



**HANDBOOK FOR MAYORS AND  
MUNICIPAL COUNCIL MEMBERS OF  
THE REPUBLIC OF MACEDONIA**

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**Dear Readers,**

The last couple of months of campaigning, during the local elections, have brought you electoral success, thus making you representatives of your fellow citizens - either as a member of the Municipal Council or as Mayor of your respective municipality.

Ahead of you there lie four important years during which you are charged with fulfilling a major part of the pre-election programmes promised to your electorate. There is one major joint programmatic commitment, in particular, that stands ahead of you and your citizens - decentralisation - a process that you must implement, so that the citizens of the Republic of Macedonia may reap the benefits of the decentralised society that our country has longed for, and without which the doors of the European Union are unlikely to remain open.

The handbook that you hold in your hands should be a tool to assist you in more easily managing your responsibilities as a Mayor or as a Councillor. It is a symbiosis of theory and practice - its authors are experts in local self-government or Mayors that have chosen to pass on to you their extensive experiences of working in municipal government.

I can assure you that you will find this handbook to be of use to you. In many uncertain situations it will undoubtedly show you the best ways in which to proceed. I'm sure that the Association of Local Self-Government Units (ZELS) will be available to answer all the questions that you might have regarding this handbook, so as to meet the needs of local-self-government.

Yours Sincerely,

President, Association of  
Local Self-Government Units (ZELS)  
**Goran Angelov**

**Dear Readers,**

The OSCE has been privileged to co-operate with our colleague organizations to produce this manual, a handbook for elected municipal officials, which is the first of its kind in this country. It is our hope that this Handbook serve as the primary reference guide for mayors and Councilors as they take on new and vital governance responsibilities in a decentralized system.

This Handbook is intended to be a fluid and adaptable document that will require updating and revision in the months and years to come. As such, it is hoped that the content of the Handbook chapters will be revised in accordance with amendments and revisions of the legislation related to these competencies.

In the meantime, we encourage users to update their knowledge, and seek out new information about these topics from ZELS, the Ministry of Local Self-Government and other local and international counterparts. We also encourage users to make recommendations for how the content of the Handbook might be improved and made more user-friendly in the future.

With best wishes for a successful decentralization process,

Most sincerely,

Ambassador **Carlos Pais**  
Head of Mission  
OSCE Spillover Monitor Mission to Skopje





# 1 THE LEGAL FRAMEWORK OF LOCAL SELF-GOVERNMENT

Kire Kitevski

**In this chapter you will learn about the legal framework relating to local self-government units, which will help you to properly execute your responsibilities during the course of your mandate.**

This handbook will enable you to learn about all the information and legislation necessary to help you successfully perform your duties over the course of the next four years. The sooner you become acquainted with the legal framework, the better you can begin to perform these duties. To a large extent, your performance over the course of your term in office is dependent upon your knowledge of the laws pertaining to local self-government. It is thus important that you understand that local self-government has been given a special position within this country's constitution and laws. Therein, you are charged with an even greater obligation to perform well so as to justify the faith that citizens have entrusted to you.

## 1.1. CONSTITUTIONAL AND LEGAL FRAMEWORK

Citizens have entrusted you with a special responsibility under their right to local self-government, provided for by the Constitution of the Republic of Macedonia. This is not only a declarative right; local self-government is indeed one of the fundamental values of the constitutional order of our country (local self-government is dealt with further in Chapter Five).

As this chapter shall illustrate, local self-government allows citizens to more directly influence issues of local significance in the areas of urban planning, management of the environment, local economic development, communal activities, culture, sports and recreation, social welfare, child protection, education, healthcare, and fire services. The Constitution of the Republic of Macedonia provides for state organs to delegate the execution of certain authorities to local level (Article 115, Paragraph 3). In this country, the Constitution provides for only one type of local self-government - municipal local self-government. The capital city of Skopje is given special treatment and is therefore categorised as a separate local self-government unit. In order to successfully exercise the competencies of local self-government, municipalities must have sufficient financial resources. The Constitution guarantees that municipalities may be financed by their own financial resources in addition to state financial resources. Herein, the Constitution of the Republic of Macedonia provides for local self-government to be further regulated by additional laws.



In order that municipalities be organised as local self-government units in which citizens are able to exercise their right to influence issues of local significance, laws need to be drafted. The Law on Local Self-government is a *lex generalis* which was passed by two-thirds of state parliamentary members - and by a majority of parliamentary representatives from communities not representing the majority ethnicity. This law regulates the competencies of municipalities; the direct participation of citizens in decision-making processes (citizens' initiatives, citizens' gatherings and referenda); the organisation and work of municipal organs (such as the Municipal Council and the Mayor); the Municipal Administration (its organisation and scope of responsibilities); the legal documents of the Municipal Council and the Mayor; municipal assets; supervision over the activities of municipal organs (including the legality and auditing of their material and financial affairs); the dismissal of the Municipal Council; the mechanisms of cooperation between municipalities and the Government of the Republic of Macedonia; local self-government units (competencies, establishment and organisation); the protection of local self-government; the determination of the official languages of municipalities; and, other issues of significance to local self-government. It is important to also mention the authority over residency status, the right to a flag and a seal, public forums and surveys, the Council of Consumer's Rights Protection, and the Commission on Inter-Community Relations, etc. Since the Law on Local Self-Government is a general law, many local issues need to be regulated by other specific laws, as discussed later in this handbook.

As mentioned previously, the Law on Local Self-Government regulates the residence status of citizens, so stipulating that those citizens of the Republic of Macedonia whom have permanent residency on the territory of a certain municipality are considered residents of that municipality. The issue of residency is a very important issue for observing the rights of local citizens. Only citizens who are residents of a particular municipality may be elected to hold positions in its local self-government. Furthermore, only these resident citizens are entitled to put forward proposals and initiatives in relation to local issues. Moreover, residency is important because only citizens resident in a given municipality are entitled to practise their local self-government rights in that municipality.

**Example:  
Personal income  
tax, which is a  
source of financial  
income for the  
municipality, can  
be collected only if  
the taxpayer is a  
resident of that  
municipality.**

Each municipality is entitled to a flag and a seal, as determined in a procedure prescribed by Municipal Statute. The flag and seal may be used only after they have been enlisted in the registry of the Ministry of Local Self-Government.

Earlier in this chapter, it was emphasised that the city of Skopje has a special status as a unit of local self-government. Having in mind this fact, the competencies, organisation and financial matters, official languages, and issues of cooperation between the city of Skopje and municipalities are regulated by another special law - the Law on the City of Skopje.

In order to gain a complete picture of the municipalities as units of local self-government, we need to know: the ways in which they are organised; their territorial basis, their name, seat, and boundaries; how boundaries are determined; what kind of populated areas there are; possibilities for the merging, division and change of boundaries; and, many other issues that refer to the territorial organisation of the Republic of Macedonia. The answers to all of these matters can be found in the Law on Territorial Organisation of Local Self-Government of the Republic of Macedonia.

Let us begin with the issue of how municipalities are organised. Municipalities are constituted by law, meaning that no other legal act or regulation may be enacted to create a municipality. A municipality is comprised of a territory of one or more populated areas. The municipalities of the cadastre are determined by those regulations which refer to land measurements and the cadastre. The territory in which a municipality is constituted should be naturally, geographically and economically-linked, with communications existing between its settlements and populated areas. Roads should connect with one another and populated areas should gravitate towards a central area. Each municipality should possess appropriate infrastructure (water supply systems, draining systems, electrical systems, and other installations) and social welfare facilities (schools, health centres, cultural and sports facilities, etc.). As for the city of Skopje, its territorial area is determined by the territories of each municipality within the city's boundaries.

It is important that the boundaries of each municipality are clearly determined, so as to avoid disputes between two or more municipalities wherein each declares jurisdiction over a matter of mutual or conflicting interest. Furthermore, boundaries are important for the determination of the residence status of a municipality's citizens, since only resident citizens may vote or be elected to a public position in that municipality. Muni-



cipal boundaries correspond with the cadastre boundaries of populated areas with respect to the land that neighbours other municipalities. The boundaries of the cadastre must not overlap. If a municipality is located beside the border with another country, some of its boundaries will thus also represent part of the state border of the Republic of Macedonia.

As mentioned previously, municipalities are constituted as being of the territory of one or several populated areas (a populated area is either a city or village). A city, as determined by the Law on the Territorial Organisation of the Local Self-Government of the Republic of Macedonia is a populated area with more than three-thousand inhabitants, with a developed infrastructure, and over 51 percent of residents employed in so-called non primary sector. A city must boast several types of economic sectors (industry, trade, tourism, etc.), with over 51 percent of its residents employed in these aforementioned areas. In terms of the city's urban structure, there should be housing zones, recreational grounds and public greenery, a city square, a street system, and communal facilities.

The city should represent the functional core of surrounding populated areas, whereby populated areas are constructed in accordance with urban planning, housing and economic facilities, and recreational and green areas, etc. In keeping with urban planning, there should be a city square and a street network running throughout the city. There should be public enterprises for providing basic communal services for citizens (water supply, wastewater disposal systems, maintaining the cleanliness of streets, hard waste disposal services, etc.). Lastly, a city should be a place in which the rights of citizens are recognised and upheld. A village, as determined by the law, is a populated area in which one economic sector may dominate, with its surroundings mainly of an agricultural function and character.

Populated areas may have boundaries separate to those of the municipality. The boundaries of a city, for instance, as a populated area are determined by the General Urban Plan, whereas the boundaries of a village, as a populated area, are determined by an Urban Plan drafted for the populated area. The determination of the boundaries is a very important issue, since municipality rights and activities may only be exercised within those boundaries.

By drafting Urban Plans to determine boundaries, the land within those boundaries becomes construction land and as such is subject to special conditions for use. Namely, drafted Urban Plans may provide for the construction of facilities for which a special construction permit is needed. The municipality is responsible for managing and organising construction land. Public communal activities come within the scope of the boundaries determined by the Urban Plans.

Each populated area has its own unique name, as determined by law. Consequently, no two places may have the same name.

All municipalities, including the city of Skopje, execute their competencies using their own financial resources and through their making use of other financial sources. Municipalities are autonomous in handling and managing their finances. This means that you alone, as a municipal official, may determine the rates of local taxes and revenues, and only you may plan expenditures for programmes using available finances. Financial resources are comprised of revenues from local taxes, communal taxes, remunerations and other sources of financing, as determined by the Law on the Financing Local Self-Government Units. This law also regulates the planning and execution of the budget, accounting issues, municipal loan systems, and other issues related to municipal finances.

A fundamental component of the principle of local self-government, is the citizens' right to participate in all decision-making processes which relate to issues of local significance. Citizens' participation may encompass direct involvement in decision-making processes: through citizens' initiatives, gatherings, and referenda; or it may be more indirect, for instance, by choosing carefully their municipality representatives at the time of local elections.

Having in mind that elections are concluded for the time being, we should nonetheless remind ourselves of the procedures by which municipal Councilors and Mayors are elected. These elections are conducted in accordance with the Law on Local Elections. According to this law, the Mayor and the members of the Municipal Council are elected by the citizens of the municipality, or the city of Skopje, during general, direct and free elections by secret ballot. The members of the Council are elected in accordance with a proportional electoral system, while the Mayor is elected in accordance with a simple majority system. The proportional system is



completed in one round, while with the simple majority system is sometimes conducted over two electoral rounds.

Who has the right to vote and who has the right to stand for election? Each citizen of the Republic of Macedonia, having reached the age of 18, has the right to vote, provided that they are legally capable and have permanent residence on the territory of the relevant municipality (or the city of Skopje). As for the right to be elected, each citizen of the Republic of Macedonia, if fulfilling the aforementioned criteria, has that right as long as they are not currently serving a prison sentence. Herein, there is only one difference between these active and passive electoral rights; namely, that those serving a term of imprisonment have the right to vote, but do not have the right to stand for election. This is logical because elected officials must be able to effectively perform their duties within the municipality, and would be unable to from within the confines of a prison environment. Insofar as this is the case, the mandate of an elected representative may be suspended before the end of his or her legal term if he or she incurs a conviction leading to imprisonment.

A proposal listing candidatures for the election of the Councilors and the Mayor is considered upon the submission of a list of Council and Mayoral candidates. In the proposed list of Council candidates, at least 30 percent of candidates should be of either gender, both in the upper and the lower parts of the list. That is to say that 30 percent of the candidates should be of either gender - male and female - in both the upper and lower parts of the list. In local self-government units wherein at least 20 percent of the population speaks a language other than Macedonian, the individual who submits the proposed list of candidates should submit a version of the proposal list in that other language.

## **1.2. EUROPEAN CHARTER OF LOCAL SELF-GOVERNMENT**

### **1.2.1. Basic Principles of the European Charter of Local Self-Government**

The European Charter on Local Self-Government was passed by the Council of Europe in 1985. According to the European Charter on Local self-government, the local self-government is a form of local community administration in which citizens either participate directly or through their elected representatives, who are charged on the citizens' behalf with deciding on all matters of local interest and significance.

In order to emphasise the importance of local self-government, the European Charter on Local Self-Government provides that the principle of local self-government should be determined by the law of each signatory country, and by the constitution whenever possible.

According to the Charter, local self-government represents the right of local authorities, within the framework of the law, to regulate and manage public matters in the interests of the local population. In practice, this means that officials elected by citizens are entrusted with the responsibility to pass regulations that manage matters of public interest. According to the Charter, this right is exercised through councils or assemblies composed of members elected during free and fair elections. Local authorities are thus fully responsible for the execution of their duties in the interests of the population of the municipality. Yet, the Charter determines that local authorities - also known as municipal organs - do not represent the only form by which citizens can participate directly in decision-making processes. Citizens may also fulfill their right to direct participation through: citizens' gatherings, citizens' initiatives, and referenda. By the right of direct participation, citizens are provided with opportunities to impact upon matters of local significance and everyday interest.

In determining the scope and competencies of local self-government, the European Charter defines several guiding principles:

1. According to the Charter, the fundamental rights and duties of local authorities are determined by the country's constitution and law. This means that each signatory state should determine the rights and obligations of local self-government authorities in its national laws, thereby defining the organs through which municipal rights and duties are exercised.

2. Local authorities (i.e. municipal organs) should be provided with a discretionary right to execute their duties in accordance with the law. These duties include those that have not been placed within the jurisdiction of municipal authorities, nor have been put within any other authority of jurisdiction. By this principle, local self-government authorities may perform any duties of public interest, if required in a certain subject area.



3. The next principle, according to the Charter, explains that public matters should be primarily performed by the authorities closest to citizens. Hereby, public communal matters of local significance should be dealt with by local municipalities, since they are closest to citizens - unlike state organs, which are further from the reach of citizens.

4. The competencies entrusted to local authorities are complete and exclusive, meaning that these rights may not be withdrawn or restricted by any central authority, except in those instances determined by law. Local government must have complete authority to establish public enterprises and decide upon the specific activities that those public enterprises will undertake. Local authorities supervise the work of these enterprises and, accordingly, decide upon their annual plans and accountings.

5. When delegating competencies to be transferred from central to municipal government control, local authorities may adjust the execution of their delegated duties to local circumstances. When doing so, they should nonetheless always meet predetermined standards.

6. When central authorities plan and make decisions that concern local authorities, they should consult widely and in a timely manner.

According to the Charter, the jurisdictional boundaries of local authorities may not be altered without prior consultation with the local communities which are affected by those boundaries. If this is not possible, then there should be a referendum on the proposed change, if so provided by the law.

As for the organisation and financing of the Municipal Administration, the European Charter guarantees the right of local units to establish their own administrative organs and accompanying professional staff. Local authorities may determine these organs' internal administrative structures, as adjusted to their own needs. Working conditions in local self-government should provide for the employment of high quality personnel, in accordance with a recruitment criteria based upon the principles of competitiveness and professionalism. Employees should be provided with training and professional upgrade and promotional opportunities.

The European Charter on Local Self-Government states that the following rules should apply to local self-government officials: the working environment of local officials should allow for the uninterrupted performance of their duties; they should be provided with satisfactory financial compensation; all functions and activities that are eligible for a local self-government official are determined by the law or by basic legal principles. With regard to the administrative supervision of the work of local self-government authorities, the European Charter on Local Self-Government provides that all kinds of administrative supervision might be performed exclusively in situations and in a procedure determined by the Constitution or by law. The administrative supervision refers to the compatibility of the work of local authorities within the Constitution and the law.

With regard to the financing of local self-government, the European Charter stipulates that local self-government authorities, in accordance with the local economic policy of the country, should have the right to gather and manage additional sources of financing. The Charter provides for at least one part of the finances of local self-government to derive from local taxes and other fees. The rates of these sources of income may be regulated and determined by local self-government authorities themselves, in accordance with other relevant laws.

In order to protect and improve the common interests of local authorities, the Charter recommends that each country should recognise the right of municipalities to belong to associations of local self-government and to become members of international local authority organisations.

Cognizant of the fact that local self-government units have specific competencies, the Charter explains that local authorities have a right to resort to legal remedies to prevent interruptions to the execution of their duties, and to protect the principles of local self-government - as provided for by the Constitution and the law. Hereby, local authorities are able to initiate proceedings before the courts in order to prevent the obstruction of the public services.



