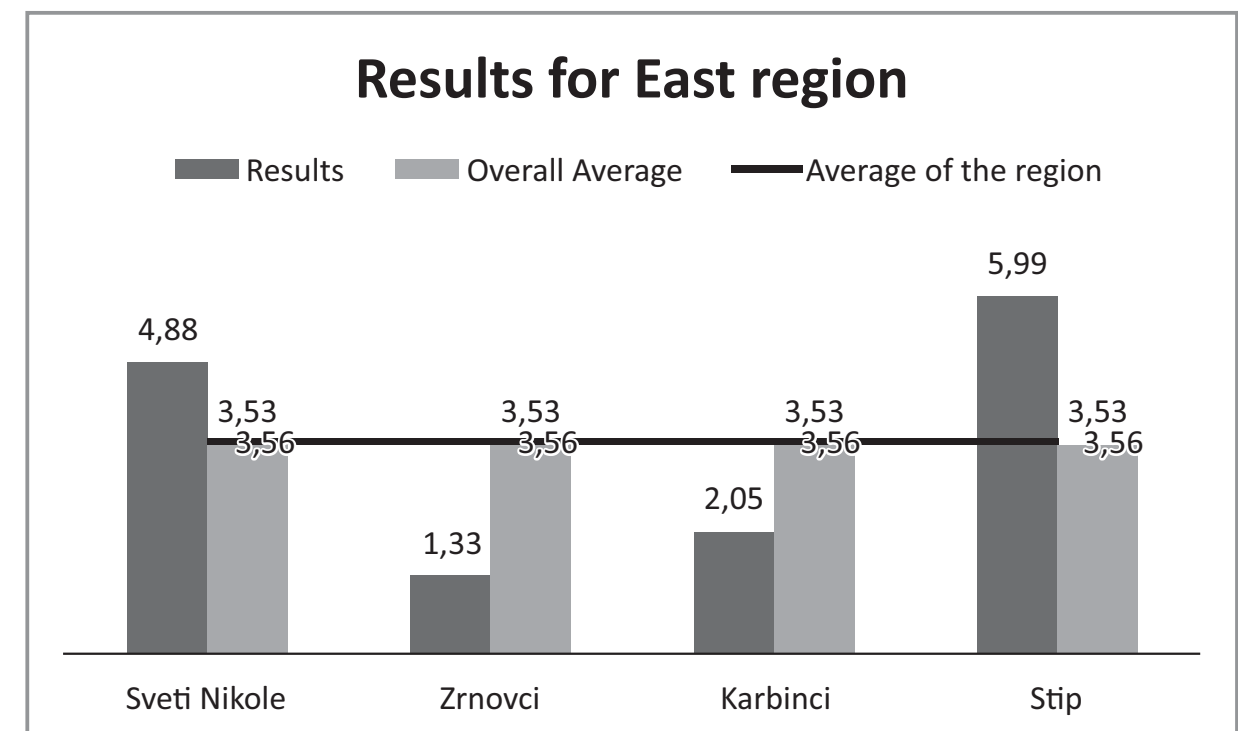
In the municipalities, all information sources were provided to us by the municipalities of Sveti Nikole and Shtip, one source of information was not provided by Zrnovci, and two were not provided by Karbinci. The average for the region for participation of the sources of information in the research was 89%.

2. Results of the research

2.1 Total results in the Eastern region

From the municipalities in the Eastern planning region, the best overall results were achieved by the Municipality of Shtip (5.99) which is 2.46 points higher score than the overall average, and by 2.41 points higher a result than the regional result which is 3.58. According to these results the Municipality of Shtip is the only municipality from the Eastern region that has achieved a passing grade by exceeding the threshold of 5.00. Shtip is followed by the municipalities of Sveti Nikole with 4.88, Karbinci with 2.05 and the last place is taken by Zrnovci with an achieved result of 1.33.

Chart 2. Results for the municipalities from the Eastern region in terms of the overall and the regional average



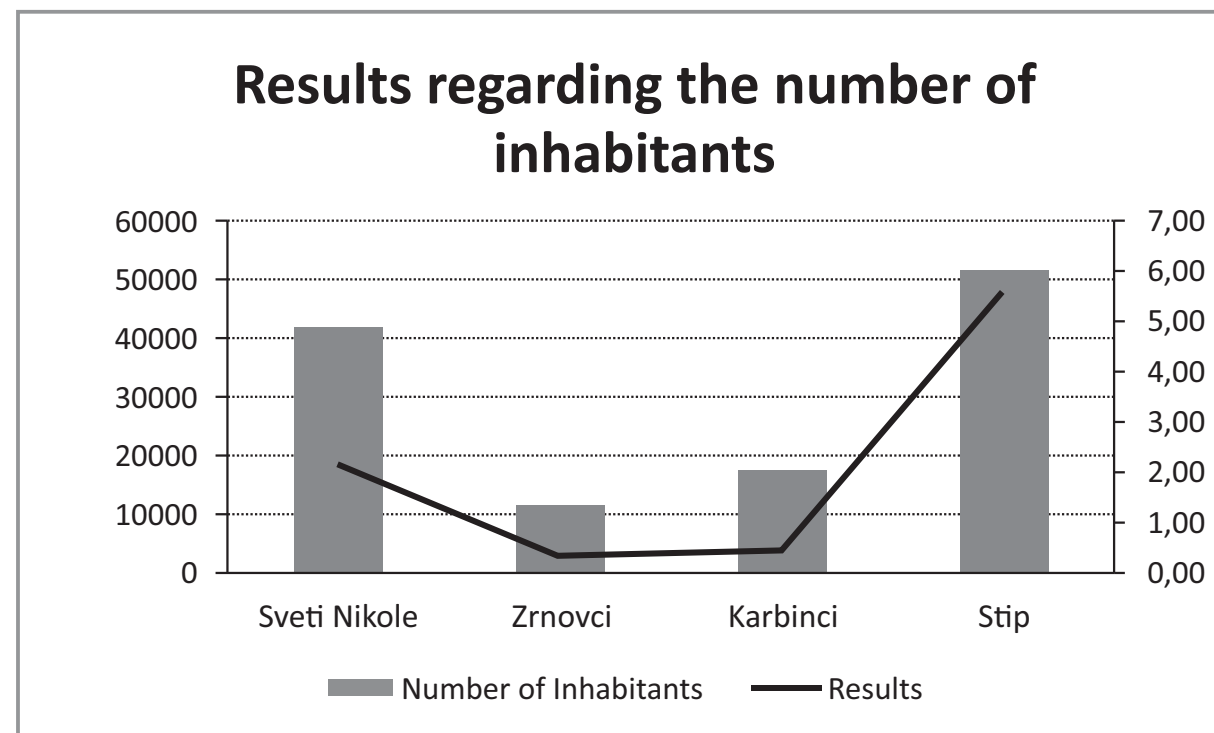
According to the information on the current state obtained from the research, in almost all aspects of the operation of the municipalities of Shtip, Karbinci, Zrnovci and Sveti Nikole there is a big room for improvement in the operation. The researches, the analyses and the recommendations given within this project are made in order to be used by the municipalities for improvement of their operation, especially in terms of transparency, responsibility and accountability of the local authorities.

The overall functioning of the municipalities should be aimed at creating conditions for better life and increasing the trust in the local authorities. A significant portion of the citizens is not satisfied with the manner in which the local authorities are working at the local level, but also with the extent and the manner in which the local community participates in the decision and policy making.

The level of public awareness and the accountability of the municipality is an extremely important indicator of good governance of the local self-governments. Another indicator is the manner in which the citizens get the information about the municipal services, the prices of the services, the necessary documents and the competent officials.

The professionalism of the municipal administration remains one of most sensitive areas of the local governance. The obligations for transparent, accountable, responsible and economical operation are regulated by laws and codes of ethics. The professionalism of the administration is assessed with several different criteria, which are not provided for as a strict legal provision, but arise from the general notions of professional, responsible and accountable operation. The professional operation of the municipal administration is more about everyday commitment, good and honest work than about adhering to some specific legal provisions.

Chart 3: Results in terms of number of inhabitants



From the chart above, you can see the trends of the results in terms of the number of inhabitants of the municipality. Thus, it can be noted that the growth in the number of inhabitants follows the growth of the result of the municipality. In this case as well, the thesis is confirmed that the urban municipalities with a bigger population, compared to the municipalities from the region have better results when it comes to the implementation of the good governance practices. This is primarily due to the better access to human and material resources, from both qualitative and quantitative aspect, as well as to the better infrastructural development of the municipality itself.

Chart 1. Grouping of municipalities according to the level of transparency

Municipality		Classification	Scale of good governance
		Excellent governance	9.51-10.00
		Very good governance	7.51-10.00
Shtip	5.99	Good governance	5.51-7.50
Radovis	4.88	Satisfactory governance	3.51-5.50
Karbinci	2.05	Unsatisfactory governance	1.51-3.50
Zrnovci	1.33	Very bad governance	0.0-1.50

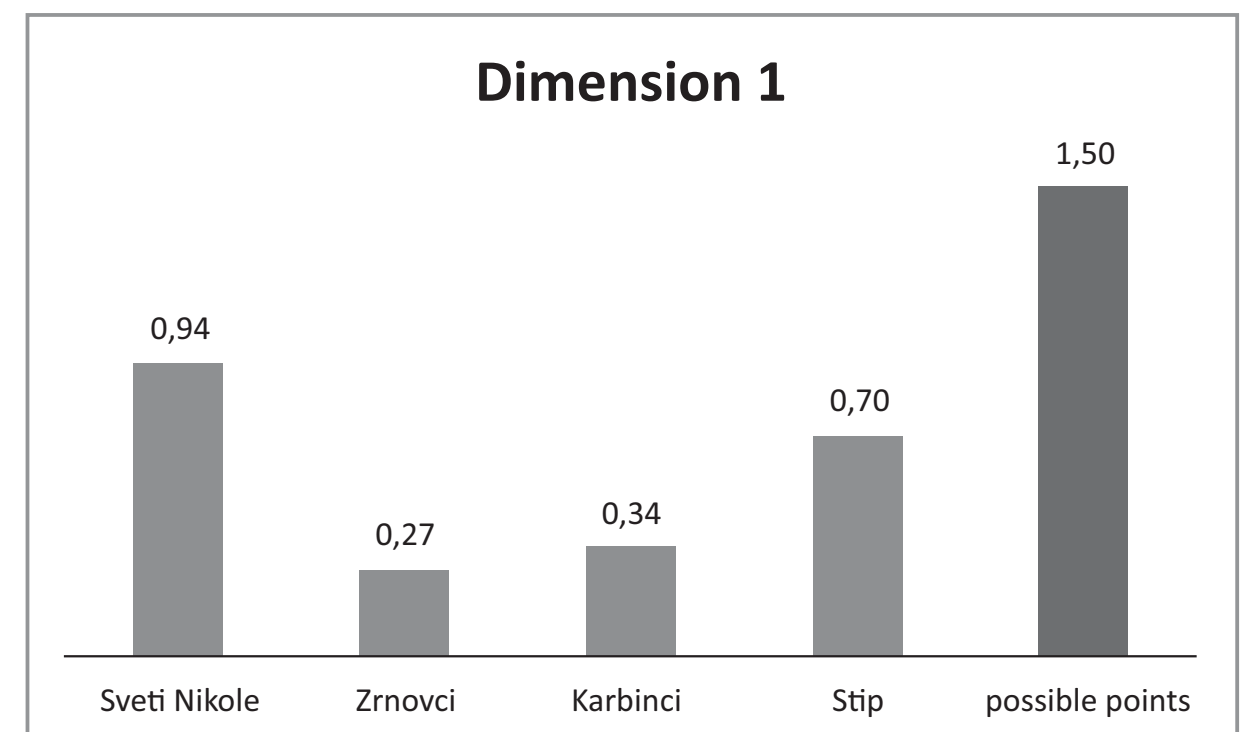
According to the classification which is based on the degree of transparency, none of the municipalities falls in the group of highly transparent municipalities. The Municipality of Shtip is in the yellow group of municipalities with good governance, Radovis belongs to the group of municipalities with satisfactory governance, Karbinci in the municipalities with unsatisfactory governance and Zrnovci in the municipalities with very bad governance.

Chart 4. Results combined with the budget of the municipalities per capita

2.2 Results by dimension

The best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration**, among the municipalities in this region has been achieved by the Municipality of Shtip with 0.94 out of 1.5 points for this dimension. The average result for this dimension for the East planned region is 0.56, which is only 0.03 higher than the average for the 43 municipalities. Two municipalities have achieved results below this average: Karbinci with 0.34 and Zrnovci with 0.27. The Municipality of Sveti Nikole has 0.70 and it lacks 0.05 in order to get a passing grade by fulfilling 50% of the indicators for this dimension.

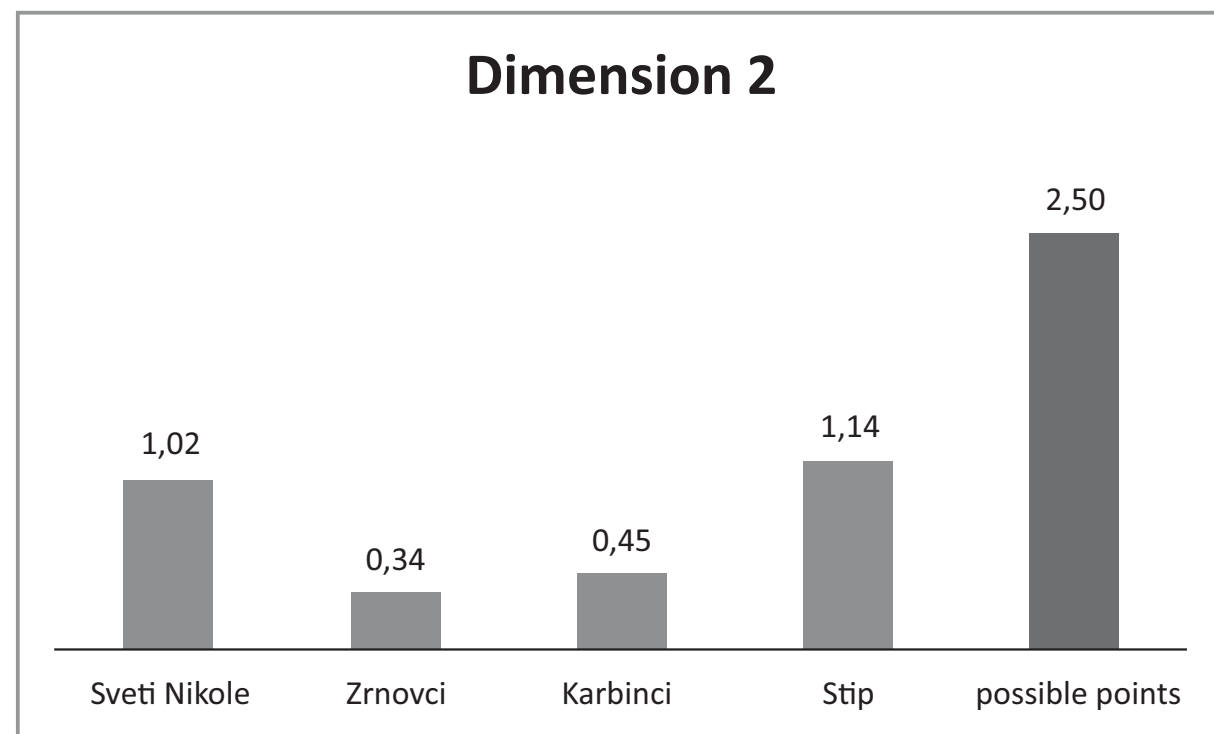
Chart 5: Results of the municipalities from the Eastern region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



In terms of the indicators of this dimension, only the Municipality of Shtip has adopted a Plan and a Rulebook for transparency in the work of the municipality. Team meetings at the Mayor's office are held only in Shtip and Sveti Nikole, and the agenda is published only in the Municipality of Shtip. The council questions are regulated in Sveti Nikole, Zrnovci and Karbinci, and only in Shtip it is not prescribed to hold them at the beginning of the meetings. Furthermore, the budget of the municipalities is available in all municipalities, except for the Municipality of Karbinci. The research shows that all municipalities publish a financial account, and only the Municipality of Shtip publishes financial documents in a form understandable to the ordinary citizen.