### 1.2.2. Macedonian Legislation and the European Charter on Local Self-Government

Local self-government is a fundamental right guaranteed to citizens by the Constitution of the Republic of Macedonia. The Constitution provides that the structure of local self-government should be determined by a law passed by a two-thirds majority of the national parliament. The Law on Local Self-Government closely regulates local self-government, so implementing the principles of the European Charter on Local Self-Government, with local self-government regulated by the Constitution and by law.

Local self-government units operate autonomously in the performance of their duties, as prescribed by the Constitution of the Republic of Macedonia and the Law on Local Self-Government. This is in accordance with the European Charter's principle that local self-government should exercise the rights and capabilities of local authorities, within the framework of the law, to regulate and manage all aspects of significant public interest, on the grounds of their own responsibility and in the interest of the local population.

Local self-government units are comprised of two central organs - a Council and a Mayor. Election to these organs is regulated by the law, as consistent with the European Charter of Local Self-Government which explains that the rights of local self-government are exercised through assembly Councils composed of representatives elected during general, direct and free elections by secret ballot.

The competencies of local self-government units are determined by the Constitution, the Law on Local Self-Government, and various other laws. The Law on Local Self-Government provides for the delegation of competencies from state administration to local self-government units. In accordance with the subsidiary principle, and in compliance with the law, local self-government units are entitled to perform all duties of local public interest within their territorial jurisdiction provided that they are under the jurisdiction of another state organ.

According to the law, the competencies given to local self-government units are exclusive and may not be reduced or limited, except in those instances already determined by law. The execution of these delegated duties may be adjusted to local circumstances, as long as they are in accordance with standards previously determined by law. Local self-government units should be appropriately consulted, in a timely fashion, during planning and decision-making processes related to all issues of their concern. As the Charter explains, the competencies of local self-government units should be determined by the Constitution or by law.

In order to successfully perform its duties, local self-government must establish a Municipal Administration. The organisation of the Municipal Administration, its scope of responsibilities, and the performance of its duties are regulated by the decisions of local self-government. Issues concerning employment, rights, responsibilities and working conditions, salary systems, performance evaluation procedures, and the cessation of working relationships are regulated by the Law on Civil Servants. This meets the principles of the European Charter, wherein local authorities are guaranteed the right of maintaining their own authorities and professional staff.

Members of the Council are entitled to financial compensation, travel expenses and per diem for their participation at Council sessions. The Mayor performs his or her duties professionally, and is entitled to a salary and other benefits. These provisions are in compliance with the provisions of the Charter referring to positions within the local self-government, including the entitlement to uninterrupted performance and adequate remuneration.

Although municipalities are autonomous units, the Constitution and the Law on Local Self-Government provide for supervision over the work of municipalities to ensure that their activities and their financial management activities are legal and efficiently conducted. This is consistent with the Charter which envisages that central organs retain administrative supervision over the work of local self-government authorities to ensure that their activities remain constitutional and legal.

The financing of municipalities is regulated by the Law on Financing of Local Self-Government Units, which regulates primary and additional financial sources. The European Charter quotes that local self-government authorities are entitled to their own financial resources which they can manage autonomously. The Charter also recommends that at least one part of the finances should come from local taxes and other revenues. The rates of these are determined by local authorities within the legally regulated framework.

The law entitles municipalities to join in associations to protect and upgrade joint interests. The law recognises the right of local self-government units to cooperate with the local self-government units of other coun-



tries, and to seek membership of international local authority organisations. The Charter, similarly, also determines that each country should recognise the right of local authorities to be affiliated to associations of local authorities, as well as to international organisations of local authorities.

In order to protect the constitutional integrity of the municipality, the Council and the Mayor are authorised by law to initiate legal procedures before the Constitutional Court of the Republic of Macedonia, to determine the legality of certain activities of Government Ministries or other organs of the state administration. Municipalities are entitled to judicial protection against the activities of state administration organs and the Government itself. Similarly, the Charter emphasises the principle that local authorities are entitled to protect their autonomy, as established by the Constitution and the law.

It may thus be concluded that Macedonian local self-government legislation is completely harmonised in accordance with the European Charter on Local Self-Government. The Republic of Macedonia signed the Charter in 1996, and it was ratified in 1997.

### **1.3. COMPETENCIES OF THE MUNICIPALITIES AND THE CITY OF SKOPJE**

The section which follows refers briefly to the laws defining municipal competencies - i.e. the laws that regulate the decentralised framework of local self-government.

#### **1.3.1. The Competencies of Municipalities**

Municipalities possess general competencies, embracing their right in accordance with the subsidiary principle to carry out duties of local public interest not otherwise excluded from their jurisdiction or within the jurisdiction of state authorities. In practice, this means that if a certain matter of public interest is not under the competencies of a state organ, then that matter may be dealt with by the municipality, as if under its own jurisdiction. Matters of public interest are so numerous and varied that it would be impossible to predetermine them all in the law - or in this chapter for that matter. Similarly, municipalities cannot be expected to predetermine all matters of possible public interest, or they too would regulate for them in their own statutes. Thus, each municipality is able to determine the matters of public interest relevant for its territory (for instance, relating to development levels, different traditions, natural resources, etc.). It may occur that some matters of public interest in one municipality are not matters of public interest in another municipality.

In the execution of their duties, municipalities act autonomously; each local self-government unit is responsible for determining the most appropriate ways in which duties should be performed. In this respect, municipal competencies are comprehensive and exclusive and cannot be withdrawn or restricted, except in specific instances prescribed by law.

According to the list of competencies, municipalities are obliged to perform duties in the following areas:

#### **1. Urban and Rural Planning**

Local self-government units are tasked with issuing permits for the construction of local facilities, organising and maintaining construction ground areas. The Law on Urban and Spatial Planning determines the type of the plans, the procedures for drafting these plans, and other matters of municipal jurisdiction. The Law on Construction determines the types of facilities that are of local interest, the procedures for issuing construction permits, construction supervision procedures, and other matters which referring to construction which fall under municipal jurisdiction. The Law on Construction Land determines which land is considered as construction land, the ways in which that land should be managed, and other matters under municipal jurisdiction.

#### **2. Protection of Nature and the Environment**

Under the legal framework, municipalities are charged with: protecting drinking water supplies; preventing the pollution of soil, air and water; protecting nature; preventing noise pollution; and preventing non-ionic emissions. A whole host of laws, including the Law on the Protection of Nature, the Law on the Protection of the Environment, the Law on Air Quality, the Law on Water, and the Law on Noise Pollution, determine the measures that may be undertaken to fulfill municipal duties under these aforementioned responsibilities.



### 3. Local Economic Development

Municipalities must plan local economic development, setting structural priorities and determining local economic policies, in order to support the development of small and medium businesses and so as to promote entrepreneurship, whilst also establishing and developing a local network of institutions and agencies working in partnership with the municipality. There are a significant number of laws which affect local economic development policies, including: the Law on Trade, the Law on Catering, the Law on Tourism, the Law on Trade

Companies, and the Law on Public Enterprises. These statutes determine municipality competencies with regard to the particular measures which may be applied, and specific planning criteria and priorities. This body of legislation also determines the range of support available for small and medium business and provides guidelines for establishing a network of institutions and agencies.

**Example: A lake exists within the territory of one municipality. Maintaining the lake shore and making it available as a public beach are two competencies that had not previously been put under municipal or state jurisdiction. In these circumstances, the municipality would be responsible for performing these two duties in the name of the public interest. No other municipality could claim jurisdiction over these matters if no portion of the said lake exists within their own municipal boundaries.**

### 4. Communal Activities

The provision of communal utility services is a responsibility of municipal government. For example, local self-government units are tasked with the duty to supply and dispose of water, which encompasses building and maintaining water supply systems, managing industrial waste waters, and constructing drainage systems - including soil pipes and drainage stations for atmospheric waters (i.e. rain and snow). Municipalities are also charged with: constructing and maintaining street lighting systems; maintaining public hygiene; transportation and waste disposal; organising local public transportation; providing natural gas supplies for heating; maintaining graveyards, crematories and providing funeral services; building and maintaining local roads, streets and other infrastructure; regulating the traffic regime and street signals; regulating public car parks; removing irregularly parked vehicles; removing damaged vehicles from public areas; building and maintaining open markets; cleaning chimneys; maintaining and cleaning parks, public greenery and recreational areas; maintaining river banks in urban areas; and, designating the names of streets, squares, bridges and other infrastructural facilities.

Some of the aforementioned duties may be performed under current legislative arrangements, while for other tasks you will have to approve specific municipality-level regulations. The following is a list of the current laws that pertain to the provision of communal services: Law on Providing Drinking Water and Disposing Urban Wastewaters, the Law on Waste Management, the Law on Public Road Transportation, the Law on Public Roads, the Law on Cemeteries, the Law on Water Management, and the Law on Determining Street Names.

The Law on Communal Activities, for instance, regulates the cleaning of chimneys, the installation and maintenance of street traffic signals, the regulation of public traffic, street lights, the organisation and maintenance of parks and forests, greenery, and many other competencies. However, not all matters are regulated by this law, meaning that you will have to pass other specific regulations at the municipal level. But, why is this law so important? It is important because it determines the activities and solutions available to municipal governments to assist them in executing their public service activities.

The Law on Public Enterprises is another example of a very important piece of national legislation pertaining to the responsibilities of municipal government. It regulates the procedures for establishing public enterprises, their management and methods of working. In order to perform your responsibilities, municipalities are entitled to establish public enterprises. You may also, during the course of your term in office, decide that a private entity would better deliver a particular municipal service; in which case, you are entitled to delegate the relevant local self-government competency by means of contracting out this service.

### 5. Culture

Under this area of responsibility, municipalities provide institutional and financial support to cultural institutions and their projects, work to preserve folklore, traditions, old crafts and other cultural values, organise cultural events, and support various forms of artistry. Although the Law on Culture determines municipal competencies in this area, providing for the existence of national cultural institutions, scope is provided for municipalities to establish their own local-level cultural institutions. As such, it is important not to overlook the Law on



Museums, the Law on Libraries and other laws which delegate cultural matters to local self-government jurisdiction.

## **6. Sports and Recreation**

Under this competency, municipalities are responsible for the development of sports and recreational activities, organising sporting events, constructing and maintaining sports facilities, and supporting sports unions. The full array of municipal responsibilities in this area is determined by the Law on Sport.

## **7. Social Welfare and the Protection of Children**

Local self-government units are responsible for the support, financing and maintenance of children, gardens, and homes for senior citizens, providing social care for orphans, individuals with special needs, children with social-pathology problems, children of single-parent families, children with special needs, homeless children, and drug and alcohol misusers. Municipalities should raise awareness about these issues amongst the general population, provide housing for individuals at social risk, and support the rights of young children to pre-school education. The scope of municipal jurisdiction in these areas is determined by the Law on Social welfare and the Law on the Protection of Children, amongst other laws.

## **8. Education**

In cooperation with central government, and in accordance with the law, authority over the establishment, financing and administration of primary and secondary schools falls to local self-government control. Municipalities are, in addition, responsible for organising transportation services, supplying school dinners, and providing housing for student campuses. Finance and administration issues, including the election to school organs, are determined by the Law on Primary Education and the Law on Secondary Education.

## **9. Healthcare**

This area covers the organisation of public health bodies and primary health facilities. Municipal government should provide for the health of its citizens, supporting public health bodies, primary health facilities and health education services. Municipalities should establish health and safety standards and prevent the spread of contagious diseases. Assistance should also be made available to patients with special needs. There should be local self-government staff members on all public healthcare boards. The scope of municipal competencies in this area is determined by the Law on Protection from Contagious Diseases, and the Law on Health Protection.

## **10. Civil Contingency Planning**

During periods of war, natural disasters and other catastrophes, municipal government should make plans for the protection and rescue of citizens. Planning should provide for the supply of necessary material goods and other adequate preparatory measures in order to be able to handle the consequences arising from a civil contingency.

## **11. Fire Services**

Fire protection units, or fire services, are organised at the local level. The scope of municipal competencies in this area is determined by the Law on Fire Protection.

## **12. Supervising Municipality Services**

Local self-government is responsible for the supervision of services provided under municipality jurisdiction. Herein, work programmes should be drawn up and financial plans designed for all public services established by the municipality. Annual performance and annual accounting reporting mechanisms should therefore be adopted.

### **1.3.2. The Competencies of the City of Skopje**

This section pertains to the competencies of the city of Skopje and the municipalities therein. Rather than dealing with the full body of laws relating to decentralisation, which have already been mentioned in this chapter, this section instead looks at the competencies determined by the Law on the City of Skopje:



## **1. Urban and Rural Planning**

- Preparing the area development plan and a General Urban Plan;
- Providing opinions on Detailed Urban Plans, urban projects and plans for populated areas that are drawn up by municipalities within the city of Skopje;
- Organising construction grounds;
- Determining standards and giving approval to the establishment of temporary facilities, furniture and urban equipment in the territory of the city of Skopje.

## **2. Protection of Nature and the Environment**

- Protective measures against water, soil, and air pollution, protection of the environment, protection noise pollution and non-ionic emissions on the territory of the city of Skopje.

## **3. Local Economic Development**

- Planning of the local economic development of the city of Skopje;
- Determining the development and structural priorities of the city of Skopje;
- Managing local economic policy;
- Drawing up a strategy for supporting the development of small and medium businesses and encouraging entrepreneurship;
- Developing and supporting alternative and cultural tourism;
- Improving the conditions for tourists whom stay in the city and maintaining tourist information, services and literature.

## **4. Communal Activities**

- Construction, utilisation, protection and maintenance of motorways, streets and other infrastructural facilities;
- Categorization and naming of city settlements, streets, squares, bridges and other infrastructural facilities;
- Supplying the city with drinking water from the water supply system of the city of Skopje;
- Redirecting and cleaning waste water;
- Redirecting and drainage of atmospheric waters;
- Processing and delivery of industrial waster waters;
- Construction and maintenance of street and motorway lights within the territory of the city of Skopje;
- Collection and transportation of communal and other kinds of non-dangerous waste;
- Maintenance of waste disposal services for communal and non-dangerous waste;
- Organisation of public transportation;
- Maintenance of city hygiene on public transportation facilities;
- Maintenance of city parks and wooded areas within the territory of the city of Skopje
- Maintaining water and recreational sports areas, as determined by the general Urban Plan and in accordance with the law;
- Preservation of the greenery around motorways and city streets;



- Construction and maintenance of public parking areas in the city of Skopje, as determined by the General Urban Plan;
- Organisation, replacement and removal of traffic lights and road safety features on roads and streets;
- Determining the public traffic system for the territory of the city of Skopje;
- Maintenance of graveyards, cemeteries, crematoriums, and providing funeral services, as regulated by the Urban Plan;
- Supplying natural gas and heating;
- Constructing, organising and utilising the unique geographical information system of the city of Skopje;
- Regulation, maintenance and utilisation of river banks in urban areas;
- Disinfecting and fumigating the area of the city of Skopje (i.e. from rats and cockroaches and other beetles).
- Construction, utilisation and maintenance of open markets for the sale of used vehicles within the territory of the city of Skopje;
- Eradication of wild, street animals;
- Determining areas for the burial of dead animals;
- Decorating the city of Skopje.

## **5. Culture**

- Institutional and financial support of cultural institutions and projects within the city of Skopje;
- Preservation of folklore, traditions, customs, crafting and other cultural matters;
- Organising cultural events and supporting all kinds of artistry;
- Arranging memorial events for important persons of the city of Skopje

## **6. Education**

- Establishing, financing and participating in executive boards of public secondary schools within the territory of the city of Skopje, as determined by the law;
- Nominating principals of public secondary schools and students' campuses, as determined by the law;
- Organising transportation, food and accommodation for students' campuses, as determined by the law.

## **7. Sports and Recreation**

- Providing for the development of high quality sports within the city of Skopje;
- Organising and supporting important sports events within the city of Skopje;
- Construction and maintenance of significant sports facilities within the city.

## **8. Social Welfare and the Protection of Children**

- Providing social care for disabled persons, orphans, individuals with social difficulties, children with special needs, children of single-parent families, homeless children, individuals exposed to social risk (i.e. a jobless single mother), and drug and alcohol addicts; providing housing for individuals at social risk; and raising awareness among citizens of these issues.
- Ownership, organisation, establishment and maintenance of public institutions, such as those for housing senior citizens, as determined by the law;



- Ownership, organisation, establishment, financing and maintenance of public institutions, such as children's vacation facilities, as determined by the law;
- Participation in the executive boards of public institutions for children, such as parks for children within the territory of the city of Skopje, as determined by the law.

## **9. Healthcare**

- Participation and membership of public health institutions and primary health care facilities of significance to the city of Skopje;
- Measures for protecting the health of workers and ensuring healthy working conditions;
- Providing education and preventive activities to improve the health of citizens;
- Health and safety standards and the control of contagious diseases;
- Assistance to patients with special needs.

## **10. Civil Contingency Planning**

- Coordination of activities for the protection and rescue of citizens and material goods during periods of war, natural disasters or other catastrophes, so dealing with the consequences there arising from these civil contingencies.

## **11. Fire Services**

- Provision of fire protection services within the territory of the city of Skopje.

### **1.3.3. The Competencies of those Municipalities within the Area of the City of Skopje**

#### **1. Urban and Rural Planning**

- Initiating changes and amendments to the General Urban Plan of the city of Skopje;
- Adoption of decisions on General Urban Plans, urban projects and Urban Plans for populated areas within the municipality;
- Implementation of Urban Plans and projects and issuing documentation for constructing facilities of local interest (i.e. construction permits, etc.);
- Issuing permits for the location of temporary facilities, furniture and urban equipment;
- Arrangement of construction land in terms of its equipment and installations of secondary infrastructure.