In the second dimension - *Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)*, the best results were once again achieved by the Municipality of Shtip with 1.14 points, followed by the Municipality of Sveti Nikole with 1.02 and Karbinci and Zrnovci lag behind with 0.45, i.e. 0.34 points respectively. The average of the municipalities for this dimension is 0.74, which is slightly above the average within the research which is 0.57.

Chart 6: Results of the municipalities from the Eastern region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)

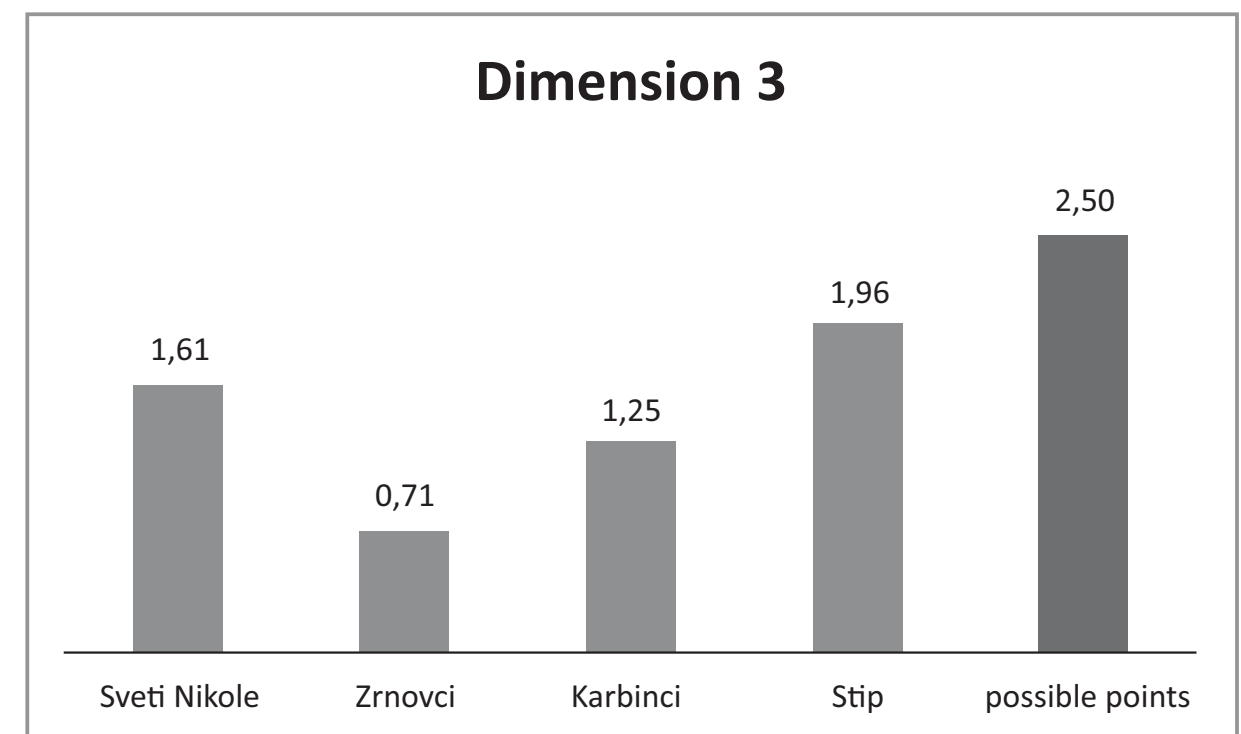


Research showed that in the four municipalities there is a high degree of non-participation of the citizens and the civil society organization in the decision-making and the implementation of the local policies. The presence of citizens at the meetings of the Council and the participation in the preparation of the municipal budget are low. On the other hand there are no attempts by the municipality to organize public consultations with the citizens and to encourage them to take

active participation in the municipality.

The results of the municipalities from the Eastern region for the third dimension - **Responsive and accountable municipal administration**, are as follows: the Municipality of Shtip won 1.96 out of possible 2.5, followed by Sveti Nikole with 1.61 and Karbinci with 1.25, and the last position is taken by Zrnovci with 0.71. According to these results, Shtip, Sveti Nikole and Karbinci pass the threshold of 1.25 for getting a passing grade in the research.

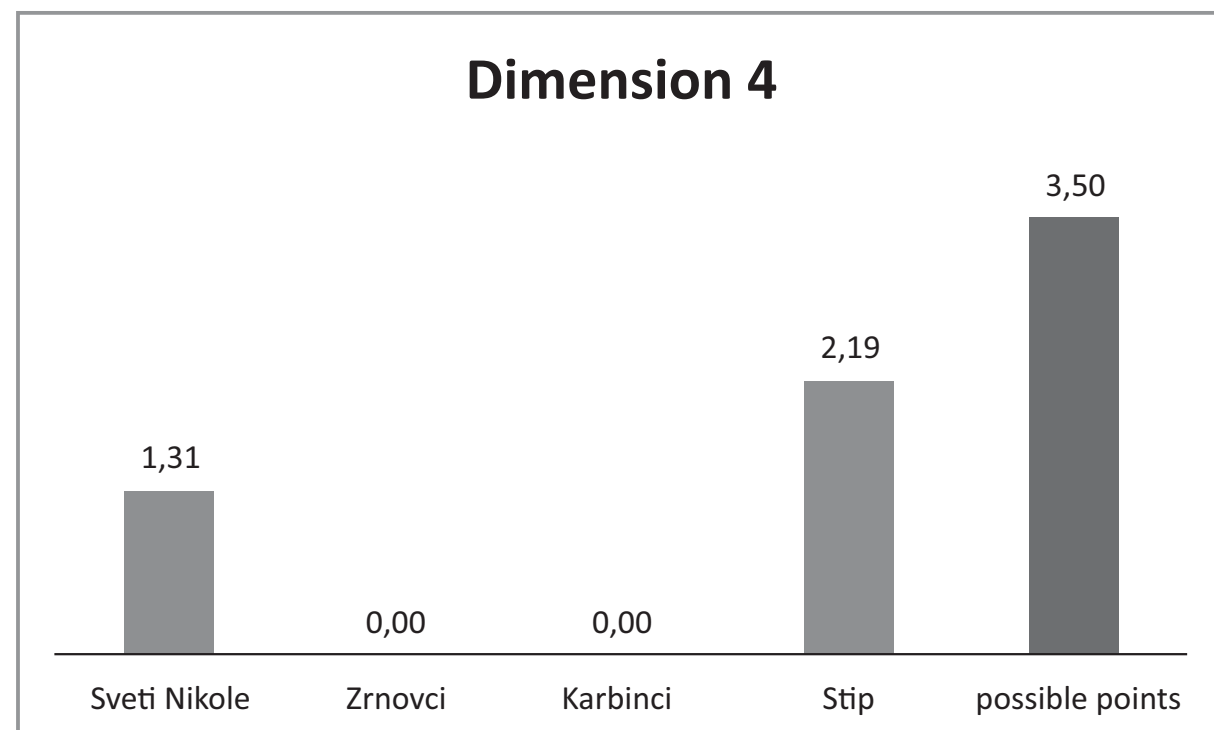
Chart 7: Results of the municipalities from the Eastern region in Dimension 3 – Responsive and accountable municipal administration



In this dimension, only Zrnovci does not hold public consultations with the citizens and does not make assessments of the needs of the citizens, as a form of involvement of the citizens in the decision making process at local level. The right to submit complaints and petitions to the municipal administration is not regulated in any one of the municipalities, and forms for citizens' requests are available only in the Municipality of Shtip.

According to the results of the fourth dimension which measures the **Effectiveness, efficiency and accountability of the local self-government** the highest number of points were achieved by the Municipality of Shtip - 2.19. The average for this dimension is modest 0.88, resulting mostly of the score of the municipalities of Karbinci and Zrnovci of achieved 0 points.

Chart 8: Results of the municipalities from the Eastern region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



In this dimension, none of the municipalities publishes an annual program by sectors, and none of the municipalities has published data about the bodies for monitoring of the local authorities.

Only the municipalities of Shtip and Sveti Nikole have published final accounts, and only the Municipality of Shtip has determined the budget for each planned activity.

RECOMMENDATIONS

For each of the municipalities covered by the project, specific recommendations have been prepared for improvement of the transparency of the local government. The application of these recommendations can promote the local governance in terms of the transparency, accountability and responsibility of the local authorities and to allow greater participation of the citizens and the community in the process of creation of local policies.

The biggest challenges in this area are still the equal treatment of all citizens, the conflict of interest and the professionalism of the municipal administration in general.

The following recommendations arise as a result of the researches for assessment of the situation in the respective municipalities and the field research.

Generally, there is an established practice and manner of operation of the municipal administration and a manner which regulates the municipal documents which are neither sufficiently transparent nor accountable. The following recommendations apply to all municipalities.

- In terms of the public informing, it is necessary for the municipalities to change the practice of failing to inform the public about the holding of the meetings of the municipal council at the same time (on the same day) with the councillors in a manner that they will inform the public about the holding of the meetings at the same time with the councillors, at least 7 days prior to the meeting, through the bulletin board, the website and/or other media. This recommendation also applies to the publication of the agenda and the working materials for the session of the municipal council at the same time when it is sent to the councillors, at least 7 days prior to the meeting, through bulletin board, the website and/or through other media, so that they would be available to the citizens in a timely manner.
- It is necessary for the municipality to adopt a Rulebook for transparency in the work of the municipality which defines, regulates and systematizes the procedures for raising the transparency of the municipality. Also, it is necessary to adopt a Plan for transparency in the work of the municipality which operationalizes the procedures for transparency in the operation of the municipality.
- In terms of the adopted minutes of the meetings of the Municipal Council, it is advisable to publish all adopted minutes directly on the municipal website and on the municipal bulletin board or in another suitable manner that will make them available to the public.
- In the case of the financial statements, it is necessary for the municipalities to publicly publish a document with additional information, i.e. a final account for the last year, which will comprise comprehensive information for the citizens about the manner of spending the local public funds.
- To develop and to implement a procedure for the process of public consultation in the preparation and adoption of the municipal budget and other strategic documents.
- The signed public procurement contracts should be regularly published on the municipal website.
- It is advisable for the municipalities to prepare and to publish on its website, bulletin board or in another suitable manner, a document comprising information about the municipal budget for each year in the form understandable to the ordinary citizen, with comprehensible enough information and explanations. For greater transparency in this regard, it is necessary for the criteria and the amount for budget allocation of the municipality for transfers of funds from the national to the local institutions to be published on the municipality's website.
- In terms of the municipal employments, the municipalities need to publish on the municipal websites both the job advertisements and the recruitment decisions.
- In terms of the participation and the cooperation with the citizens and the civil society organizations in the decision-making and implementation of the local policies, it is necessary for the municipalities to regularly send invitations for participation in the meetings of the Council to representatives of the civil society organizations.
- The municipalities need to publish an annual work program by sectors for the last year with a clearly defined time frame for implementation and indicators of success. The same applies to the need to publish the projected budget for each activity from the annual program and to publish reports on the progress of the implementation of the activities.
- It is necessary to publish the reports on the work of the inspectors who monitor the municipal services.

Municipality of Shtip

- In terms of the council questions, with the rulebook on the operation of the Municipal Council it is necessary to define in which part of the meetings of the Municipal Council the council questions shall be held, and the best option is for them to be defined in the rulebook and to have them at the beginning of each meeting of the Council.
- Although there are written criteria for allocation of funds by the municipality to the civil society organizations in the form of a Rulebook and they are available to the general public at the official website. However, at the website there is no document with a list of civil society organizations that have been allocated funds for the last year, nor is there a published list of the civil society organizations that are not eligible to receive funds due to a conflict of interest.
- It is recommended for the Municipality of Shtip to invite the representatives of the local communities in order for them to participate in the operation of the Council of the Municipality of Shtip.
- In terms of the right to complaints and petitions from the citizens and the exercise of the same by the citizens, it is necessary, on the bulletin board and on the website of the municipality, to publish information about the official processes with clear steps for filing complaints and petitions from the citizens, such as for e.g. a published and easily accessible form for complaints or for reporting cases of corruption.

Municipality of Sveti Nikole

- There are no written criteria for allocation of funds by the municipality to the civil society organizations in the form of a Rulebook and there is no document at the website with a list of civil society organizations that have been allocated funds for the last year, nor is there a published list of the civil society organizations that are not eligible to receive funds due to a conflict of interest.
- Holding public consultation with the citizens in order to make an assessment of the needs of the local community and resulting in at least one project of the municipality.

Municipality of Zrnovci

- The website of the municipality should become more informative and it should be directed to the provision of information about the service activities of the municipality, the contacts with the municipal administration and the contact with the councillors.
- To publish the main responsibilities of the municipality and of the local offices of the ministries and the agencies at visible places at the entrance of the municipality, .
- To publish the municipal budget for the current year and the final accounts of the previous year at the website of the municipality.
- There are no written criteria for allocation of funds by the municipality to the civil society organizations in the form of a Rulebook and there is no document at the website with a list of civil society organizations that have been allocated funds for the last year, nor is there a published list of the civil society organizations that are not eligible to receive funds due to a conflict of interest.

The municipality should appoint a public relations officer.

Municipality of Karbinici

- The website of the municipality should become more informative and it should be

directed to the provision of information about the service activities of the municipality, the contacts with the municipal administration and the contact with the councillors.

- At visible places at the entrances of the municipality and at the website of the municipality, to publish the lists of the services provided by the municipality and the documents necessary to obtain such services, forms for the services, the deadlines for obtaining the services, the prices and the contact information with the responsible officials.
- To publish the main responsibilities of the municipality and of the local offices of the ministries and the agencies at visible places at the entrances of the municipality, .

To publish the municipal budget for the current year and the final accounts of the previous year at the website of the municipality.