#### **2. Protection of Nature and the Environment**

- Initiating and undertaking measures for the protection of nature and the environment, preventing water pollution, air and soil pollution, and protection from noise pollution and non-ionic emissions.

#### **3. Local Economic Development**

- Local economic development planning, establishing developmental and structural priorities and supporting small and medium business development and entrepreneurship.

#### **4. Communal Activities**

- Construction, maintenance, reconstruction and protection of small and medium sized roads and streets and other infrastructural facilities;



- Maintaining public hygiene and cleanliness standards;
- Organisation and transportation of communal and other non-dangerous waste;
- Construction and maintenance of street lights within the territory of the municipality;
- Maintenance of graveyards, cemeteries, crematories and providing funeral services, as regulated by the Urban Plan;
- Construction, maintenance and usage of public parking spaces, as determined by the Urban Plan;
- Maintenance and usage of green areas aside streets;
- Removal of unregistered vehicles from public areas;
- Maintenance of open markets;
- Disinfection;
- Construction and maintenance of public sanitation facilities.

#### **5. Culture**

- Institutional and financial support to cultural institutions and projects of local importance;
- Preservation of folklore, traditions, customs, crafts, etc;
- Organising cultural events and supporting the creative arts;
- Organising memorial events and events of importance to the municipality.

#### **6. Education**

- Establishment, financing and participation in the executive boards of public elementary schools on the territory of the municipality, as determined by law;
- Nominating principals of public elementary schools and students' campuses, as determined by law;
- Organising transportation, food and accommodation for students on campuses, as determined by law.

#### **7. Social Welfare and the Protection of Children**

- Ownership, establishment, financing and maintenance of nurseries and public institutions for children, as determined by law;
- Undertaking social care measures, as determined by law.

#### **8. Healthcare**

- Undertaking measures to protect the health of workers and provide for health and safety standards;
- Education on issues of health, improving citizens' health, and preventive activities;
- The environmental supervision of contagious diseases;
- Assistance to patients with special needs.

#### **9. Civil Contingency Planning**

- Protection and rescue of citizens and material goods during times of war, natural disasters or other catastrophes, and managing the consequences thereof.



## 1.4. DELEGATED COMPETENCIES

If it is assessed that some competencies currently under the jurisdiction of a central public body could be more efficiently exercised by a municipality, the relevant state organ may delegate its competencies to the control of the local Mayor, as according to local circumstances and while taking care that legal standards are followed. In these circumstances, additional funding will be supplied from the budget of the Republic of Macedonia in order to cover these additional duties. However, if these new responsibilities are not performed in a timely fashion, or indeed if they are not performed at all, responsibility for the service failure falls to both the Mayor and the central public body.

## 1.5. WAYS OF PERFORMING COMPETENCIES

In order to perform their competencies, municipalities may, in accordance with the law, establish public services. For example, with regard to their cultural responsibilities, municipalities are entitled to establish cultural institutions, libraries and museums.

For the performance of matters of public interest and local significance, a municipality may delegate certain competencies to other persons or legal entities by agreement and in accordance with the law. For example, the municipality may transfer the responsibility for maintaining good levels of public hygiene and the transportation of non-dangerous waste to another public entity. In both cases, the municipality has a subsidiary responsibility for the performance of all duties of public interest.

### Legal Framework:

- Constitution of the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.52/91)
- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.5/02)
- Law on the Territorial Organisation of Local Self-Government in the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.55/04)
- Law on the City of Skopje (Official Gazette of the Republic of Macedonia, No.55/04)
- Law on the Financing of Local Self-Government Units (Official Gazette of the Republic of Macedonia, No.61/04)
- Law on Local Elections (Official Gazette of the Republic of Macedonia, No.45/04)
- European Charter on Local Self-Government (Official Gazette of the Republic of Macedonia, No.23/97)



## 2 MUNICIPAL ORGANS - ORGANISATION & ADMINISTRATION

Kire Kitevski

**Having been successfully elected to a position in which you are now responsible for your fellow citizens, it is important that you, as a member of local self-government, are aware of your rights and obligations and the ways in which you can most effectively perform your duties. It is therefore important that you pay particular attention to the following chapter.**

### 2.1. THE MUNICIPAL COUNCIL

#### 2.1.1. Establishing the Council

Now that the local elections are over, it is essential that you know just how the Council is established. The first session of the Council should have been scheduled by the previous Council President to take place within twenty days of the elections. If the previous President had not done so, the Councillors themselves are required to schedule this first session within ten days of the deadline. The oldest person in the Council should chair this session, which will thereby constitute the establishment of the Council. These legal deadlines must be observed; if not, new elections must take place.

The citizens of your municipality have elected you to be their representative and to make decisions pertaining to those competencies now under municipal jurisdiction. The number of Council members depends upon the number of inhabitants in a given municipality. The smallest Council is comprised of just nine members, while the largest has a membership of thirty-three Councillors. The exception is the Council of the city of Skopje, which, unlike municipal-level Councils, has 45 members.

In electing you to the position of a Councillor, the citizens of your municipality have given you the responsibility to participate in the work of the Council through: your active involvement in discussions on local issues; your making proposals on solutions for local problems; and, by your posing questions to the Mayor. Furthermore, you are entitled to propose regulations for those matters under municipal jurisdiction and may present your own ideas and initiatives with regard to municipality competencies.

As one example, imagine that a water supply construction programme has been placed on the Council's agenda. You are unhappy with the current plans, because they do not include the construction of a water supply system in the area in which you live. In your opinion, the plans on the Council's agenda do not offer the best solution. However, as a Council member, you are entitled to suggest changes or amendments to that programme and to suggest that the water supply system is constructed in your local-



ity. Therefore, in the Council Chamber you are entitled to put forward your own solution or you may request that the programme is redrafted.

As a representative of your citizens, you will make your decisions based upon your own personal beliefs and you cannot be recalled from your position. You may not be held criminally responsible nor may you be arrested or detained for the opinions you have expressed or the votes you have offered during Council sessions.

### **Prerequisites to Holding Office**

**By your election to a position of public office, you may not perform any other public duty or hold any other public position. A Mayor cannot at the same time be President of the Republic of Macedonia, a Minister of the Government of the Republic of Macedonia, or a Member of Parliament, a judge, or a constitutional court justice. Neither can he or she occupy the post of public prosecutor or ombudsman or occupy any position that is appointed or nominated by the Government or Parliament. A Mayor cannot be a member of an executive board or a representative of the state capital for a trade company, nor can he at the same time be an executive or an employee of any public administrative organ.**

**Furthermore, a Mayor may not conduct any kind of profit-making activities under his or her role as Mayor. Mayors are prohibited from being members of the Council, and, similarly, the Mayor of Skopje cannot be a member of a Council of one of the municipalities within the city of Skopje.**

**Concurrently, members of the Council are unable to hold either of the offices of President of the Republic of Macedonia or Minister within the Government of the Republic of Macedonia.**

**Neither is he or she permitted to also occupy a position as a parliamentary member, a judge, a constitutional court justice, a public prosecutor, or an ombudsman. Council members cannot hold any position that is subject to nomination or appointment from the Government, and, equally, a Councillor is barred from being an employee of the state administration.**

Since the Council focuses on issues of local significance, a situation may arise when the Council must review an issue that is of financial interest to your spouse, child or a relative up to the second generation line. If such a circumstance occurs, you should not participate in the relevant decision-making process. Additionally, you are obliged to notify the Council of the reasons for your withdrawal from this decision-making process.

### **2.1.2. Competencies**

As an organ composed of citizens' representatives, the Council is charged with the responsibility to:

- Ratify the Municipal Statute, and other regulations;
- Determine the Municipal Budget and present an annual accounting of municipality affairs;
- Determine sources of income for financing the municipality, within legal parameters;
- Establish and supervise public services within municipal competencies;
- Appoint the members of executive boards for the aforementioned public services;
- Adopt work programmes and financial plans for the financing of those public services under municipality supervision;
- Adopt final reports for the execution of the Municipal Budget and the annual accounting of the municipality;
- Issue work permits for services of public interest and of local significance, in accordance with the law;
- Adopt work performance reports and annual accounts of public services established by the municipality;
- Decide on the ways in which municipal assets should be managed;
- Decide on financial controls on the Municipal Budget, in accordance with the law;
- Elect an individual to manage the regional branch of the Ministry of the Interior, in accordance with the law,
- Review and adopt a report on public security within the territory of the municipality, which is submitted to the Minister of Interior, and the Ombudsman.



### 2.1.3. Commissions of the Municipal Council

The Council has an extensive array of competencies, covering a wide-ranging selection of areas of local significance. This broad jurisdiction imposes the need for establishing various permanent and ad hoc Commissions as executing bodies of the Council. The focus and number of established Commissions is dependent upon your own decisions, as incorporated in the Municipal Statute. Usually, Commissions are constituted to look at a certain focus area or a number of related focus areas. In appointing the members of each Commission, it is important to take into account the fact that each nominee should be acquainted with the focus area in question. Upon the proposal of the Mayor, the Council passes the Municipal Budget and the annual account of the municipality.

If a programme for maintaining the cleanliness of public places were on the agenda of the Council, a Commission for Communal Activities could be established by the Council to review that programme and to make appropriate proposals to the Council. The Commission might propose solutions different to those prescribed in the programme or it might propose that the programme is redrafted. Similarly, if an Urban Plan was being drafted, a Commission on Urban Planning and Construction could submit its own expert opinion to the Council on how the plan might best serve the needs of the municipality.

Given that the Council is composed of members from different political parties, the appointments process for Commissions should consider the need for equal representation of all parties on these Commissions.

In many municipalities it may be the case that the demographic composition of the municipality's population - as according to the last census - is such that twenty percent of the total populations belongs to a certain ethnic community. In this eventually, in order to resolve any problems between the different communities a Commission on Inter-Community Relations should be established. This Commission should be composed of a number of members of each community proportional to that represented in the municipality, and the procedure for their selection should be determined by Municipal Statute. The Commission should arrive at an opinion and adopt a decision on how any problems between the different communities could be resolved, and present this opinion and decision to the Municipal Council. The Council must review these opinions and proposals submitted by the Commission in accordance with the law.

Public institutions that are established by the Council to perform duties under municipal competencies provide a service to citizens.

The Public Waste Disposal Enterprise, for instance, is tasked with the disposal of waste - its consumers are legal entities and citizens. The Consumer Rights Protection Commission should therefore be composed of representatives of legal entities and citizens. The Commission would be charged with assessing the quality of services provided in order to make suggestions on ways in which services could be improved. For instance, it might recommend that street waste disposal is conducted more than once a week so as to prevent a build-up of waste on the streets. The Customer Rights Protection Commission could rather suggest that waste be collected and disposed of twice a week, or it might propose another more preferable solution.

**Example: The work of the Council would be facilitated by the creation of a Commission dealing with financing and budgetary issues, since it could be comprised of members who are experts on financing and budgeting. These members could then recommend the best proposals to the Council.**

**Example: The municipality wishes to organise a celebration or festivity. The Council might constitute an ad hoc Commission to organise the celebratory event and to make useful proposals to the Council. After the event, the Commission would be disbanded.**

**Example: In order to improve the quality of public services provision, the Council has the right to establish a body known as a Consumer Rights Protection Commission. This Commission should be composed of members of the major public services consumer groups that are present within the municipality. The exact focus areas of this Commission, the selection of its members, and the parameters under which it should operate would be determined by Municipal Statute.**



#### 2.1.4. Election and Duties of the Council President

As was previously discussed, the mandate of elected Councillors is confirmed at the first session of the Council. Insofar as the election of the President of the Council is concerned, the following section looks at this issue:

However, it may be the case that not a single prospective candidate will gain the requisite majority of votes during the first election round. In this eventuality, a second round of voting should take place in which Councillors vote only for the two candidates that gained the most votes during the first round. The candidate who gains the most votes in this second round should be considered elected.

Once elected, the President is responsible for scheduling and chairing Council meetings. When scheduling a meeting, the President should prepare a document containing the proposed agenda for the meeting and he or she should then deliver it to the Councillors. The President is required to sign all documents passed by the Council, which he or she then submits to the Mayor to be published in the official gazette and to be considered for execution.

#### 2.1.5. Council Sessions

Once you are in receipt of the relevant document scheduling a Council session, and its proposed agenda. You will see that the document will have been signed by the President of the Council. The Council holds sessions when scheduled and chaired by the President of the Council, but the President may also schedule a session at the request of the Mayor or at the request of at least twenty-five percent of Councillors. In this scenario, the President is obliged to schedule the session within fifteen days of receiving the request. Should the President not schedule the session within the required fifteen days, Councillors may themselves organise the session and elect a temporary chairperson in place of the President.

**During the first Council session, a permanent Commission on Election and Nomination should be established. The Commission is tasked with the responsibility to submit a proposed list of candidates for the position of President of the Council. After the presentation of this proposal list, Council members vote and a prospective candidate is considered elected if a majority of Council members vote for that candidate.**

The document containing the proposed agenda for the said session should be delivered at least seven days prior to the scheduled date for that session. This is the time required for reviewing the proposed agenda items, for obtaining any necessary additional documents or materials from administrative organs or other bodies, and in order that consultations can be made with experts on the focus of the agenda. These preparations are provided for so that the session is successful, discussion is fruitful, and so that the best solutions can be arrived at for the benefit of citizens.

Due to unplanned or unpredicted events, it may sometimes be necessary to hold an extraordinary session of the Council. The Municipal Statute determines the circumstances under which an extraordinary session may be scheduled. For instance, heavy rains might cause flooding and major damage to areas within the municipality, necessitating that the Council promptly passes regulations or suggests ways to overcome this unfortunate situation - such as proposing measures to repair the damage and preventing the flood from spreading to other areas. Similarly, if there was an outbreak of a disease spreading from a part of the municipality, the Council might, acting within its jurisdiction, pass regulations or issue an order to prevent the disease from spreading to other areas.

An extraordinary session would be scheduled by the President of the Council on his or her own initiative or at the request of at least a third of all Councillors. The time, date, and place of the session is detailed in the document submitted to Council members. But, unlike regular sessions, wherein changes to the proposed agenda are possible, the agenda of these extraordinary sessions cannot be altered or amended. Before its commencement, Councillors must hold a vote to justify the holding of the extraordinary session. Furthermore, in order to hold a Council session, at least a majority of the total number of Councillors must be present. If, for example, there are fifteen Councillors in total, there should be at least



eight present at the session. Proposals, or motions, brought to the Council are subject to a vote, which is in general held in public. A motion should be considered approved if more than half of Council members vote in favour of that motion.

The Municipal Statute may include provisions for different voting majority requirements for certain types of motions to be considered. Within its competencies, the Council is entitled to pass motions on matters of culture, on matters regarding the flag and seal of the municipality, and on the usage of languages for communities represented by less than twenty percent of the total municipality population. These motions should be considered approved if a majority of present Councillors vote in favour of them, and if also passed with a majority of the votes of representatives from the relevant minority group within the municipality's population.

Council sessions are conducted in public. This ensures that the citizens - whom have elected you - have the opportunity to stay informed about your work and the decisions that you reach. This is in line with the principle of providing citizens with their right to local self-government. There are certain circumstances in which the Council may exclude participation of public. In order not to abuse this right, the Municipal Statute should incorporate provisions and justifications that regulate these circumstances. Besides the statutory provisions referring to holding sessions which exclude the participation of the public, the Council may at times decide to exclude the public from sessions at which special motions are to be brought. The decision to exclude the public from these sessions must be approved by a two-thirds majority of votes.

**Example: If eight out of a total of fifteen Councillors are present at a Council session, a motion should be considered passed if at least five members vote for it.**

Notwithstanding, the public should not be excluded if the session is to discuss and decide upon the Municipal Budget, the annual accounts or urban planning. On the contrary, as much public representation as is possible should be encouraged at these sessions, so that citizens can be made aware of how their taxes and revenues are spent. As far as urban planning is concerned, Councils are legally bound to include the public in decision-making processes.

### **2.1.6. Cessation of Mayoral Mandate**

After your election as either a Municipal Councillor or a Mayor, you are given a mandate of four years in which to serve your citizens. As has been previously explained, a Council member may not normally be removed from his position during this mandate, but, in certain circumstances, a mandate of a Councillor may indeed be prematurely ended before the end of his or her four-year tenure. Specifically, a Councillor loses his position if:

- He or she resigns;
- He or she dies;
- He or she is convicted by for a criminal offence that by law is punishable by at least six months imprisonment;
- There is a conflict of interest between his or her position as a Council member and another position that the Councillor holds - for instance, if a Councillor is appointed to any of the positions listed in the prerequisites at the beginning of this chapter;
- He or she is deprived of his or her legal ability by a valid decision;
- He or she is no longer an inhabitant of the municipality.

**Example: If the total number of Council members is fifteen, a decision to exclude the public from a session is passed if ten members voted in favour of it.**

If any of these prescribed circumstances occur, the Council is required, at the very next session, to confirm the reasons by which a given Councillor's mandate may be relinquished and to confirm a date by which the cessation should take place.