Southwest planning region

Researcher: Elena Mihajlovska

1. Challenges in data collection

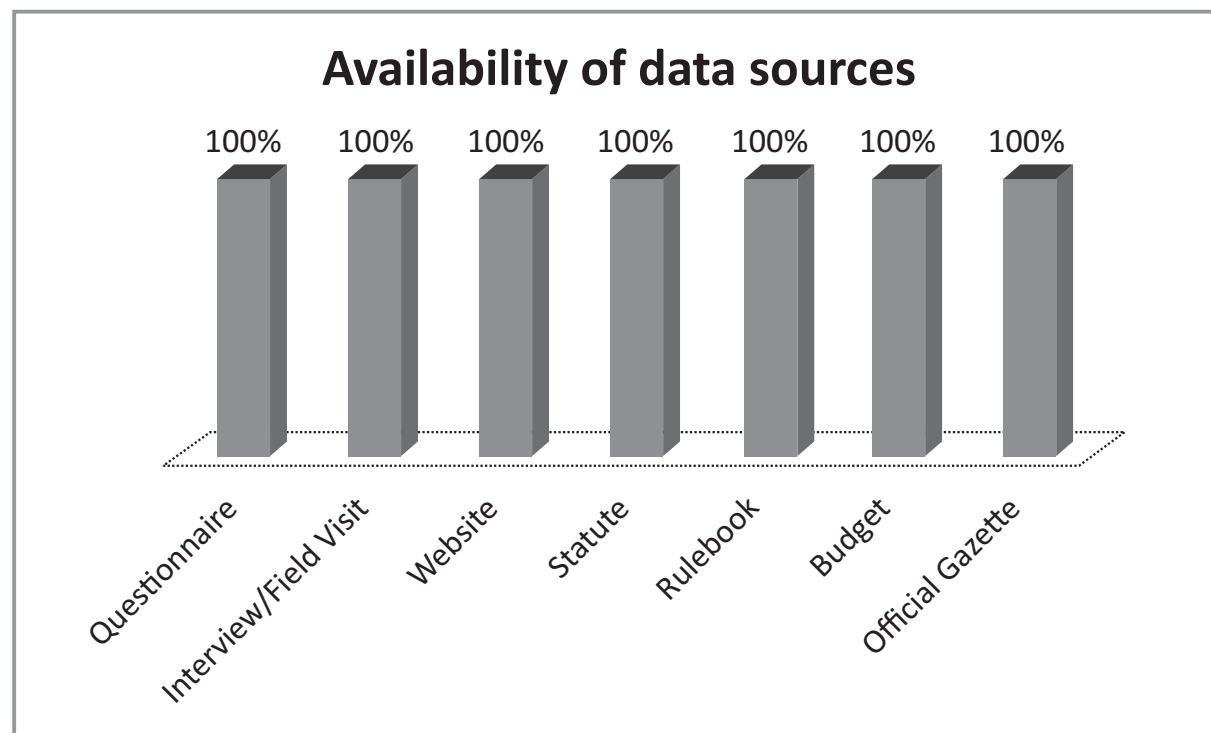
In the course of the month of May, the Local Development Agency, partner of the Centre for Research and Policy Making on this project started the research for the needs of the “LOTOS” study in the municipalities of **Ohrid, Struga, Vevchani and Centar Zhupa**. The research activities were conducted until October 2014.

During the first ten days as of the start of the study research we established initial contacts with the competent public relations officers in the municipalities and the responsible persons in the mayors' offices, who were told that their municipalities will be included in our research, and I requested meetings with the Mayors, as I planned to personally deliver the questionnaires and letters to the Mayors.

However, due to their prior arrangements, some of the Mayors scheduled the meetings in June, which I considered would have affected our timeline, therefore I agreed with the competent municipal services to send the questionnaires and the letters in electronics form. The questionnaires were sent to the municipalities of 14.05.2014 and were given 15 days deadline to return the filled out questionnaires. **I received the answered questionnaires in electronic form from all municipalities in our region** which indicates that the municipalities are quite responsive. Questionnaires were received on 15th, 16th, 20th, 23rd and 30th of May.

In May we also started the secondary research and review of the municipal websites, and we asked the municipalities to submit documents for the needs of the research such as the statutes and rules of procedure of the municipal councils, the budgets, etc.

Chart 1. Percentage of availability of data sources for the municipalities from the Southwest region



As can be seen from the table, all basic sources of information were provided for the municipalities in this region. The positive image about the municipalities is complemented with the excellent cooperation that we had with the municipalities in the implementation of the research. Thus, the reliability of the data was ensured with at least 3 sources of information, and following the awarding of the points, the results were sent to the municipalities for their endorsement, and if they considered that they meet some indicator, but it was not taken into consideration, they can submit materials that would substantiate such claim. Still, none of the municipalities submitted additional comments within the given period of 5 days as of the sending of the materials.

2. Results of the research

2.1 Total results in the Southwest region

In the Southwest region, the best total results were achieved by the Municipality of Ohrid with 7.22 points, followed by the municipalities of Struga with 4.49, Kicevo with 3.04, Centar Zupa with 1.85 and Vevcani with 1.70. The average for this region is somewhat above the average for all municipalities at 3.66. From the municipalities in this region only the Municipality of Ohrid has passed the 50% threshold of fulfilment of the indicators for good governance at the local level.

Chart 2. Results for the municipalities from the Southwest region in terms of the overall and the regional average