Given that citizens have elected you as a member of the Council to represent their interests, you should regularly attend Council sessions. If a Councillor fails to attend on three consecutive occasions without justification, the Council is entitled to release you from your mandate. Justifications for absences are reviewed by the Council, which makes a decision on the matter based upon a majority vote of the total number of Councillors present at that session.

### **2.1.7. Dismissal of the Council**

The Council may be dismissed by a motion approved by a majority of Council members. The Council may also be dismissed if it:

- Passes a decision that has already been declared unlawful or has been annulled or revoked by the Constitutional Court of the Republic of Macedonia;
- Approves a decision that might endanger the sovereignty and territorial integrity of the Republic of Macedonia;
- Fails to conduct a Council session for more than 6 months;
- Neglects to approve the Municipal Budget and annual accounts by 31st March of the current year.

In these instances, after the Council is dismissed and until such time that the new Council can be established, the Mayor is given the authority to act as the executor of all Council decisions, except on those matters pertaining to:

- Assets under the ownership of the municipality - i.e. the Mayor may not decide to sell assets or buy municipal property;
- Any matter that is of exclusive jurisdiction to the Council;
- Any financial or personal interest of a spouse, child or relative (up to the second blood line).

## **2.2. THE MAYOR**

As Mayor, you will have received a certificate from the municipal electoral commission certifying that the citizens, through direct, free and secret elections, have elected you to hold Mayoral office within your municipality - or, alternatively, for the city of Skopje. Upon receipt of this certificate, you should take up your responsibilities from the previous Mayor within seven days. The position of Mayor should be performed with utmost professionalism; each Mayor establishes a relationship of employment with their municipality and will consequently exercise rights and obligations in accordance with the Law on Working Relations, so meaning that the Mayor may not engage in any other profession or duty during the course of his or her mandate.

Having in mind the fact that municipal competencies have been passed to you as Mayor, it is your responsibility to appoint a person to act on your behalf as Mayor during periods in which you are absent from the municipality. Mayors have the right to appoint any Council member to act in this capacity as your deputy. The Municipal Statute describes the procedure by which this appointment may be made. When a Mayor is absent from duty, the Councillor who is acting as his or her deputy must temporarily relinquish their rights as member of the Council. Herein, the deputising Councillor may not engage in the work of the Council, nor may he or she participate in any Council decision-making processes. Only the President of the Council is prohibited from being appointed to replace you as Mayor in the event of your absence.



### **2.2.1. Mayoral Authorities**

The Mayor is responsible for two principle areas of authority: those that concern the municipality and those that involve the management of the Municipal Administration.

While executing those areas of authority that concern the municipality, the Mayor also:

- Represents the municipality;
- Control over the legality of decisions passed by the Council;
- Publishes regulations in the municipality's official gazette;
- Provides for the execution of Council decisions;
- Executes matters that by law come under municipal jurisdiction;
- Offers initiatives to the Council, making suggestions on particular matters;
- Proposes the Budget and the annual accounts of the municipality;
- Appoints directorships, through public vacancy announcements, for those public enterprises established by the municipality;
- Regularly informs the Council about the execution of his or her authorities in accordance with the Municipal Statute;
- Decides on the rights and responsibilities of legal entities and ordinary persons, applying administrative procedures. As such, the Mayor may authorise a high level official to make decisions and sign relevant documents.

While executing his or her authorities for matters of managing the Municipal Administration, the Mayor:

- Proposes that the Council passes a decision on organising the Municipal Administration;
- Approves a rule book on job descriptions;
- Manages the Municipal Administration;
- Decides on matters of employment, rights and obligations of employees, if not otherwise already prescribed by law.

### **2.2.2. Control over Legality**

As has already been stated, the Council is the municipal body responsible for passing all kinds of municipal regulations. As such, a situation may arise when the Council passes a regulation contrary to the Constitution and the law, so causing regrettable consequences. In order to prevent the Council approving unlawful regulations, the Mayor is able to put forward a motion to prevent a regulation being published in the municipality's official gazette within seven days of the regulation having been submitted for publication. A Mayoral decision such as this must be fully elaborated and must contain an explanation as to why the regulation is considered to be contrary to the Constitution or the law. The decision of the Mayor is then published in the official gazette of the municipality.

In this eventuality, the Municipal Council is obliged to review the decision of the Mayor within a 15-day period of that decision being published. Hereafter, the Council may either:

- a) Accept the explanation of the Mayor, so agreeing not approve the regulation in question; or;



b) Disagree with the Mayor's decision, so confirming the original regulation. If the regulation is confirmed, the Mayor is obliged to publish it in the official gazette of the municipality.

In the event that the latter option is sought by the Council, the Mayor nevertheless has a duty to initiate a procedure for assessing the legality of the given regulation before the Constitutional Court of the Republic of Macedonia.

The Mayor also has an obligation to inform the Ministry of Local Self-Government that he or she has initiated this procedure. So to prevent potentially illegal regulations from being enacted through their publication in a municipality's official gazette, the Ministry is entitled to supervise the legality of municipal regulations. If it is found that a regulation is contrary to the Constitution or to the law, then the Ministry can prevent the enactment of the regulation until such time that the Constitutional Court can offer a final decision on the issue of legality.

### **2.2.3. Conflicts of Interest**

It is quite possible that the Mayor, as an inhabitant of the municipality, may find that a certain matter on which he or she has authority to decide upon might affect a financial or personal interest of a spouse, child or relative - up to the next of kin. In this circumstance, the Mayor is prohibited from making a decision or participating in any way whatsoever in decision-making processes pertaining to that interest. Furthermore, the Mayor is obliged to inform the Council of the exact nature of his or her interest in the matter - the Council being the body that would nominate a Councillor to be involved in the decision-making process in place of the Mayor. The procedure for selecting the nominee to replace the Mayor is the same as the procedure for electing the President of the Council.

## **2.3. THE MUNICIPAL ADMINISTRATION**

The Municipal Administration is tasked with performing local self-government duties. Given the fact that municipalities differ from one another in terms of the number of their citizens, the size of their territory and their level of economic development, in some instances municipalities may be justified in establishing or dismissing a joint administrative body. A decision to establish a joint administrative body is considered to be adopted if approved by two-thirds of the votes of Councillors. On the basis of such a decision, the municipalities concerned should sign a mutual agreement that would regulate the following issues: the location of the administrative body; the duties it should perform; the ways in which these duties should be performed; its usage of facilities; financing; and, dismissal and supervision procedures.

The Municipal Administration is charged with the responsibility to:

- Draft decisions and s for the Council and the Mayor;
- Prepare Council sessions and temporary or ad hoc Commission sessions;
- Provide expert advise for the Council and the Mayor;
- Keep the accounting records for the municipality;
- Monitor all matters of municipal jurisdiction, perform analyses and provide suggestions for the solution of various problems;
- Provide interested and eligible organs with information and data on all municipal activities;
- Handle and archive municipal documents, taking care of their storage until their date for expiration, or until such time that they are handed to the Main Archive of the Republic of Macedonia;
- Perform other duties, as determined by the Council or the Mayor.



### 2.3.1. The Organisation of the Municipal Administration

The structural organisation, management, and scope of responsibilities of the Municipal Administration are regulated by a decision of the Council, based upon a Mayoral proposal. The Municipal Administration should normally be structured into sectors and units. When structuring these sectors, the size, the overall level of development of the municipality, and the scope of municipal competencies should be taken into consideration. The Municipal Administration may not contain less than two sectors. Units exist below the sector level, the number of which depends upon the size of the municipality, its overall level of development and its scope of competencies. Each sector should contain at least two units.

The specific number of officials employed to execute municipal policies, and their conditions of work, should be determined by job descriptions approved by the Mayor, in accordance with the Decree on the Description of Workplaces and Job Classifications based on the Law on Civil Servants.

The Municipal Administration is organised to execute the competencies of the municipality and Mayor. The effectiveness of municipal bodies and local public services is to a large extent dependent upon the efficiency of the Municipal Administration. Cognizant of this fact, this section briefly refers to the status of municipal employees, recruitment processes, the rights and duties of officials, their salaries and benefits, promotion processes, and mechanisms for evaluation and accountability.

### 2.3.2. The Status of Municipal Employees

Employees of the Municipal Administration provide expertise and perform executive and administrative duties, and so enjoy the status of public servants. As public servants, employees' rights and duties, recruitment processes, salary and benefits systems, mechanisms for accountability, promotion processes, and procedures for the evaluation and cessation of working relationships are determined by the Law on Public Servants.

The question is - do all Municipal Administration employees have the status of public servants? The answer can be found in the definition of a public servant. A public servant is an individual who performs expert, legal-drafting, executive and administrative duties and who is also entitled to make decisions on administrative matters in accordance with the law. According to this definition, each Municipal Administration employee who performs his or her duties enjoys the status of a public servant. Those Municipal Administration employees who only perform technical or auxiliary duties do not enjoy the status of public servants. So, not all Municipal Administration employees enjoy the status of public servants.

The regulations concerning the rights and duties, responsibilities, employment processes and evaluation procedures for public servants are proscribed by a special law, which delineates the specific tasks which differ from those performed by other employees. By affirming the principles of a professional, depoliticized, efficient and accountable Municipal Administration, high-quality and punctual public services may be delivered to citizens. This legal solution provides for all possibilities for making the Municipal Administration of real value to citizens.

### 2.3.3. The Classification of Civil Servants

In answer to a question posited on the need for a Municipal Administration to exist at all, it should be stressed that public administration is necessary for the proper functioning of municipal organs, although the specific tasks of the Municipal Administration vary from one municipality to another. For some tasks extra expertise is required, while for others this would not be the case.

**Example: An analysis of the execution of the Urban Plan is required. That analysis should be conducted by public servants who have previously completed their studies at a Faculty of Architecture or a Faculty of Construction and who, in addition, have relevant work experience. Persons fitting this profile, who are actually executing Urban Plans, would be capable to conduct the required analysis and to offer suggestions on the best possible solutions.**



Due to these aforementioned reasons, it is possible to classify public servants in three separate categories:

**Example: An administrative procedure for executing a certain right has been initiated. The procedure should be led by an individual who has completed their higher education studies in the relevant subject as this individual understands the pertaining situation and pertinent regulations, and is thus capable of making the right suggestions.**

- Managers
- Experts
- Administrative Experts

In classifying civil servants, two criteria should be taken into account; the nature of duties performed, and education backgrounds.

Civil servants from the first and the second categories - i.e. public servant managers and civil servants experts - should have studied at higher education level. It is customary that these two groups of civil servants should have completed higher education as they hold managerial positions and are thus responsible for the proper functioning of the municipality.

Civil servants of the third category need only to have completed their studies at secondary school or college, since they perform simpler tasks.

The civil servant manager category consists of the following positions: General Secretary, State Secretary, State Councillor, sector manager, assistant to the sector manager, and manager of a unit. The civil servant expert category includes the following positions: Councillor, senior associate and junior associate. As for the third category - civil servant administrative experts - the following positions may be occupied by these types of officials: independent civil servant, senior civil servant and junior civil servant.

This classification structure is applied equally to the government organs as well as local self-government units. There are thirteen positions in the hierarchical structure of any of the state organs; in the legislative, executive and the judicial power levels. There are ten positions in local self-government; there is no General Secretary, no State Secretary and there is no State Councillor position.

### **2.3.4. The Employment of Civil Servants**

There are certain legal conditions that a person needs to fulfill in order to gain employment as a civil servant in the Municipal Administration. Specifically, an eligible candidate is someone who is a national of the Republic of Macedonia, an adult, and in possession of the appropriate level of education. In addition, the individual must have appropriate working experience - except for the positions of junior associate and junior servant. Additionally, he or she should not be subject to a restrictive measure that forbids them from undertaking a certain profession, activity or duty. Lastly, he or she has to be in good general health. Besides these general legal requirements for employment, the job description includes other additional prerequisites, such as foreign language skills, computer skills, etc.

Recruitment is conducted through a legal procedure that begins with the submission of a statement to the Agency for Civil Servants, expressing the need for a particular professional position. The agency then publishes a vacancy announcement. Selected candidates must pass an experts' examination - unless they have applied for a junior associate or junior servant position - after which the agency makes a list of candidates that have passed this exam. The final selection is conducted by the appropriate Municipal Commission and the Mayor - who actually manages the Municipal Administration.

### **2.3.5. The Rights of Civil Servants**

Civil servants have the right to membership of a political party. As mentioned before, the Municipal Administration acts in the service of citizens, and so it should not be forgotten that this right has certain restrictions, for instance:



- Although a civil servant may be a member of a political party and so actively involved in political activities, he or she cannot jeopardise their Public Servant status, nor the rights that arise from that status;
- Although a member of a political party, a civil servant may not be directly involved in political campaigns or any other public events of political character during his or her hours of business;
- The civil servant may not use, wear or expose political party symbols within work premises.

Civil servants may organise trade unions and they have the right to strike, the right to legal protection and the right to professional promotion, in addition to the right to a vacation and paid leave and to seek protection for these rights.

### **2.3.6. The Responsibilities of Public Servants**

Civil servants are required to perform their duties professionally, efficiently, diligently and punctually, according to the constitution, law, and the municipal statute. Civil servants should perform their duties impartially and without pressure or influence from any political party. Civil servants should not be driven by their own political beliefs or personal financial interests and neither should he or she abuse the power and status conferred to them. Civil servants should always protect the dignity of the public organ that he or she works for.

A civil servant is obliged to fulfill the orders given to him or her by the official who manages the organ, and he or she should act in accordance with the Constitution, the laws and any other valid regulations. If the civil servant considers that the order given is contrary to the Constitution, or any law or regulation, then he or she has a duty to refer the order to the consideration of his or her superior - i.e. the official who has issued that order. If the order was given in writing, the civil servant should proceed with it, unless he or she considers it to amount to a criminal offence. In this situation, the public servant should immediately address these concerns to the said superior.

Other responsibilities of civil servants include: not divulging state and official secrets, and, if working with the public, always wearing a name tag that clearly indicates his or her public position.

### **2.3.7. Promotion and Salary System**

Through promotion, a civil servant is moved into a higher level post. If a civil servant holds the position of senior associate, then he or she would be promoted when gaining the post of a Councillor, since in the vertical hierarchy, the position of a Councillor is higher than that of a senior associate. A basic condition for enabling a promotion to take place is that there is a vacant position at a higher level. Furthermore, a public announcement must be issued for the vacant position. Any civil servant, besides those that hold a lower level position, have the right to apply for the higher position that was announced. Public servants and all others who apply for the position must pass an experts' exam. The results of this exam form the basis for creating a list of most eligible candidates. If, as a consequence of this recruitment procedure, and if an existing civil servant is found to be the most eligible candidate, then he or she could so be promoted.

Civil servants have the right to receive a salary. The salary is regulated systemically and all civil servants that belong to one of the three aforementioned categories receive the same salary. The salary itself is composed of two major components - a basic component and an exclusive component.

The basic component consists of the basic salary, in addition to the salary for his or her position and length of service. The basic salary is calculated using different scores for particular educational qualifications - 200 for higher education, 150 for college education, and 100 for secondary school education. These scores are added to scores gained for previous working experiences. The addition to the salary



for the particular position held includes the scores given for each position, and those determined by the law.

The length of service allowance provides for a valuation of the professionalism of each public servant. Certain conditions have to be fulfilled to this end, namely that there should be a positive assessment of the working performance of each civil servant, in addition to the fact that the servant has to have working experience in the state administration.

The exclusive component is consisted of a salary allowance for special working conditions and an allowance for working overtime.

### **2.3.8. Civil Servant Accountability**

As has already been explained, the execution of public servants' duties should be based upon the principles of legality, efficiency, transparency, neutrality, non-discrimination, equality and to ensure rule of law. Failure to meet these principles - so failing to perform his or her given tasks and duties - brings us to the issue of public servant accountability, be it disciplinary or material in scope. Disciplinary accountability might, for instance, include punishing untidiness - an easy form of instilling accountability - or it might involve punishing a felony, which requires a more serious recourse.

If a civil servant, in the course of executing his duties, damages the public organ that he or she works for, or a third person, then that servant should be held materially accountable, in accordance with the Law on Civil Servants.

### **2.3.9. Performance Appraisal**

A performance appraisal is undertaken in order to acquire an objective assessment of a public servant's work, contributions, efficiency, quality of performance and professionalism. This appraisal should be conducted annually and not later than the first quarter of each New Year and should relate to the civil servant's performance over the previous year.

The performance appraisal is conducted on the basis of criteria pertaining to his or her professional position and abilities, results achieved, creativity shown, and competency at work during the previous year. The appraisal contains the following terms which are used to describe the work of the civil servant - "extraordinary", "satisfactory", and "unsatisfactory".

### **2.3.10. Cessation of Employment**

Aside from those circumstances provided for by the Law on Working Relations, the employment of a civil servant should be relinquished if:

- He or she is convicted of criminal offence connected to the performance of their duties, or any other criminal offence that makes the servant unsuitable for the position that he or she holds - in these circumstances, the employment ceases on the day of the court's decision;
- He or she fails to pass a probation exam;
- He or she fails to accept their redeployment to another position, the redeployment so occurring as a consequence of an evaluation that describes the individual's work as "unsatisfactory";
- A public organ merges with another body, if the competencies of the organ in which the servant



worked ceased to be under that's organ's responsibility, or because of a structural change to the internal organisation of a public organ;

- He or she is offered a lower level position than the one currently held and he or she refuses to take it.

**Legal Framework:**

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia No.5/02)
- Law on Civil Servants (Official Gazette of the Republic of Macedonia No. 59/2000, 112/2000, 34/01, 103/01, 43/02, 98/02, 17/03, 40/03, 17/04)





## 3 | FINANCING AND THE MUNICIPAL BUDGET

Ace Kocevski

**“As a Councilor or a Mayor, you should work to meet the needs of your citizens. Accordingly, you should pay due attention to this chapter, which refers to issues of financing and budgeting, in order that you may determine the best ways by which to contribute to fulfilling the aforementioned competencies, using the instruments which will in turn be discussed.**

### 3.1. THE SYSTEM OF LOCAL PUBLIC FINANCING

One of the most important matters for the decentralisation and reform of the local self-government system is the building of an appropriate financing system for local self-government units. It is widely known that merely acquiring authority without providing sufficient funds for exercising this authority can be more a burden than a privilege.

With the passing of the new legal regulations, the preconditions for a transparent, stable and equitable system of financing were created. Especially important was the establishment of an equitable balance between, on the one hand, the size of the municipality, its economic power and its overall capacities, and the scope of a municipality's competencies on the other. The implementation of Article 9 of the European Charter on Local Self-Government is also very significant, particularly those provisions that require that:

- Sources of income should be adequate for new duties;
- One part of the sources of income should come from local taxes and local incomes, for which, within the legal framework, the local self-government is to determine the rate;
- Financial sources should be flexible and numerous;
- Financial balances should be established to protect municipalities which are financially weaker;
- Municipalities should be consulted with regard to the division of finances;
- The finances transferred to municipalities should not be earmarked funds
- Municipalities should have access to the national capital market.

This system should provide municipalities with autonomy and the right to design policies within the legal framework.



### 3.2. THE MUNICIPAL BUDGET

The Municipal Budget is the most important document that the Municipal Council deliberates upon each year. Representing an annual plan for financing the functions and obligations of local self-government units, the Budget consists of an annual estimate of income sources and expenditures. It helps to express political determinations with numbers. Not only does the Budget prescribe the ways in which municipal monies should be spent, but it acts as a plan to determine municipality priorities. The Budget determines the kinds of projects that will be carried out during the course of the year, and, in particular, how many and which projects will be supported. The Budget expresses and describes municipal commitments in terms of numbers.

So, not only does the Budget define the ways in which municipal monies should be spent, but it is at the same time a plan that determines the priorities of the municipality. The Budget determines the kinds of projects, how many projects and which projects in particular are going to be realised during the course of the year.

In accordance with the Law on Local Self-Government and the Law on Financing the Units of Local Self-Government, the Budget for each year is passed by the Council of the municipality, pursuant to a proposal from the Mayor, not later than 31st December of the preceding year.

If the Municipal Council fails to pass the Budget for any reason whatsoever during this predetermined period of time, the Council is obliged to pass a decision on temporary financing - including a financial plan for implementing the temporary financing for the first quarter of the coming year.

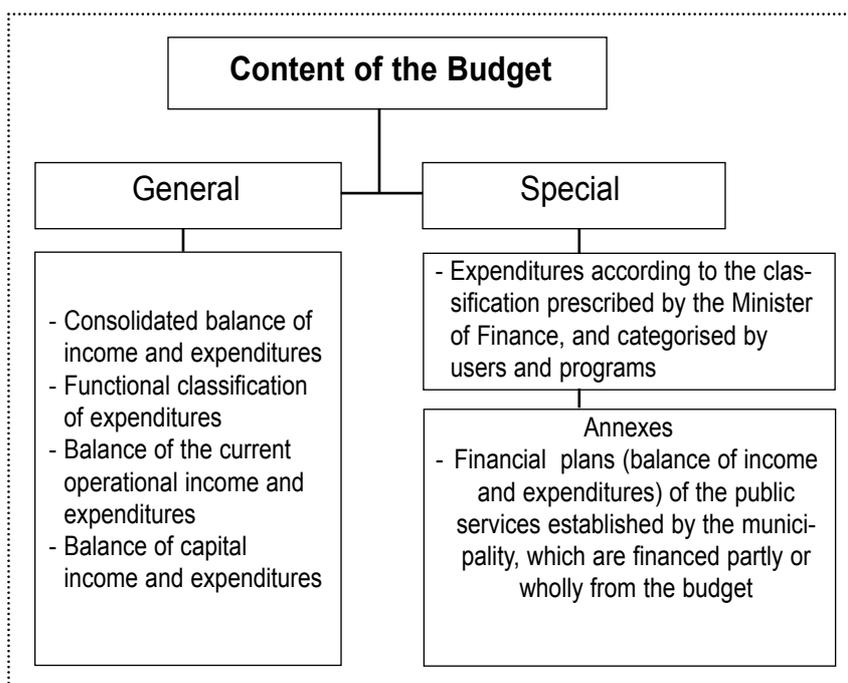
The Municipal Budget is prepared in accordance with the Law on Budgets and guidelines drafted by the Minister of Finance. The Budget ought to be balanced; meaning that it cannot result in a budgetary deficit. Within fifteen days of the Budget being approved, the municipality is obliged to submit it to the Ministry of Finance so that it may be examined in light of the country's overall public expenditures.

In approving the Budget, a municipality must pass a decision to implement that Budget. It is important to emphasise that finances should only be spent for specific purposes and only in accordance with the amounts determined in the Budget. Budgeting is a process of planning the division of municipal income according to the priorities for fulfilling the requirements and demands of municipal competencies.

The budgeting process should start no later than 30th September. By this date, the Minister of Finance should have prepared and submitted a budgetary circular to inform the municipalities of all micro-economic indicators, detailing some main directions for preparing the Budget, and describing the resources that are to be transferred from the national budget to the municipality, and to inform the municipality about various other possible sources of income.

Budgeting proceeds in phases and in terms set forth by a budgetary calendar, as approved by the Municipal Council.

The Mayor provides the budget beneficiaries with directions for the preparation of the Municipal Budget. After preparing their plans, beneficiaries should submit their financial plans to the Mayor, who then submits the budget proposal to the Municipal Council. The participation of citizens during the budg-





eting process is extremely important. Without open power, there is no democracy in society. The advantage of citizens participating in this process is two-fold, as: citizens participate in the determination of municipal priorities, and in the supervision of the attainment of those priorities; the government affirms its decisions and actions within an open, transparent forum, thus affirming the confidence of citizens.

These benefits can best be achieved if preliminary information on the budget is available to all interested parties, alongside a public appeal procedure wherein all interested individuals can submit their own opinions. Additionally, these benefits can be achieved through organising public forums to discuss the draft budget - in urban communities, amongst associations of citizens, within educational and social welfare institutions, and through cultural and sports institutions, etc. Once public discussions have been conducted, and useful proposals incorporated into the text of the budget proposal, it is submitted to the Council. If, during the fiscal year, it occurs that revenues and expenditures are not in accordance with the budget plan, the Mayor may propose a re-balancing of the budget to the Municipal Council, whereby amendments and changes to it can be made.

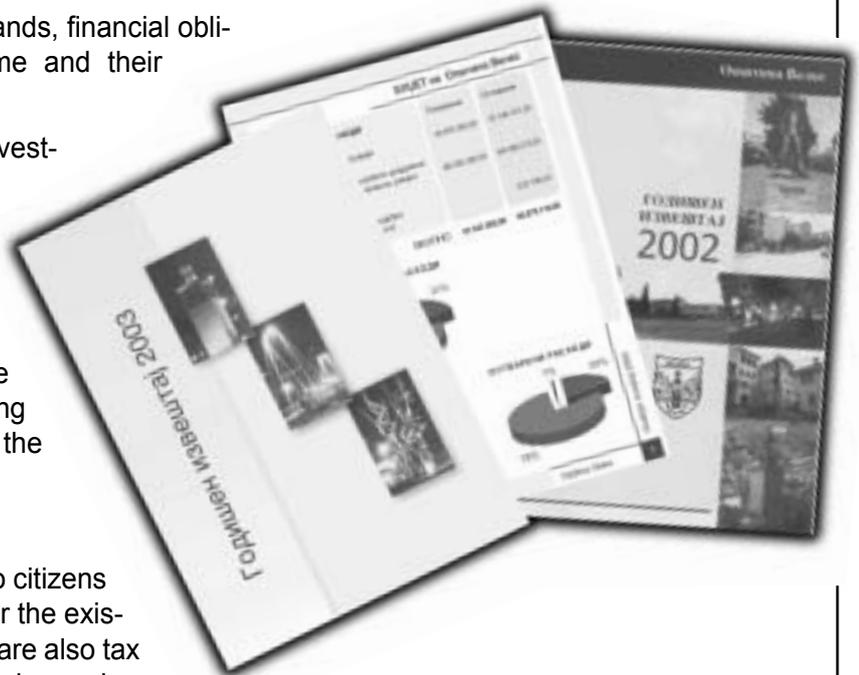
The Mayor is responsible for the implementation of the budget. The budgetary reserve for financing unexpected or ill-planned expenditures may not be higher than 3 percent of the total budget. All of the beneficiaries of the budget must submit monthly reports to the Mayor, wherein they report on the implementation of their financial plans. Similarly, the Mayor submits quarterly budgetary reports to the Ministry of Finance and to the Municipal Council.

The Municipal Council brings an annual account for the previous budgetary year, upon the proposal of the Mayor, after the end of the fiscal year, and no later than 15th March. The annual account is submitted to the Ministry of Finance no later than 31st March of the current year. The Municipal Council adopts an annual report that consists of:

- An annual account;
- A report on the resources, demands, financial obligations, and sources of income and their value;
- A report on the completion of investment programmes; the specially designated capital and block financial inputs and the financial inputs for delegated authorities;
- A report prepared by the accountant in charge, confirming the accuracy and authenticity of the annual account.

Municipalities are answerable only to citizens - whose presence is the justification for the existence of a municipality. Citizens - who are also tax payers - thus have the right to know when, where and how their taxes are spent - monies that variously compose the budget. Openness, responsibility, and accountability are of extraordinary significance here. Municipalities have a duty to report to citizens on all planned and fulfilled expenditures, and on all completed projects, so that citizens have the opportunity to assess how the local self-government operates.

**Example: Veles municipality has for almost two years now published 14,000 copies of its Annual Municipality Work Report, which is delivered to every family within the municipality.**





### 3.3. FINANCING MUNICIPALITIES

The provision of financial sources is crucial to the creation of preconditions to fulfill municipal responsibilities. Big ideas are worthless without financial support. During most of their working time, Mayors are engaged with seeking support, partners and grants for municipal projects.

#### 3.3.1. Sources of Financing

Municipalities are financed by their own sources of revenues, by grants from the national budget, loans and other funds. A municipality's own financial sources include those revenues collected from local taxes, local fees, local charges, fines and property tax. The term "Local taxes" includes property taxes, taxes on gifts and inheritance, taxes on the transfer of real estate, and other local taxes as regulated by law. Local taxes include (public) utility fees, administrative fees and other fees as determined by municipal statute. Local charges, as determined by law are for urbanization of construction land, charges for communal activities, and charges for spatial and urban planning, and other local fees as set forth by the law.

Other sources of financing for the municipality may include: property (rents); other interests or property sales); revenues, taxes, and income from fines as regulated by the law; and, local financial contributions and other sources, as determined by the law. The municipality does not have the right to sell property if the sale would disturb the performance of the municipality's public functions and competencies.

As is the case in many other states, the municipality collects a portion of incomes and personal income tax; that is three percent of the personal income tax of citizens whom reside or permanently live within the territory of the municipality; the full amount of the personal income tax of crafts persons, in accordance with the territorial court's registration of their Craft. For example, the personal income tax of employed persons whom live in Veles municipality would go to the municipal government of Veles. As such, the personal income tax of all employees of state organs, institutions and enterprises which are based within Veles - for instance, the Army of the Republic of Macedonia, the Ministry of Interior, the Ministry of Education, the Ministry of Health, Macedonian Railways, Electric Supply Enterprise, Macedonian Telecommunications - would represent an income for the municipality of Veles.

Revenues deriving from donations are considered to be part of the Municipal Budget income, whilst material goods donations are considered to be the property of the municipality. In the transitional period, donations were an important source of income for municipalities. This will continue to be the case for the immediate future, but not for a great length of time. In order to achieve long-term, stable development, it is essential that municipalities build a sustainable system of financing based upon permanent sources of income.

Revenues may also be gathered for the purposes of providing services to the citizens, through organizing referenda on collection of self-contributions. In the past, organised local self-contributions allowed for many important communal and infrastructural facilities to be built. Referenda for these purposes are uncommon nowadays, mainly because of the grave economic situation, the high level of unemployment and the low purchasing power of citizens. Last year, in the municipality of Kavadarci, a local self-contribution was organized that deserves recognition; in order to solve a problem with the water supply, local funds were raised to help construct a completely new communal infrastructure.

Additional sources of revenue, such as earmarked grants and the capital revenues are provided from the Budget of the Republic of Macedonia. Three percent of the total value added tax income of the previous fiscal year should be divided in proportion to the total number of inhabitants and in accordance with other criteria regulated by decree. These finances are targeted for fiscal equalization of municipalities. Each municipality is entitled to decide independently on how these monies are spent.

The Earmarked grant is distributed between municipalities, projects, institutions, or programmes of the Ministry of Finance upon a proposal from the proper Ministry and based upon funding designed to support concrete activities.

The Capital grant is allocated for financing investment projects, on the basis of a programme approved by the Government. The municipalities need to draft quality projects - complete with a comprehensive



financial breakdown of project activities - for capital investments that exceed the financial capabilities of the municipality.

The Block grant is allocated for the purpose of financing municipalities' responsibilities in the areas of culture, sports and recreation, primary and secondary education, and primary healthcare. The Ministries in charge prepare the methodology for determining criteria for the dispersal of these funds. It should be noted, however, that the total amount of the block grant couldn't be higher than the finances used in the same subject area in the national budget of the Republic of Macedonia during the previous year.

The financial input grants for delegated competencies should be drawn from the budget of the Republic of Macedonia. These funds support the Mayor to perform activities delegated by a public organ of the state administration.

### 3.3.2. Monitoring the Development of the Municipality Financing System

Time is witness and judge to everything and, as such, the municipality financing system, established by the recent decentralisation of state powers, must pass the test of time. It is thus necessary to monitor its development and the implementation of the criteria for the dispersion of grants. The system should be constantly improved and upgraded by undertaking measures for overcoming any of its failings.

In order to ensure transparency in application procedures, preparing reports, putting forth proposals, and monitoring the designated expenditure of the grants, the Government has established a special Commission to monitor the development of the municipality financing system. In this Commission, alongside representatives from the Ministry of Local Self-Government, the Ministry of Finance and the Ministry of Labour and Social Policy, five of its members are proposed by the Association of Local Self-Government Units (ZELS).

### 3.4. DETERMINATION OF REVENUES AND THEIR COLLECTION

The Municipal Administration is responsible for the allocation and payment of municipality finances. A municipality that does not have the capacity to administer its own finances or, due to other reasons, cannot conclude an agreement with another municipality, may form an agreement with the Public Revenue Service. Each municipality must have at least three employees in the Municipal Administration qualified to determine and collect taxes and who will be responsible for these matters.

All property tax payees are obliged to submit a tax report for each new property they acquire, or if any other change occurs to the status of one of their properties, no later than 31st January of the year of the tax determination. The Mayor of the municipality decides on the amount of property tax owed and submits that decision to tax payees no later than 31st March. The property tax rate ranges from 0,10 percent to 0,20 percent, and the tax rate on transaction of property ranges from two to four percent. Inheritance and gift tax rates for heirs of the next of kin range between two and three percent, and for heirs of the next of kin these rates range between four and five percent.

The taxation base for all types of taxes is determined by the market value of all kinds of property, which is determined by the methodology prescribed by the Government of the Republic of Macedonia upon the proposal of the Ministry of Finance. The determination itself is carried out by a Commission established by the Municipal Council.

**The Decree on the Methodology for the Disbursement of Revenues from Value Added Tax is an extremely important document approved by the Government of the Republic of Macedonia upon a proposal from the Minister of Finance and after the prior approval of the Commission for Monitoring the Development of the Municipality Financing System which is received no later than 30th June of the current year. Not later than 30th September of the current year, the Minister of Finance has a duty to send out a budgetary circular letter and to inform the municipality of the type and amount of grants available for the next budgetary year. Competent Ministries and foundations are obliged, no later than 30th April of the current year, to publish the determined criteria, procedures and terms for the division of designated and capital donations.**



Communal taxes are paid for by the utilisation of rights, objects and services of public interest and of local significance by legal entities, natural persons and by citizens. These taxes are paid in accordance with a Communal Taxes Tariff Book that is an integral part of the Law on Communal Taxes. The Municipal Council decides on the value of the tax within a framework determined by the Communal Taxes Tariff.

**Taxes are, for instance, paid for: each newly established enterprise; the usage of land in camps; the use of the space in front of business premises; playing music in public locations; using public squares for promoting business products; the usage of parking areas; posting advertisements; and, for public street lights, etc. ..**

Administrative taxes are paid for the documents and the activities of a municipality's administrative organs, public organs of the municipalities of Skopje, and the public organs of the city of Skopje, in accordance with the regulations of the Law on Administrative Taxes.

According to the law, municipalities should have other additional income sources (for instance, through tourism, service industries, issuing concessions for the utilisation of natural resources, etc.).