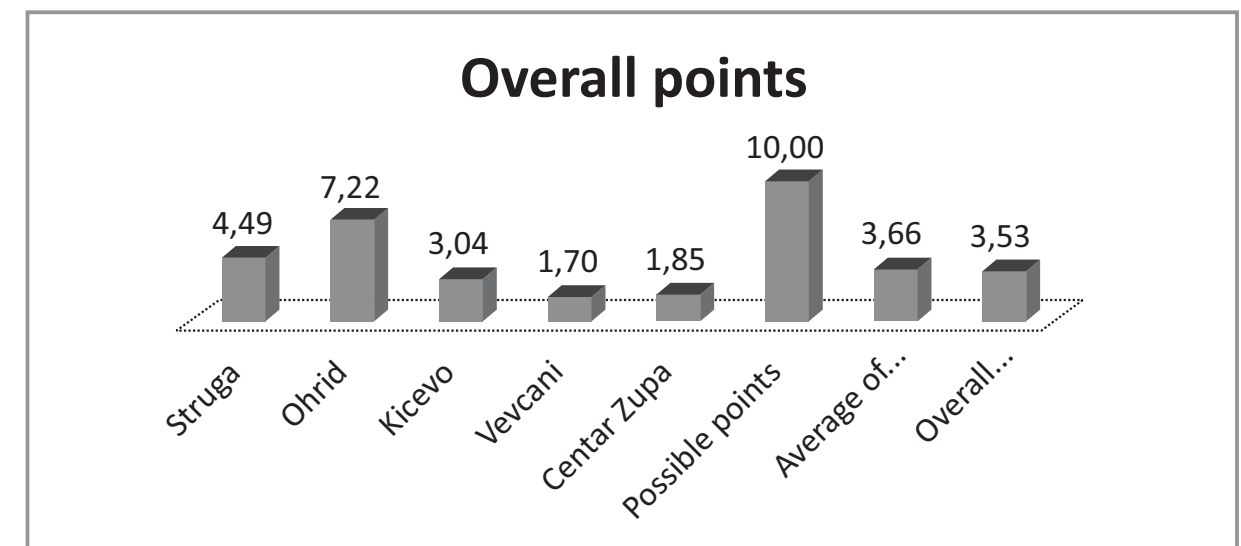


Chart 3: Results in terms of number of inhabitants

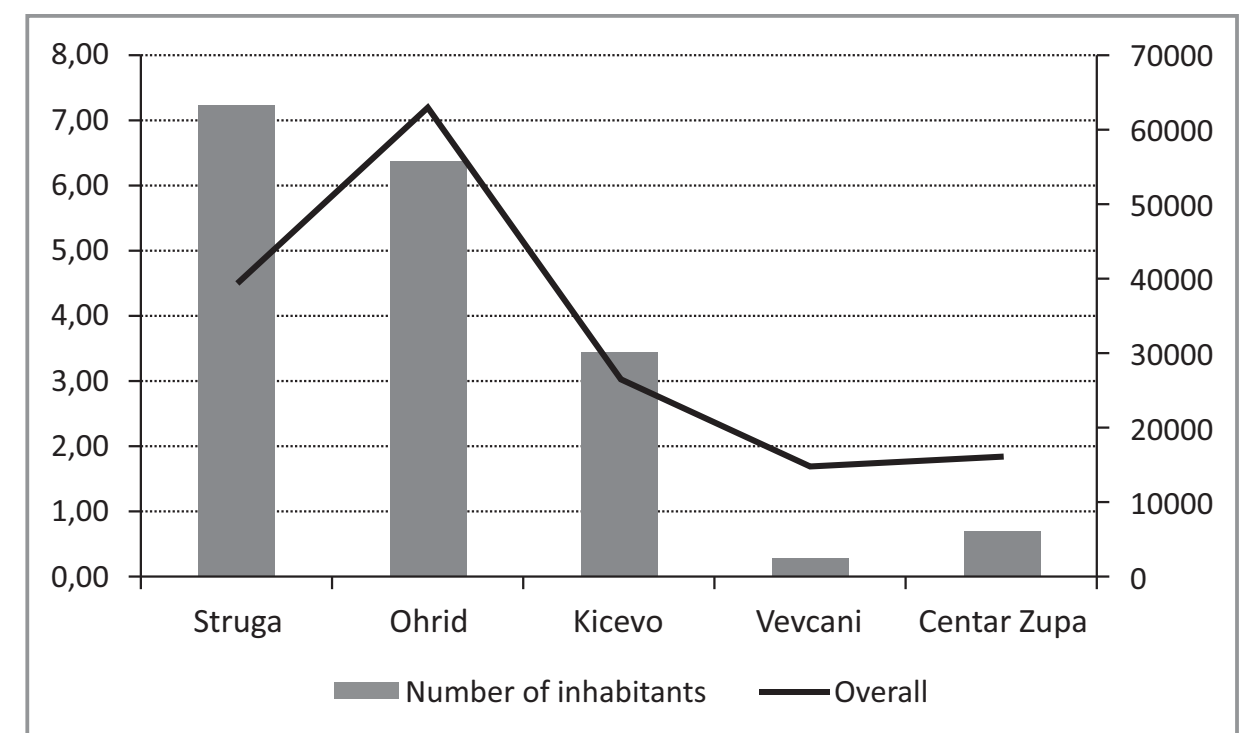


Chart 3 compares the results achieved in LOTOS2014 research with the number of inhabitants in the municipalities so as to examine the correlation between these two parameters. The chart shows that the line on which the results are represented, except for municipality of Struga which in this case is an exception, follows the trend line of the number of inhabitants, which supports the thesis of proportional growth of the achieved results with the increase of the number of inhabitants. The larger number of inhabitants is related to the larger number of municipal employees, which is the main variable in this correlation.

Table 1. Grouping of municipalities according to the degree of good governance at the local level

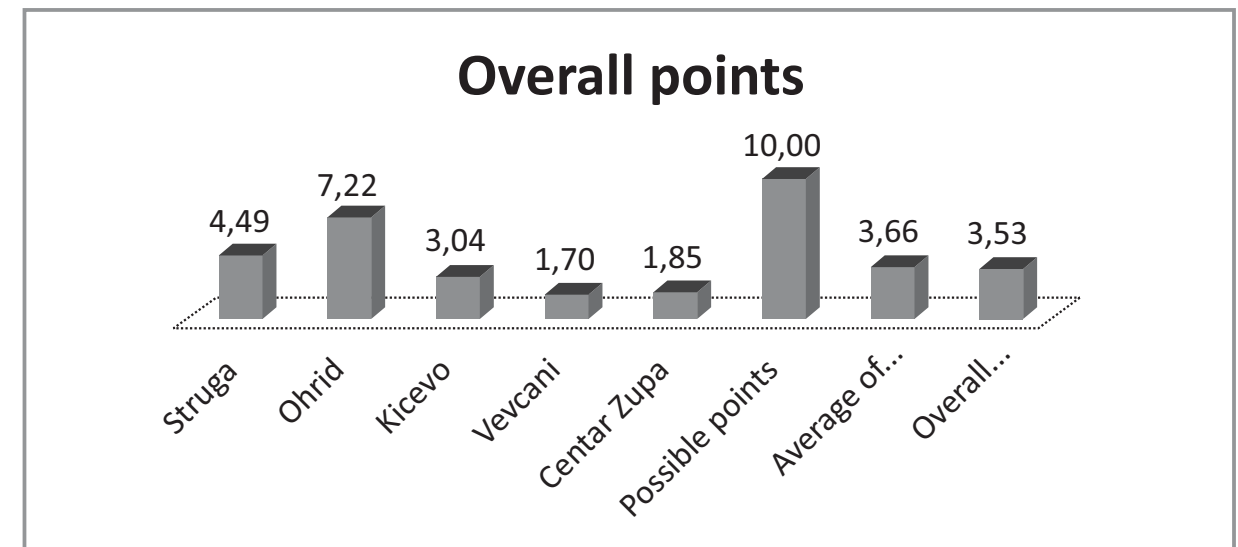
Municipality		Classification	Scale of good governance
		Excellent governance	9.51-10.00
		Very good governance	7.51-10.00
Ohrid	7.22	Good governance	5.51-7.50
Struga	4.49	Satisfactory governance	3.51-5.50
Kichevo	3.04	Unsatisfactory governance	1.51-3.50
Vevchani	1.70		
Centar Zhupa	1.85		
		Very bad governance	0.0-1.50

According to the classification of good governance at the local level, none of the municipalities in the Southeast region belongs to the group of municipalities with excellent or very good governance. Ohrid belongs to the group of good governance, while municipality of Struga is in the group of municipalities with good governance. Three municipalities in this region belong to the group of unsatisfactory governance – Kichevo, Vevchani and Centar Zhupa. What is interesting is that none of these municipalities belongs to the group of very bad governance.

2.2 Results by dimension

From the municipalities in this region, the best result in the first dimension - **Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration** was achieved by the Municipality of Ohrid with 1.09, followed by Struga with 0.51, Kichevo with 0.48, Centar Zhupa with 0.38. The average in this dimension for the municipalities in the Southwest region is 0.54 which is somewhat above the average considering that the average for this dimension among the 43 municipalities is 0.54. Furthermore, from the results it is evident that one of the municipalities has exceeded the threshold for a passing grade of 50% fulfilment of the indicators of this dimension or 0.75.