Tax rates are determined by the Municipal Council. Special attention should be given to the taxbase, the assessment of the market value of properties, and the compulsory payment of all taxation debts. Municipalities should follow the recommended model for municipal administration insofar as each should have an optimal number of employees to efficiently and effectively administer local taxes and those taxes that represent the genuine income of municipalities.

**Example: A Senior Associate would work on property tax determination, for the administration of assets and rights; a Senior Associate would work on communal taxes; an Independent Administrator would be responsible for property taxes; a Senior Administrator would be the tax accountant; and, an Independent Administrator would act as a tax collector.**

### 3.5. SUBNATIONAL BORROWING

The municipality has the right to borrow from inside the country and from abroad. In order to bridge a temporary financial deficit, each municipality may request a short-term loan as long as that loan does not exceed twenty percent of the total income of the operational Budget for the previous fiscal year. For finance capital investments, each municipality is entitled to raise long-term loans. The total amount of the annual installment of the loan may not exceed fifteen percent of the total income of the operational Municipal Budget for the previous fiscal year.

The Ministry of Finance will monitor the work of the municipalities and - provided financial reports for 24 months are assessed positively, and provided the municipality has no debts over a period of two years - the municipality may take a long-term loan or may issue guarantees for the enterprises that it has established.

The Government of the Republic of Macedonia, based upon a decision of the Ministry of Finance, is tasked with giving preliminary approval to loans requested from abroad.

### 3.6. ACCOUNTING RECORDS, CONTROL AND AUDITING

The municipality and its public services keep accounting records in accordance with the Law on Budget Accounting and Budgetary Beneficiaries, consistent with generally accepted accounting principles, practices and standards, and in keeping with international accounting standards for the public sector.

The Mayor assigns an accountant in charge (he or she must be a graduate of economics with at least five years of working experience in the field of financing) who, alongside the Mayor, should be responsible for the legality of municipal accounting. In addition, the municipality is obliged to establish an internal auditing system and procedures consistent with international standards for the performance of a professional audit acceptable to the Ministry of Finance. The internal auditor (who should be a graduate of economics or law and who should have at least two years of working experience in a relevant field) is appointed by the



Municipal Council upon a proposal from the Mayor. The internal auditor has an independent function and answers both to the Mayor and the Council.

The external audit of financial accounts is carried out by the State Auditing Service. The Mayor has the responsibility to provide the State Auditing Service with a report on the implementation of the Budget, in addition to a final accounting report, within 30 days of their completion.

### **3.7. FINANCIAL INSTABILITY**

Financial instability in a municipality will occur if: the state auditor determines that there have been major irregularities in financial undertakings; the municipality account has been blocked for 30 consecutive days or for 45 days with interruptions occurring over a period of 60 days; the municipality fails to pay its debt within 90 days of its due date; or, if the municipality exceeds the loans approved to it. In these circumstances, a special committee would be established to prepare a plan of action to establish measures for overcoming this financial instability.

### **3.8. CONDUCTING FISCAL DECENTRALISATION**

The process of fiscal decentralisation has been conducted in stages in order to create the necessary preconditions for the successful transfer of competencies from central to local government level. However, not all municipalities are equipped with the same capacities, underlying the need for a gradual approach for transferring decentralised competencies. All financial resources should be provided for through a smooth transitional process.

This phase-based approach to fiscal decentralisation provides for a gradual and, incremental transference of competencies in accordance with the operational ability of municipalities to overtake those competencies, and in keeping with their financial capacities to efficiently and effectively undertake transferred responsibilities.

The transference of finances during the first phase of the decentralisation process will have begun by 1st July 2005. This transference from the budget of the Republic of Macedonia is based upon the Decree of the Methodology for the Disbursement of the Value Added Tax Income, as well as the Decree on the Methodology for the Disbursement of Capital and Designated Finances, excluding the funds aimed at financing salaries.

It is important that the Government of the Republic of Macedonia establishes a Commission to assess whether municipalities have fulfilled certain preconditions for the transfer of finances in this first phase of decentralisation. There should be at least two employees responsible for finance management, budgeting and accounting in the Municipal Administration; and, there should also be at least three employees in charge of the determination and execution of taxes.

The transfer of finances during the second phase of decentralisation - i.e. the transfer of block donations - will begin as soon as the municipalities fulfill all of the preconditions of the first phase, and as soon as the municipalities have the adequate personnel for performing good financial management, report in a timely and accurate manner to the Ministry of Finance, and do not possess any debts towards their creditors or trustees.

### **3.9. PUBLIC PROCUREMENT**

The activities that the municipality undertakes with regard to purchasing goods and services, procuring construction companies, or other services that should be obtained from Budget finances, are known as public procurement. The legal framework for the rights and obligations of participants involved in a process of public procurement is drawn up by the Law on Public Procurements.



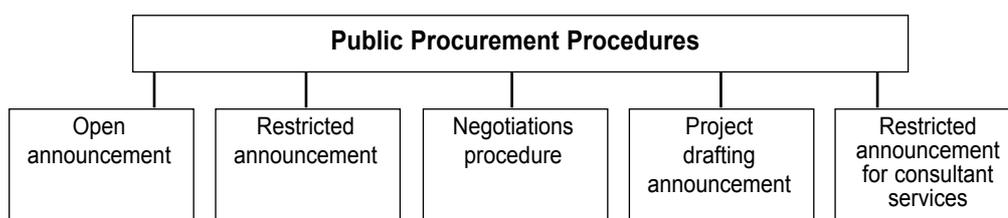
Under the conditions of market economy, there must be healthy and free competition, transparency, efficiency, and a decrease in public expenditures. All activities to the contrary undermine overall social economical circumstances and sow the seeds for corruption and other unsuitable practices. In order to prevent corruption or bribery amongst decision-makers during public procurements, and to prevent the funding of political parties through public procurements, laws must be strictly obeyed. For instance, equal competition in the process of public purchasing, in circumstances with clearly defined rules and procedures for transparency, should place all corruptive practices at a minimal level. The resultant effect would be highly positive for municipalities because high quality services could be obtained for relatively low prices.

The municipality is obliged to provide all bidders with an equal and non-discriminatory position in public procurement processes, with fair competition, transparency and exposure to public scrutiny. All negotiations between the municipality and bidders are forbidden whether in open or restrictive announcement procurement procedures. Explanations may be required, but there can be no possibility of making changes whatsoever.

It is also forbidden to divide the public procurement into different components in order to avoid a certain procedure required by law. The procedure for public procurements may be initiated only for services that have already been planned, and only for matters for which finances from the Budget have already been obtained.

On the basis of the aforementioned documents, by the end of January, the Mayor must draft a plan for the overall public procurement needs of the municipality, dividing that plan in accordance with affirmed procedures and the finalisation of the procurement procedure. Afterwards, the Mayor approves a decision on each procurement procedure and determines the quantity of procurements required, the amount of monies required, and the sources for financing the final completion of the transaction.

The municipality is obliged to keep all documents pertaining to public procurements and to maintain a public procurements register. The Mayor should establish a permanent committee for public procurements to continue the purchasing procedure. This committee should be composed of municipality employees selected for a mandate of two years, and with the right to be selected for one additional mandate thereafter.



In order to provide all interested candidates with equal access to the public procurement announcement, this announcement must be published in the Official Gazette of the Republic Macedonia, in daily newspapers, or in an official paper of the European Union, depending upon the type of procurement required.

The municipality prepares the tender documentation in accordance with its needs and in keeping with the standards applicable to the particular procurement. The documents should be made available to all interested bidders and, in turn, bidders need to present supporting documents to prove their own financial capabilities and their economical and technical preparedness for winning the tender.

In accordance with previously agreed criteria, bids are reviewed and a final decision is made for the best offer. All interested candidates are informed of the municipality's final decision.



## **LEGAL FRAMEWORK:**

- European Charter for Local Self-Government of the Council of Europe
- Law on Local Self-Government (Official Gazette of the Republic of Macedonia No.5/02)
- Law on Financing Local Self-Government Units (Official Gazette of the Republic of Macedonia No.61/04)
- Law on Budgets (Official Gazette of the Republic of Macedonia No.35/01; 93/01)
- Law on Accounting, the Budgets and Budgetary Beneficiary (Official Gazette of the Republic of Macedonia No.61/02; 98/02)
- Law on Property Taxes (Official Gazette of the Republic of Macedonia No.61/04)
- Law on Communal Taxes (Official Gazette of the Republic of Macedonia No.61/04)
- Law on Changes and amendments of the Law on Administrative Tariffs (Official Gazette of the Republic of Macedonia No.61/04)
- Law on State Audit- Cleared Version of the Text (Official Gazette of the Republic of Macedonia No.73/04)
- Law on Public Procurements (Official Gazette of the Republic of Macedonia No.19/04)
- Law on Determination and Payment of Public Incomes (Official Gazette of the Republic of Macedonia No.13/01, 61/02 and 24/03)





## 4 | MUNICIPAL PROPERTY MANAGEMENT

Romeo Dereban

**The right to own property is not only a legal right, but also a universal right. You should protect municipal property as if it were your own. Only then will you perform your duties successfully, will your citizens respect you, and will your municipality become a more pleasant place in which to live.**

### 4.1. MUNICIPAL PROPERTIES AND PROPERTY ACQUISITION

The management of municipal property is one of a municipality's most important responsibilities. The municipality has to administer its property as if it were a responsible landlord. The law stipulates that municipalities must make use of property for reasons of economic and efficient management. Effective management will, consequently, surely result in the development of the municipality. Conversely, negligent activities may result in irreversible damage for the municipality.

When the Government established the thirty-four municipalities of the Republic of Macedonia in 1965, each was allocated certain properties so that they could perform their local government duties. The Law on the Territorial Division of the Republic of Macedonia and the determination of regions and local self-government units in 1996 established 123 municipalities in the country. In order that each of these municipalities might have a successful beginning, it was deemed necessary that municipal properties be specifically allocated.

The 1995 Law on Local Self-Government guaranteed very few competencies to the authority of municipalities (for example, only communal organisation and just one segment of spatial and urban planning), thus a significant number of public service competencies remained under the authority of state organs. The municipality was deprived of a major part of property ownership - including ownership of municipal court buildings, schools, nurseries, ambulances, local offices, municipal offices, sports facilities, construction land, etc - to the benefit of the state government. In order to achieve a justifiable division of property between the state and municipalities, a more balanced allocation was required.

For those facilities which, by virtue of the assets allocation, are determined to be commonly used facilities for use by both the state and a given municipality, and for which no actual physical division is possible, it was decided they should be made use of on the basis of an agreement reached for joint utilisation and maintenance - for instance, for sport's halls, public swimming pools, etc. The land (both agricultural and non-agricultural), forests and pastures on municipal territory remained under state ownership.



The 2004 Law on the Territorial Organisation of Local Self-Government of the Republic of Macedonia established 84 municipalities. The 2002 Law on Local Self-Government established new competencies for municipalities, which they should have begun exercising from the beginning of 2005.

#### **THE OWNERSHIP OF MUNICIPAL ASSETS**

**For the purpose of assessing ownership of assets between central and local government, specific commissions were established composed of representatives from the various Ministries of the Republic of Macedonia and of representatives from the country's municipalities. On the basis of the information available to the municipality and the information provided by the Geodesics Office Cadastre Section, those properties to be owned by the municipality and those to remain in the possession of the state government were confirmed on an Official Record.**

**The property of the newly established municipalities was determined firstly by the division of property between the state and the municipalities and, secondly, between the newly established municipalities and the municipalities in accordance with the previous territorial organization.**

**Unfortunately, through this assets division, the municipalities lost a significant portion of property which was reallocated to the state.**

In order to meet all necessary conditions for the successful delivery of these new competencies, municipalities are allocated a significant number of properties. Municipalities, for instance, are tasked with authority over schools (both elementary and secondary), sections of sports facilities, ambulances, fire brigade facilities, school campuses, the municipal offices of regional units of various Government Ministries, and libraries, etc. These competencies will have been handed to the control of municipality authorities after the 2005 local elections, once the local self-governments have established their Councils and elected their Mayors.

It is possible to categorise municipal property according to the following four basic criteria - non-movable property, movable property, infrastructure, and financial property. Non-movable property is an asset which cannot be transported from one location to another without causing damage to it. Non-movable properties include:

- Construction land;
- Parks;
- Municipal waste disposal sites;
- Buildings (municipal offices);
- Cultural facilities;
- Houses or apartments;
- Commercial premises;
- Cemeteries;
- Churches and chapels;
- Sports facilities;
- Other property that by its nature is non-movable.

#### **What has Become Municipal Property?**

**In 2000, the Government of the Republic of Macedonia approved separate decisions for each municipality in order to transfer the right of assets ownership from the Republic of Macedonia to municipalities on the basis of the previously conducted assets allocation. Through the assets allocation, municipalities gained a right of ownership to the following assets:**

- a) Residential flats;
- b) Commercial-business premises;
- c) Education and healthcare properties;
- d) Cultural, sports and recreational facilities;
- e) Communal infrastructure facilities;
- f) Local neighbourhood self-government facilities;
- g) Commonly used facilities.

Movable property is property which can be transported, including:

- Motor vehicles;
- Sailing vessels;
- Machines, tools, and the inventory and furniture of municipal offices;
- Archived materials;
- Other movable properties.

Infrastructure includes the following properties:

- Water supply networks;
- Drainage systems;
- Drainage stations;



- Street lighting;
- Radio communications, cable TV, etc.

Financial property includes:

- Money;
- Cashiers' notes;
- Bonds and securities;
- Cheques;
- Stocks, etc.

Given that there are so many different varieties of property, there should exist a comprehensive plan to properly manage these properties. Insofar as this is the case, there should not only be inventory records, but also a general plan for sustainable development that would similarly offer directions toward municipal development as a whole - for example, ten-year development plans, etc. When creating this plan we should have in mind the traditions, lifestyles and habits of citizens.

In order to meet these objectives, the municipality should buy or sell non-movable properties. The money garnered from the sale of these properties should be invested into new property or into the reconstruction of existing assets.

#### **4.2. BUYING AND SELLING PROPERTY**

The municipality may buy and sell property in accordance with the law. The Municipal Council decides upon the procedures for buying and selling property. The Council may authorise the Municipal Mayor to procurement or sell property.

Once a good overview has been obtained of the property owned by the municipality, property may be added to through purchasing from other legal entities or ordinary individuals. It is important to take care that properties bought for the municipality are really needed - i.e. that a particular property is important for delivering municipal services.

A municipality may sell non-usable property to legal entities or ordinary individuals. Hereby, the municipality should sell the property through a public auction and in accordance with the law - for example, when a municipal apartment or a house becomes available for sale. Firstly, of course, it should be determined whether that property is actually needed by the municipality. If it is determined that the municipality does not need that particular property and if, at the same time, the property is more an expense than an asset for the municipality, then the property should be sold.

The decision on whether to sell a property must be undertaken by the Municipal Council, whilst a special Commission would be established for managing the sale procedures and to decide on a realistic market price for that property. The value of the property should not be lower than the realistic market value applicable for a similar property within the geographical area in which the sale will take place. The Commission issues a public announcement and determines the date of the auction, taking into consideration the number of potential buyers likely to attend the auction. When there are several interested buyers, a decent price for the property may be attained. If it is established that there is only one potential buyer, then the Commission should probably suspend the auction procedure and republish another auction announcement.

Before the auction starts, potential buyers should firstly offer a down payment for the property on sale. The Commission acknowledges the bidder whom makes the best offer to be the buyer of the property. This successful buyer deposits his or her monies for the property into the Municipal Budget account. The funds garnered from the sale of property should be used for purchasing, constructing or reconstructing existing municipal assets.



### 4.3. RENTING MUNICIPAL PROPERTY

Should a municipality own a property that is not significantly utilised, then that property may be rented out for a certain period of time, again by public announcement and in accordance with the law. The rental procedure is under the competence of the municipality.

Although the rental itself should not be the most important factor, it is nonetheless very important to consider what activities will be conducted in the rented facility, and what would be the effects of those activities. Furthermore, when building municipal facilities, it is a very good idea for the municipality to consider whether those facilities could be rented out at a later date.

It is very important for the municipality to look after particular tradecrafts unique to the municipality - for instance, bakers, hairdressers, filigree's, etc. When renting municipal facilities to these tradecrafts, the municipality should ensure that rent rates are at an acceptable level in order to motivate these local tradespersons and to help the development of their crafts. Finances gained through rent should always be spent as investments.

Municipal property may not be put under mortgage if these properties are used to perform services of public interest.

### 4.4. THE PROPERTY REGISTRY

The municipality is obliged to keep records for all its properties and to update these records with regard to changes in the status of each property. The municipality maintains a registry on its property in which the property is listed as a balance of assets. At the end of each calendar year, the municipality produces an inventory of the material resources under its possession.

In practice, there are cases when an additional inventory is needed, especially when handing over responsibility over the property to other handlers, when there are statutory changes, etc. The inventory is of major significance for the general property management development plan and it is a very important factor in planning budgetary expenses.

Municipal properties are broad and changeable from time to time. The municipality is obliged to update its records with regard to the changes and development of its properties, and to register all day-to-day contractual changes. This does not represent simply a legal duty but, moreover, is in the interests of the municipality. Properties are registered as municipal properties in accordance with the law, but in order to ensure greater control, an Inventory Commission should supervise the properties in question.