Chart 5: Results of the municipalities from the Southwest region in Dimension 1 - Openness and transparency in the operations of the Municipal Council and of the Mayor and the municipal administration



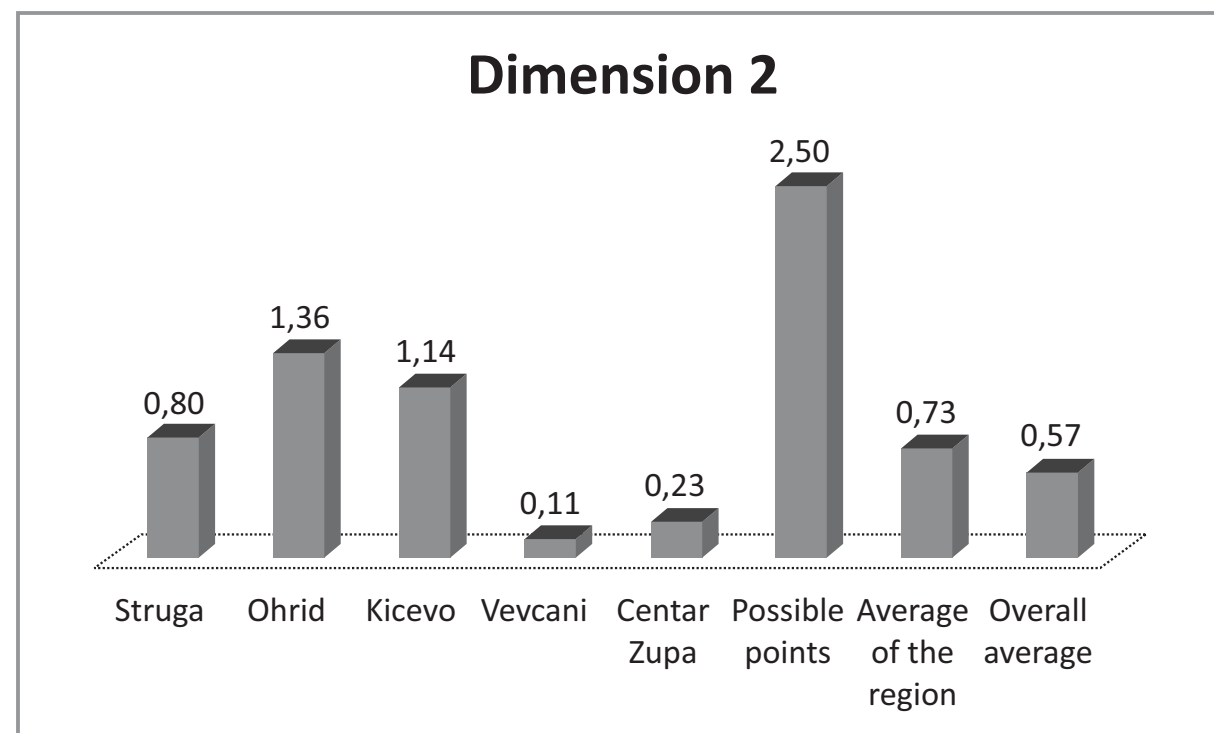
A more detailed analysis of the indicators of the first dimension reveals that none of the municipalities publishes the signed public procurement contracts. Furthermore, none of the municipalities has adopted Rules of procedure and plan for transparency of the operation of the municipality.

When it comes to financial documents in a form understandable for the ordinary citizen, only the Municipality of Ohrid has published a so called civil budget, and the situation is the same with the publication of job announcements in the community.

The council questions are regulated in the acts of the municipalities of Ohrid and Centar Zupa, and in the remaining municipalities this instrument is not regulated by the provision to be held prior to the establishing of the agenda of the Municipal Council meeting.

In the second dimension - **Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)**, the best results were achieved by the Municipality of Ohrid with 1.36 points, followed by the Municipality of Kichevo with 1.45, Struga with 0.80 points. Centar Zupa is second-to-last with 0.23. At the very bottom is the municipality of Vevchani with 0.11. The average of the municipalities for this dimension is 0.73, which is above the average within the research that is 0.57.

Chart 6: Results of the municipalities from the Southwest region in Dimension 2 - Participation of the citizens and the civic associations in the process of decision-making and implementation of local policies (Cooperation with citizens and civic associations and other forms of association of the citizens)



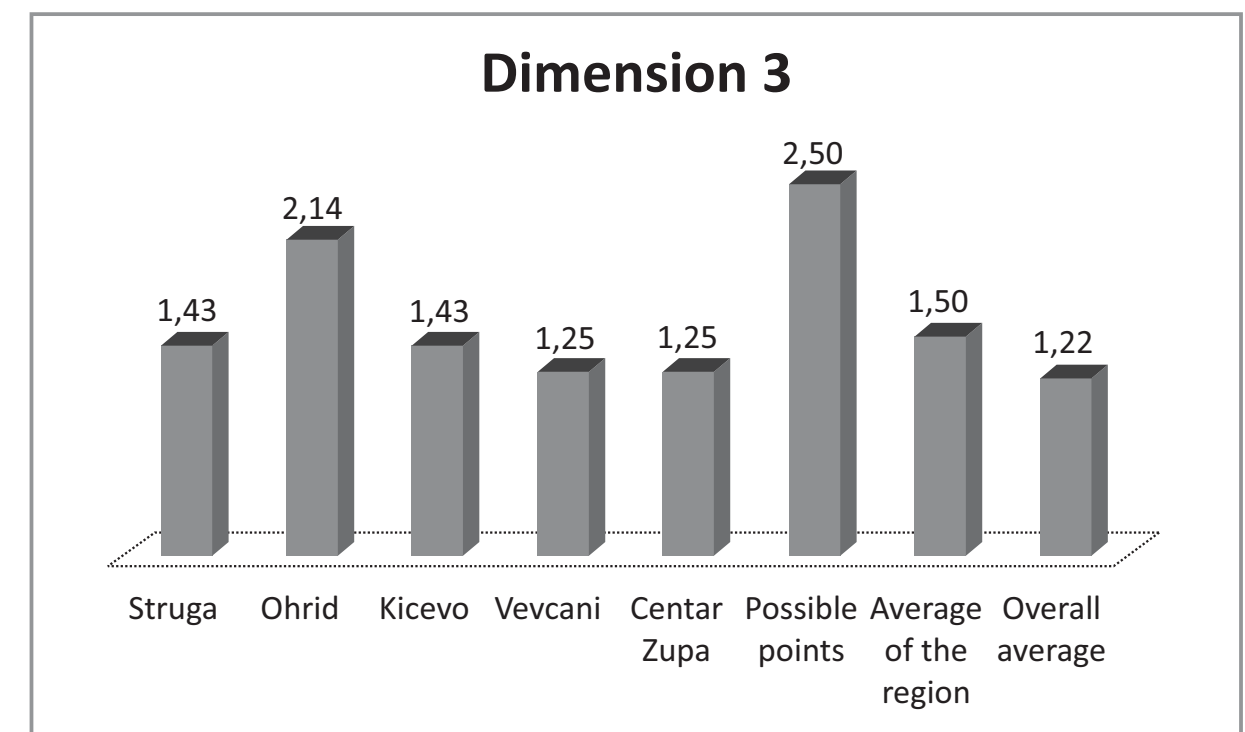
In the second dimension, the municipalities from the Southwest region have achieved relatively good results given the average of the 43 municipalities in this dimension. Certainly there is room for improvement, so we would like to point to the need for publishing information on the commissions established within the municipality, and well as the advisory bodies.

Furthermore, the civil sector should be more involved in decision making process at local level, by submitting invitations to stakeholders for the policies of interest for different target groups.

The transparency in the allocation of funds to civil society organizations could also be improved by publishing a list of civil society organizations that have received funds from the municipality, unless of course, the municipality has planned funds to support the civil sector.

The results of the municipalities from the Southwest region for the third dimension - **Responsive and accountable municipal administration**, are as follows: municipality of Ohrid has 2.14 out of possible 2.5, followed by Struga and Kichevo with 1.43. The average for this dimension is 1.50, while the municipalities of Centar Zhupa and Vevchani have weaker results with a score of 1.43.