As a basic rule, before preparing an inventory, each non-movable property should be registered in the records of the Municipal Administration. Insofar as inventory activities are concerned, the municipality should begin with the establishment of an Inventory Commission. For the successful functioning of the Inventory Commission, a plan and guidelines for conducting the inventory should be drafted.

The inventory is shown in inventory records. It is generally more practical that the inventory be drawn up in separate forms. For example, there may be separate inventory form for construction facilities, for land properties, for movable properties, and for large and small inventory items. Financial properties are designated in the inventory, encompassing all financial resources that exist within the bank accounts of the municipality on the day that the inventory was conducted, finances within the municipal cashier's account, and all shares and stocks that the municipality owns.

After the inventory is completed, an inventory report is prepared. Municipal Council members should, at one of the first scheduled sessions, approve a decision to provide for complete oversight and permanent control of the inventory register. In the inventory register, the whole property of the municipality is listed - land, buildings and finances gained through the contributions of citizens, or through other means, in addition to movable and non-movable items, properties, and monies, etc.



#### **4.5. THE PROTECTION OF PROPERTIES**

The municipality is responsible for protecting its property from all natural catastrophes or other external influences, in such ways determined by the law. In order to protect property, the municipality should undertake adequate measures, including timely maintenance of its facilities, procedures to guard against corruption, measures to prevent theft and damage, measures to ward against tax evasion in rental agreements, and protection from external damage, etc.

Municipal properties should be insured and, as such, it is necessary to consider specific risks and the conditions under which these assets should be insured. Consideration should always be given to the fact that debtors are not only individuals that have failed to pay their municipal debts, but are also individuals and legal entities which have an obligation to perform certain duties towards the municipality.

Insofar as this is the case, certain activities should be undertaken to ensure that debts are collected and all contractual duties towards the municipality are satisfactorily performed. The municipality should be especially alert when renting apartments or houses to individuals; specifically, the municipality should identify ways to collect the rent without difficulty. If a facility is rented to socially disadvantaged citizens, they should be offered benefits towards their rent - i.e. a reduction in the amount of rent due.

#### **4.6. PROPERTY MANAGEMENT**

The municipality manages its property in the public interest and should thus treat the property as if it were a responsible landlord. The larger the property, the greater a responsibility exists to manage that property effectively and with due care. Any erroneous action may have unwanted consequences.

Not only should the municipality know how to manage its properties, but it should also have in mind its tax obligations with regard to the possession of these properties. If the municipality has a large property, it may wish to establish a public enterprise to manage that property - but, the deciding factor should be the profitability of that public enterprise. If the activities of the enterprise are unlikely to be profitable, and if these activities strongly impinge upon the Municipal Budget, then it would not be at all wise or efficient to establish the suggested municipal enterprise.

#### **4.7. INFRASTRUCTURAL PROPERTY**

A municipality's infrastructural property encompasses infrastructural facilities built and owned by the municipality, such as water supply networks, drainage systems, parking areas, public parks, bus stops, street lights, and infrastructural installations built by the municipality.

#### **4.8. INTER-MUNICIPAL COOPERATION**

Municipalities may cooperate with each other over property issues, especially when they co-share certain indivisible assets. Municipal cooperation is especially important when considering infrastructural issues - for example, when jointly investing in the construction of a water supply network or when constructing roads to link neighbouring municipalities, etc.

In order to achieve successful cooperation, municipalities may wish to establish joint public enterprises.

Municipalities may also establish joint public enterprises for communal services. The number of these public enterprises depends upon the size of the municipality or city. So as to improve regional development, municipalities are entitled to establish agencies or associations - particularly in the areas of tourism and tourist entrepreneurship. Of course, when establishing such agencies, pre-contracts should be undertaken to agree upon specific joint investments, the ways in which joint activities will be conducted, and the division and allocation of all profits resulting from the establishment of these local bodies.



Municipalities in border areas usually cooperate with municipalities on the other side of the border. In this way, municipalities may be entitled to international funds for similar cooperative endeavours. For instance, municipalities might cooperate to construct a joint water supply system, a network of roads, an electricity supply system, or a drainage system.

**Example: As an example of a joint local public enterprise, in the local self-governments of Struga and Ohrid, the 'Proakva' municipal enterprise is tasked with the responsibility for water supply and wastewater drainage across both municipalities.**

Cognizant of the fact that the management of a municipality's property is extremely important, it is often wise to cooperate with other municipalities or to create joint management associations. This represents an excellent solution to joint property management. Inter-municipal cooperation offers an uncomplicated method by which to acquire particular funds for major investment projects and to renew municipal properties. Financial assistance through these programmes is always welcomed for the construction and reconstruction of infrastructural facilities.

As such, if you are a member of the Municipal Council it would be worthwhile to spend an adequate length of time drafting these programmes. Similarly, while you should not forget to ask for assistance from international donor agencies when managing properties, you should nonetheless not forget that you are obliged to respect the deadlines and conditions of those programmes.

#### **4.9. THE ACQUISITION OF PROPERTIES**

Municipalities acquire property from their own sources, as determined by the law, from their own economic activities, professional or other public service activities, through citizens' contributions, gifts, inheritance, donations, and through other revenue sources.

#### **4.10. ABUSING MUNICIPAL PROPERTY OWNERSHIP**

Purchasing, selling or renting municipal property should be always conducted in accordance with the law and legally stipulated procedures. Each transaction regarding municipal property should be open and transparent. Moreover, careful consideration should be awarded to the determination of whether a particular transaction is in the interests of the municipality.

If a property is sold at a price lower than the determined market price, or if a property is procured at a price higher than the realistic market price, then there is good ground to suspect that the municipality's interests have been injured; whereby an appropriate legal sanction might be sought against the responsible managerial staff of the municipality.

To this end, the Ministry of Finance should control the material and financial operation of the municipality and an audit of the financial affairs of the municipality should be conducted by the State Audit Institute. If it is determined that, when purchasing, selling or renting municipal property, a municipality carried out an unlawful transaction, or a transaction that injures the interests of the municipality, or if it is discovered that a felony or criminal offence has been committed therein, legal procedures should be initiated against all individuals who have committed these actions.

#### **4.11. THE ORGANISATION OF PROPERTIES**

When managing municipal properties, it is crucial to bear in mind the key principle of how to better utilise resources so that municipalities can increase their property ownership and secure larger profits. The starting point for organising property should be the inventory lists and a municipality's balance of expenditures and income from its properties during the current year.

Having established which properties offer the greatest revenues over the past few years, municipalities



should decide to increase their ownership of those types of properties - i.e. through buying or building such assets. Conversely, if it is determined that the ownership of a certain property incurred losses for the Municipal Budget over the past several years, then that property should be put up for sale. In some circumstances, it is advisable not to follow this guiding rule, especially when considering the status of non-profitable facilities which are of special public interest - i.e. libraries, galleries, cultural facilities, etc. These properties should not be sold.

There is no doubt that to effectively organise properties requires a highly professional municipal apparatus - a unique apparatus that should always be able to find its way through the puzzles of the financial administration and the relevant legislation. Municipalities must safeguard the municipal properties entrusted to them. Thus, Councillors and Mayors are obliged to manage their municipal properties in the most economical ways possible and for predetermined purposes. In short, you have to administer municipal properties in the public interest, treating them with the same respect that a responsible landlord would afford them.

#### **Legal Framework:**

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.52/95 and 5/02)
- Law on Financing the Local Self-Government Units (Official Gazette of the Republic of Macedonia, No.61/04)
- Law on Ownership and Other Property Rights (Official Gazette of the Republic of Macedonia, No.18/01)
- Law on Executive Procedure (Official Gazette of the Republic of Macedonia, No. 53/97 and 59/2000)
- Law on the State Audit (Official Gazette of the Republic of Macedonia, No.73/04)
- Guidelines regarding the ways to conduct the assets allocation between the Republic, the 34 municipalities and the city of Skopje, and the assets allocation between the newly established municipalities and the municipalities they have arisen from (Official Gazette of the Republic of Macedonia, No.17/97)





## 5 LOCAL ECONOMIC DEVELOPMENT (LED)

Ljupco Petkovski

**In this chapter you will consider issues of investment, economic growth and development. How can investment be promoted? How may private capital be attracted? What mechanisms and instruments are available to assist municipal organs in improving the lives of citizens? The answers to all of these questions are not as complex as you might otherwise think.**

Local economic development (LED) is a process which involves all partners within a municipality - including business, financial and non-governmental sectors - getting together to promote job opportunities and to improve conditions for local economic growth. Indeed, local economic development is reliant upon joint actions being undertaken by the public (government), business (private) and non-governmental (NGO, Trade Union, Social, Civic) sectors.

Through participating in local economic development, partners are working towards the development of a community founded upon economic competitiveness, so improving the economic future of a particular municipality. This is in compliance with the new range of competencies entrusted to local self-government units as a consequence of decentralisation. Priority should be given to the local economy to increase its economic competitiveness because the success of a local community depends to a great extent upon the adaptability of the community to the market environment - which is rapidly changing with ever greater levels of competitiveness.

Every community is characterised by unique local conditions, which may in turn assist or hamper its own economic development. These local attributes shape the foundations upon which an LED strategy should be developed to improve local businesses' competitiveness.

In order to develop the dynamism of each community's economy, it is necessary to consider local resources - such as natural resources, geography, infrastructure, current economic facilities, etc. The respective advantages and weaknesses of each of these local resources should be identified in order to make full use of all potential opportunities and to avoid potential threats and dangers that might arise in the course of the LED. In considering these factors it is possible to create an attractive environment for the business sector in which favourable economic conditions will mostly prevail. In turn, new investments will be encouraged which should generate new job opportunities and produce positive prospects for local economic development. All of the above will contribute towards the development of the local community as a whole.

Economic activities should encourage economic growth and development within the local community. This to a great extent depends upon the existence of favourable local conditions. A core responsibility of the munic-



Local government is the creation of favourable conditions for the development of Small and Medium-Sized Enterprises (SMEs) within its territory. The LED is a partnership between local authorities, the private sector and non-governmental organizations (NGOs) working towards the community's common interests.

Local authorities should establish a team for local economic development within the local community; the Municipal Council makes the decision for the establishment of this team. The composition, structure and number of team-members is determined by the Municipal Council in cooperation with the Mayor. The team is charged with the responsibility of engaging in the preparation of an LED strategy, and alongside other stakeholders will work to develop the necessary partnerships between the private and public sectors. On occasion, these types of mixed public and private partnerships may be constituted as autonomous or semi-autonomous units responsible for the implementation of the LED strategy. In these cases, the municipality leads this type of initiative through;

- Strengthening the capacity of local administration and municipal management, which both play a vital role in encouraging economic growth and development.

A qualified, competent and competitive local administration is imperative for supporting the achievement of local economic development, stimulating favourable economic conditions and establishing organisational structures, so meeting local needs. This can be achieved through:

- Establishing a one-stop-shop system;
- Improving management ability within the LED;
- Strengthening civic participation;
- Improving the quality of public services provision;
- Abandoning bureaucratic habits and transforming local administration in the appropriate authorities.

Local authorities, rather the Municipal Council, are responsible for enacting programmes to implement the LED strategy. These programmes aim to:

- Encourage the growth of local economic activities through the establishment of local networks of institutions and agencies to support Small and Medium-Sized Enterprises (SMEs) and entrepreneurship.
- Encourage the establishment and development of new companies by providing advice, technical support, information, and entrepreneurship training - so assisting and encouraging individuals to start up new economic activities.
- Promote investments by attracting businesses from other parts of the country or even from other countries, providing access to capital and other financial resources.
- Invest in significant infrastructural facilities which are very important for the LED and for attracting investors.

The Council influences LED through the enactment of programmes and through its determination of fees payable for utility services. The level of these fees influences whether economic activities will be stimulated. Similarly, the Council determines the level of local taxes payable - the accumulation of which can positively stimulate local economic development. The Council's programmes enable the development and modernisation of utility infrastructure facilities, through the:

- a) Construction, extension and reconstruction of local roads;
- b) Construction, reconstruction and modernisation of water supply networks and waste water treatment plants;
- c) Construction of regional waste disposal sites;
- d) Construction, expansion and modernisation of public market places;
- e) Improvement and revitalisation of public parks and green areas;



The Council's programmes also allow for the construction, reconstruction and modernisation of social infrastructure facilities, including:

- a) Sports and recreational centres;
- b) Educational institutions;
- c) Healthcare institutions;
- d) Social welfare institutions;
- e) Cultural institutions.

Local and regional cooperation - Local authorities should assist in the establishment of economic networks, acting as the primary catalyst for bringing together all the major players in the local and regional economy, in order to increase competitiveness and to jointly access markets.

Municipalities should be able to defuse social tensions, whereby programmes are directed towards including poor and socially-disadvantaged populations in the economy. The municipality's Council is entitled to prepare programmes for the construction of social welfare infrastructure, engaging unemployed persons in these programmes and so addressing their unfortunate economic circumstances. Thus, as well as helping unemployed persons to find work, these programmes could have the positive effect of helping to achieve lower labour costs when constructing infrastructure facilities. Guarantees must be secured that will ensure that industrial growth will increase employment opportunities for all workers with low earnings. Strategies should be sought to regenerate industrial facilities which have ceased functioning by way of identifying possible strategic partners.

Local economic development requires a coordinated approach adapted to local conditions, wherein the following principals should be considered:

- Comprehensive approach - including social, economic and ecological-related issues;
- Range of initiatives - short-term, medium-term and long-term initiatives all in order to support partnerships and to build trust between different stakeholders.
- Improvement of managerial capacities - involving engagement, credibility and the capacity to unite stakeholders in implementing the programme.
- Strong political will - Local government should be able to display strong political will concerning the implementation of the LED strategy. It should be able to seek out technical, financial, and other types of support from different levels of government.

Local government and programme stakeholders, working in partnership, must therefore be able to strike a balance between that which is required for economic development and that which meets environmental and social needs.

## **FOSTERING PARTNERSHIPS BETWEEN PUBLIC AND PRIVATE SECTORS**

In the municipality of Kriva Palanka, the central bus terminal has for years only had one platform and thus did not meet the commuting needs of citizens. The location of the bus terminal, in the heart of the city beside the main road, has also been much to be desired - as it creates difficulties for traffic flow on the main road. These factors, coupled with the difficulties experienced in implementing a reorganisation of the central city district in order to comply with a new Detailed Urban Plan, created an urgent need to move the bus terminal from its original location.

However, the prospect of moving the location of the bus terminal proved to be a major problem for the local self-government for quite some time. Due to a lack of finances, the local self-government was unable to proceed with resolving the problem. To overcome these difficulties, the municipality established a team which carried out analyses and, in compliance with the Detailed Urban Plan, identified a new location - owned by the Republic of Macedonia - for the construction of the bus terminal. In addition, the team also prepared technical documentation for the construction of the bus terminal.



Having in mind the fact that all concerned parties wished to resolve the problem with the bus terminal, the municipality of Kriva Palanka and the transportation company, "Proleter", from Kriva Palanka, determined the value of the investment needed to implement the project. Upon having assessed the level of the investment required, it was initially concluded that the municipality was not in fact financially able to proceed with the construction of the new bus facility. Undaunted however, the team presented to the municipality the following proposals for action - which were in turn adopted by the Council - to ensure that the project could in fact be implemented:

1. To make a request to the Ministry of Transport and Communications to allow the municipality to own the location proposed for the new bus terminal;
2. To approve a statement explaining that it is necessary to identify strategic partners in order to implement the project;
3. To build a partnership between interested stakeholders through joint investments - establishing a committee to determine the conditions of agreement.

Upon receiving a positive response from the Ministry of Transport and Communications, the team proceeded with the implementation of the project - under clearly defined criteria, partnership relations and obligations between the municipality and the public transport company, "Proleter". A contract was subsequently signed confirming the private and public sector partnership. In order to facilitate the implementation of the project, support was sought and received from the "Municipality Development Fund - Joint Funds" programme of the United Nations Development Programme (UNDP).

In conclusion, this project was successfully completed thanks to: the cooperation of the municipality of Kriva Palanka; the financial assistance of UNDP; the municipality's own financial contributions; and, thanks to the participation of "Proleter" - the immediate beneficiary of the facility. While the bus terminal is owned by local self-government, the financial contribution received from 'Proleter' in fact represents advance payment for the use of the facility, whereas 50 percent of the services provided by the other users will flow as revenue into the budget of municipality of Kriva Palanka.

## 5.1. MANAGING THE PROJECT CYCLE

**Projects represent instruments for the effective transfer of external funds for the implementation of specific activities to overcome problems identified and outlined in community development plans.**

### PRE-PROJECT PREPARATIONS: COLLECTING INFORMATION ABOUT RELEVANT PROGRAMMES WHICH CAN FINANCE MUNICIPAL PROJECTS

As for the provision of all information packages concerning the programme, included are the so-called conditions for participation (VADEMECUM), including template application forms. In many cases, these are compiled into a comprehensive package. Often the application forms are available on the internet, which allows easy access to these forms so that they may be satisfactorily completed. It is vital that accompanying information packs are read carefully, paying specific attention to the:

1. **Eligibility criteria** - the prerequisites requested for the organisation, for example, whether they should be NGOs, universities, scientific or research institutes, or local self-governments units. Alternatively, a criterion may demand that projects result in the formation of partnerships between different entities and actors in the community.
2. **Requirements for partnerships** - In many of the programmes of the European Union, it is assumed that partnerships will be undertaken with organisations from other EU member states.
3. **Programme priorities** - those priority areas that can be funded through projects.
4. **Maximum levels of funding** - this will very much influence the scope of the project that you are preparing to implement.
5. **Deadlines for the submission of applications** - this will dictate the speed of the process of project preparation.