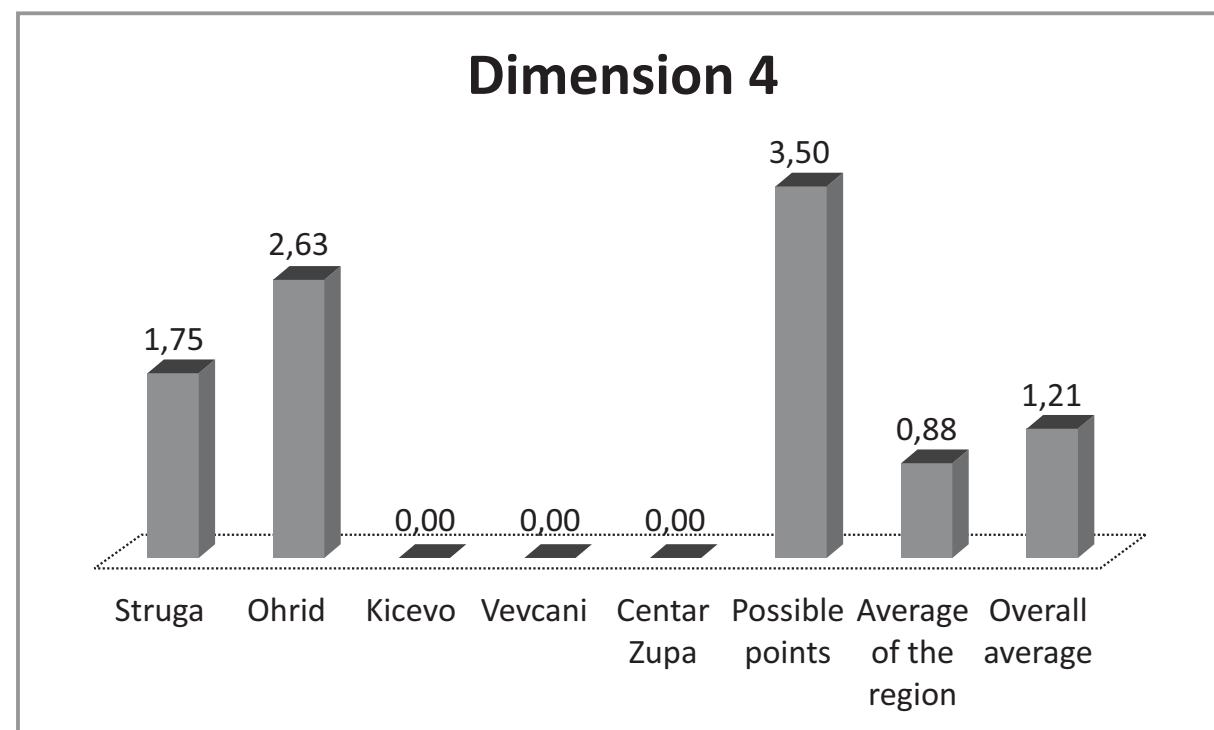
Chart 7: Results of the municipalities from the Southwest region in Dimension 3 – Responsive and accountable municipal administration



Regarding the responsiveness of the municipalities we would like to point out that during the research the smaller municipalities with smaller administrative capacity were much more open to collaboration compared to the bigger municipalities. Maybe we should also take into consideration the period within which the questionnaires were answered, as the smaller municipalities responded to the questionnaires in record time, which shows a high level of accountability and responsiveness.

According to the results of the fourth dimension which measures the **Effectiveness, efficiency and accountability of the local self-government** the highest number of points were achieved by the Municipality of Tetovo - 1.75. The average for this dimension is 0.61, and as many as three municipalities have not met any of the indicators of this dimension. The municipality of Gostivar has a result of 1.31 which is less than half of the indicators of this dimension.

Chart 8: Results of the municipalities from the Southwest region in Dimension 4 - Efficiency, effectiveness and accountability of the local government



As many as three municipalities in this region have 0 points in this dimension. This implies the need for urgent improvements in this area. Above all, the first step should be the announcement of final accounts as well as information on the progress of the implementation of the policies initiated by the citizens.

Equally important for the municipalities, if they are willing to promote the process of good governance through implementation of good practices, is to prepare annual work programs per sectors with a timeline for implementation of the policies.

RECOMMENDATIONS

General recommendations for the municipalities:

- 1- The municipalities should adopt rulebooks and plans for transparency of the operation that will formally regulate the manner of participation of the citizens and the civil society organizations in the operation of the municipal council and the bodies established by the council.
- 2- To define the council questions within the statute and the rules of procedure of the council at the beginning of the meetings and to be held prior to the adoption of the agenda for the meetings
- 3- To publish information about the work of the commissions established by the municipality
- 4- The municipalities should start publishing the public procurement contracts at the municipal websites.
- 5- Municipalities to publish the job announcement as well as the concluded employment contracts that are implemented in the municipality.

- 6- municipalities to develop mechanisms for consultation of citizens in decision-making
- 7- to publish the final account on the website and make it available at the request of the citizens

Municipality of Struga

- 8- Municipality to inform the public within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 9- to define a procedure for monitoring the municipal council meetings and to make them publicly available
- 10- to inform the public about the holding of the council meetings minimum 7 days prior to its holding
- 11- to publish the minutes of the council meeting
- 12- To define the council questions within the acts of the municipality and to hold them at the beginning of the meetings prior to the adoption of the agenda for the new meeting
- 13- to make the public procurement contracts publicly available (on the municipal website)
- 14- To increase the participation of citizens in decision-making process by sending invitations to the interested parties
- 15- to use the mechanisms for consultation with the public more often

Municipality of Ohrid

- 16- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- 17- to make the public procurement contracts publicly available and post them on the municipal website
- 18- to publish the agenda for the municipal council meeting within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 19- to make the minutes of the council meeting publicly available
- 20- to publish the municipal budget on the website in a form comprehensible to the citizens
- 21- to enable citizens unhindered exercise of their right to file complaints and petitions
- 22- to publish reports on the progress of certain policies (annual, quarterly, etc..)

Municipality of Kichevo

- 23- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- 24- to appoint a public relations officer who will be operational, i.e. available to the citizens and answer citizens' questions
- 25- to publish the agenda for the municipal council meeting within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 26- to define and publish a procedure for monitoring the council meetings by the citizens
- 27- to make the minutes of the council meeting available to the citizens and on the municipal website
- 28- to improve the cooperation with the civil sector in the decision-making process by sending invitations to the stakeholders to participate in the discussion on specific topics
- 29- to publish reports on the progress of policy implementation at local level
- 30- to publish the final account on the website and make it available at the request of citizens
- 31- to publish the projected budget for each planned municipal activity;

Municipality of Vevchani

- 32- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the

municipality

- 33- to appoint a public relations officer who will be operational, i.e. available to the citizens and answer citizens' questions
- 34- to publish the agenda for the municipal council meeting within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 35- to define and publish a procedure for monitoring the council meetings by the citizens
- 36- to make the minutes of the council meeting available to the citizens and on the municipal website
- 37- to improve the cooperation with the civil sector in the decision-making process by sending invitations to the stakeholders to participate in the discussion on specific topics
- 38- to publish reports on the progress of policy implementation at local level
- 39- to publish the final account on the website and make it available at the request of citizens
- 40- to publish the projected budget for each planned municipal activity;

Municipality of Centar Zhupa

- 41- to adopt plan and rules of procedure so as to ensure the transparency of the operation of the municipality
- 42- to appoint a public relations officer who will be operational, i.e. available to the citizens and answer citizens' questions
- 43- to publish the agenda for the municipal council meeting within the legally defined deadline of at least 7 days prior to the holding of the council meeting
- 44- to define and publish a procedure for monitoring the council meetings by the citizens
- 45- to make the minutes of the council meeting available to the citizens and on the municipal website
- 46- to improve the cooperation with the civil sector in the decision-making process by sending invitations to the stakeholders to participate in the discussion on specific topics
- 47- to publish reports on the progress of policy implementation at local level
- 48- to publish the final account on the website and make it available at the request of citizens to publish the projected budget for each planned municipal activity;

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Annexes available at <http://lotos.crpm.org.mk/>

- List of LOTOS indicators (Annex 1)
- Questionnaire (Annex 2)
- List of LOTOS municipalities (Annex 3)
- Letter of notification / invitation (Annex 4)