### 5.1.1. PROJECT DEVELOPMENT

The first essential step in the genesis of a project is the establishment of a team to work on the preparation of the project. Once a decision is made regarding the types of programmes which might provide the necessary funding to complete the project, the team may begin to formulate a detailed plan for the project. But, before this takes place, the following issues should be considered:

- Which social groups will benefit most from this project?
- In which specific geographic region will project activities take place?
- What are the specific objectives of the project?
- What methods and tools will be used in order to achieve these objectives?
- How much will the project cost?
- Is the investment justified?
- What are the project expectations?
- Will the implementation of the project generate sustainable development?

The application forms of particular programmes may not precisely stipulate how the project proposal should be designed. In such cases, the following standard presentation style may be adopted to provide a clear and concise picture of the proposed project:

#### **Cover Page:**

If the project proposal goes beyond four pages it would be advisable to include a title page, which should contain the project title and the name of the organisation associated with the project.

#### **Contents:**

If the project proposal is more than ten pages in length, a contents page should be provided.

#### **Summary:**

The summary is always a useful section of the project proposal, even if the project is relatively short. You should keep in mind that the responsible officials working in donor organisations do not always have the luxury to read through an entire project proposal. As such, the summary of the project should simply contain a problem statement; project objectives, details about the organisation, and the proposed budget.

### 5.1.2. Essential Steps when Preparing a Project

At the preliminary stage, it is necessary to carry out detailed research for application for a project. The next step is to conduct an analysis of the current situation relevant to the project. But before you do this, you should ensure that you select a short and interesting name for your project, which should be associated with the main activity of the project or be connected in some way to its general objective.

An analysis of the current situation allows current problems to be clearly defined and facilitates the appropriate formulation of project objectives and tasks. This phase is best carried out through local observations of

#### **Project Proposal**

- **The title of the project;**
- **A description of the current situation, also known as a situation analysis, which defines a particular problem and describes the location of proposed project activities. More specifically, this project proposal document should include the following:**
- **Brief description of the nature of the project;**
- **Main goal and objectives of the project;**
- **Target groups;**
- **Project tasks;**
- **Project activities;**
- **Plan of activities/calendar of activities;**
- **Expected outputs;**
- **Consideration of the sustainability of the project after its implementation;**
- **Budget of the project (revenues, expenditures and budget forecast);**
- **Logical framework matrix.**



identified problems. In principle, the project team members should undertake these responsibilities, but it is also possible to invite other relevant external stakeholders to take part at this stage. At this time, you should always consider the relations between certain problems and should present your findings in the form of a diagram or chart.

The next stage involves the designation of objectives and project tasks, which should directly correlate with the previously defined problems. On the basis of these objectives and tasks, it is possible to identify specific groups to be targeted by the project, and to plan specific project activities. The precise classification of project activities is of essential importance because these activities provide the core functions for the project, acting as tools for the implementation of project tasks and objectives.

In your projects, you should strive to achieve creativity and professionalism. Once you have agreed upon concrete activities, it will be necessary to prepare a plan of action, also known as a calendar of activities, in which each activity is precisely planned and timed. Herein, it is particularly important that you stay within the project duration time frame. Having prepared a calendar of activities, it is necessary to define the expected outcomes deriving from the implementation of project activities. This section should closely correlate with the objectives and tasks of the project in order to ensure that its impact is measurable.

One important section of European Union application forms is usually devoted to the issue of the viable sustainability of supported projects. In this section, you should present information on how project activities might continue beyond the completion of the financing of the project. This "project sustainability" section is a key segment of the application form; and, in fact, all projects should consider the issue of sustainability before implementation begins. A project is regarded as being sustainable once it can ensure that the benefit conferred to the target group will continue to be conferred over an additional period of time after the end of the activities of the project.

Some factors which should be considered when looking at the sustainability of a project include economic and financial aspects, managerial abilities, and institutional development, etc. These factors depend to a great extent upon the content and specifics of each project. Consequently, during the preparation stage of each project, it is necessary to prepare a project sustainability plan.

### **5.1.3. Preparing the Project Budget**

**A standard project budget contains the following components:**

**Revenues** - List all expected revenues for the project. State precisely the amount of monies being requested from donors:

**Expenditures** - Compile a list of all expected project expenditures, including indirect costs. Ensure that the budget is acceptable and realistic. Expand upon all budget details in the form of footnotes, distinguishing between direct and operational expenditures.

**Budget Forecast** - Outline carefully how much will be spent during each implementation phase.

### **5.1.4. Preparing the Text of the Project Proposal Document**

During all aforementioned phases, the specific sections of defined project proposals are prepared. At this stage, it is necessary to compile all the prepared texts, to finalise the narrative part, and to explain all parts which have not yet been clarified. Next, a section delineating the logical framework of the project should be prepared, depicting all stages of the project and, in turn, assisting those involved with the project's preparation to better structure their own views and more clearly describe the project in a standardised form. Once the project document's final body of text has been prepared, the team should coordinate the document's finalisation and submit it to the appropriate address - before the pre-described deadline.



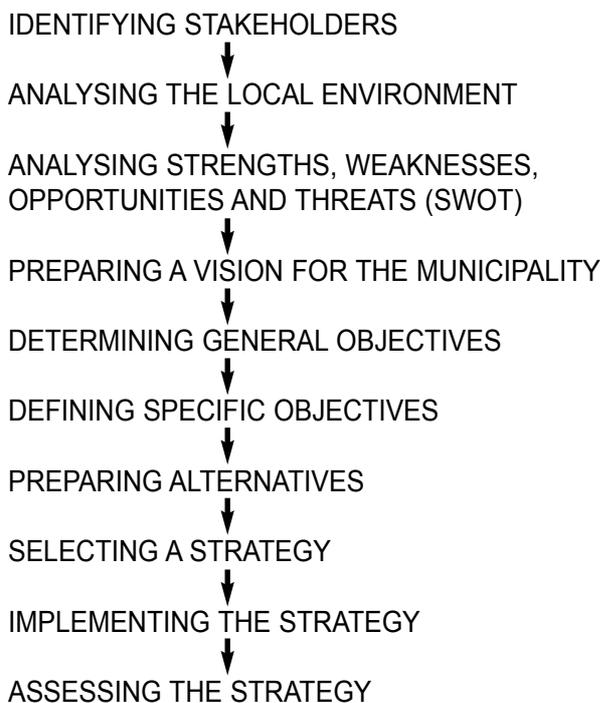
## 5.2. STRATEGIC PLANNING

**If you don't know where you're going, you're not likely to know when you'll arrive.**

Strategic Planning deals precisely with this concept, showing you which direction to proceed towards and the means to arrive there. More specifically, the concept of Strategic Planning:

- ◆ Focuses on issues of crucial importance, opportunities and problems faced by the given municipality. Herein, Strategic Planning provides local leaders with an opportunity to share views on day-to-day problems. In addition, it uncovers the most important solutions for targeted and timely project activities.
- ◆ Focuses on the process of assessing the particular conditions of the local environment. On the basis of this analysis of local strengths and weaknesses, including the positions adopted by local administrative bodies, Strategic Planning can recommend that challenges and opportunities are effectively avoided, or, utilised.
- ◆ The Strategic Planning is a continuous process which can help you manage changes better and direct the future of the project. This process is important because it allows your organisation to shape up its own future, or course of action, instead of simply preparing itself for an otherwise inevitable future.

### Strategic Planning Process:



#### 1. Identifying Stakeholders

A stakeholder is any individual, group or body, internal or external to the municipality, which seeks to influence a solution put forward by the municipality. Stakeholders might contribute resources or deliberate over the solutions offered by the municipality.

The participation of stakeholders during the initial stages of the preparation of a strategy is very important for the purposes of defining objectives and in order to ensure greater readiness and support for proposed solutions. Solutions offered by a municipality may involve many different types of stakeholders, such as companies, beneficiaries, neighbourhood self-governments or village councils, and other civic associations.

**EMPLOYING THE CONCEPT OF STRATEGIC PLANNING IN PROJECT DESIGN AND IMPLEMENTATION HAS MANY DIFFERENT ADVANTAGES. IN PARTICULAR, IT MAY HELP TO ACHIEVE:**

- Greater understanding amongst the public regarding trends and possibilities for the future.
- A general vision, allowing a consensus to be arrived at between the public and local self-government bodies that are working to achieve municipality objectives.
- The identification of vital activities to be undertaken and implemented in order to achieve the municipality's objectives.
- Strengthening of partnerships between the administration, businesses and municipality organisations during the process of resolving a range of complex problems.



## 2. Analysing the Local Environment

The project analysis encompasses the collection of information related to the conditions and future trends of the local environment. This analysis should identify internal and external factors which should be considered, expressly illustrating the local situation with regard to the following local characteristics:

- ◆ **Demography** - for instance, the age, gender, education, ethnicity and other characteristics of the local population;
- ◆ **Economics** - typically, key economic sectors, local investments, the general business climate, levels of privatisation, the situation for municipality-owned enterprises;
- ◆ **Social Welfare** - healthcare, educational and cultural institutions.
- ◆ **Technical Infrastructure** - the current situation for utility companies, water supplies, sewage systems, landfill sites suitable for dumping solid waste, irrigation systems, road networks, railways, public transportation, post offices, telecommunications, electricity and natural gas supplies, etc.
- ◆ **Financing** - local sources for financing and transferring funds from the Budget of the Republic of Macedonia.
- ◆ **Environment** - spatial and urban planning, measures and activities for environmental protection.
- ◆ **Legal Framework** - changes in which will influence the competencies or resources of the municipality.

## 3. Analysing Strengths, Weaknesses, Opportunities and Threats (SWOT)

What are the internal and external factors that the municipality can benefit from and what are internal and external threats to its further development?

**Example: During 2004, 80 percent of residential flats in a given municipality were provided with new garbage bins. For 2005, the company responsible for hygiene maintenance is to increase its garbage collection and transportation in the central area of the municipality from the existing three collections per week to four times a week.**

## 4. Preparing a Vision for the Municipality

It is essential to be able to recognise the primary tendencies and intentions of the general public. For example, to become a 'Mecca' for tourists, municipalities need to produce staff professionally-trained in the areas of tourism and hospitality. Similarly, municipalities need to find ways to ensure that high standards are maintained in the delivery of utility services for local residents.

## 5. Determining General Goals

In setting out the priorities for the project, you should be aware that General Goals represent a more concrete set of priorities than the project vision, but are not as detailed as the project's Specific Objectives. When filling out application forms which refer to general goals, the project team should set out its primary priorities for the project. Financial resources are always limited, and this is why it is necessary to clearly set out each general goal, so to establish which of these should be awarded greater consideration in comparison to other perhaps less important project objectives.

## 6. Defining Specific Objectives

The definition of specific objectives involves the detailed formulation of the means by which the municipality's project hopes to achieve its aforementioned general objectives. For each and every general objective, it is necessary to elaborate specific objectives which will facilitate the implementation of the general goal. A general objective which aims to improve the cleanliness of a municipality, for instance, might be followed by specific objectives, such as those described in the following example:

Specific objectives should indicate that the capacities of the municipality, alongside those of municipal partners, and should in fact show outcomes from the prior 'force field analysis'.



## **7. Preparing Alternatives**

In order to achieve a specific goal, a number of alternative paths might be followed; and each path will have a different cost and effect. Thus, alternative methodologies should be assessed in detail.

## **8. Selecting a Strategy**

Having explored several alternative strategies to achieve the stated objectives, one is selected to become the strategy of the municipality. It is particularly important that the selection of the strategy from its alternatives should be based on clear criteria, i.e. based upon comprehensiveness, expenditures, revenues, etc. The strategy must become a guiding document for the municipality and, as such, it should be endorsed and supported by the administration, partner organisations and citizens. Thus, the adopted strategy must be well presented and shared with other stakeholders. Moreover, the strategy should pass through the following stages:

1. Prepare a draft version of the strategy and conduct a public debate about it;
2. Incorporate all remarks and suggestions resulting from the public debates on the proposed strategy;
3. Present the proposed strategy before the Municipality Council for its adoption of it.

## **9. Implementing the Strategy**

The plan for the implementation of the strategy should be distributed amongst all departments of the municipality and all partner organisations. These stakeholders are responsible for the preparation of the plan of action and the attainment of the financial means necessary for the project's implementation.

## **10. Assessment and Monitoring of the Strategy.**

A very important stage in the Strategic Planning process is the elaboration of a system for monitoring and assessing project activities and the participation of the public in the implementation of the specific and general objectives. This monitoring is essential because it allows you to make alterations to the course of the project when progress is unsatisfactory or when local conditions change. It is important to ensure that a mechanism for accountability is provided to the public concerning the progress of project activities; this will enable citizens to see just how their municipality is working toward achieving the project's general objectives.

### **Legal Framework:**

- Law on Trade Companies (Official Gazette of the Republic of Macedonia, No. 28/2004)
- Law on Watering Services (Official Gazette of the Republic of Macedonia, No.62/2004)
- Law on Tourism (Official Gazette of the Republic of Macedonia, No.62/2004)
- Law on Handcrafts (Official Gazette of the Republic of Macedonia, No.62/2004)
- Law on Establishing an Agency for Supporting Entrepreneurship in the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.60/2003)
- Law on Spatial and Urban Planning (Modifications and Amendments to the Official Gazette of the Republic of Macedonia, No.45/2002)





## 6 SPATIAL AND URBAN PLANNING

Katica Dimovska - Taleska

**Effective spatial and urban planning is essential to the overall development of a municipality. This chapter deals with spatial plans for natural resources, current circumstances, and guidelines for urban development.**

### 6.1. SPATIAL PLANNING

One of the greatest challenges presented by decentralisation is urban planning and the issuance of building permits. Up until the present time, municipalities have been responsible for the preparation and adoption of Urban Plans. From now on, however, they are charged with the additional responsibility to implement and issue building permits - so enabling citizens to realise their rights at municipal level. This chapter will touch upon spatial and urban planning, which is an integral and continual process in the development of a municipality.

#### 6.1.1. What is a Spatial Plan and What Purpose Does it Serve?

The Spatial Plan represents one of the most important planning documents related to the development of the state. The Spatial Plan can assist authorities in the functional management of the territory of the state, as they apply principles for spatial development to various areas of jurisdiction (i.e. land, population, economy, non-economic activities, infrastructure, environment, culture, architectural heritage, and civil contingencies).

The Spatial Plan is a strategy which allows for the spatial development of the Republic of Macedonia, providing guidelines for the application, utilisation, preservation, organisation and management of the territory of the country. The Spatial Plan is a permanent document developed on the basis of the prevailing circumstances with regard to all available goods and resources in the country. It links, organises and balances the available resources of a municipality's territory, while taking into account some central development objectives. It can also offer guidelines to the process of establishing links with other neighbouring countries.

#### **Primary Objectives for Development:**

1. Considering practical factors in development;



2. Undertaking measures, providing funds and offering other forms of support for those programmes which seek to support business partners within local communities;
3. Instilling market principles in local communities and creating an appropriate institutional framework where-in market-driven institutions will be able to begin functioning properly;
4. Establishing a regionally-differential environment which facilitates adequate economic activities and policies.

### 6.1.2. Types of Spatial Plans

The specific type of Spatial Plan promulgated by a municipality depends upon the nature of the space to be subject to planning processes. This is how Spatial Plans are enacted in our country, be they Spatial Plans for the Republic of Macedonia, Spatial Plans for a Region, or Spatial Plans for a specific area of interest to the Republic of Macedonia - so representing an integral part of the Spatial Plan of the country.

A Spatial Plan for the Republic of Macedonia affects the entire territory of the country. A Spatial Plan for the Region is affects a specific geographic, economic and functional area, as determined by the Spatial Plan of the Republic of Macedonia.

**Example A: In Rasce, a Spatial Plan may be adopted for its water springs, which are recognised as being of vital importance to the city of Skopje and the Republic of Macedonia as a whole.**

### 6.1.3. The Spatial Plan for the Republic of Macedonia

At the preliminary stage of designing a Spatial Plan, it is important to clarify priority objectives and detail current circumstances, including the geographical and strategic characteristics of the area to which the Spatial Plan will apply. Each section of the Spatial Plan contains three essential components - a starting point, a set of objectives and a number of commitments, including relevant indicators.

#### Spatial Planning and Urban Planning

Spatial and Urban Planning are interlinked, interrelated and continuous processes. The Spatial Plan of the Republic of Macedonia is the most important type of planning document, providing guidelines for the preparation of lower-level planning documents, such as Urban Plans. These Urban Plans are aligned with the Spatial Plan of the Republic in respect to the following: the strategy for the economic development of the state; water supplies; the general plan for managing forests and hunting grounds; the strategy for the development of energy grounds; developmental programmes and plans of public interest; the designation and utilisation of land; long-term urbanisation policies; the network of motorway infrastructural facilities; residential areas; and, the protection of the environment, etc. Every lower level plan should refer to the general and specific planning provisions and detailed illustrations of higher level plans.

## 6.2. URBAN PLANNING

### 6.2.1. What is Urban Planning and What Purpose Does it Serve?

Urban Plans exist to regulate cities and suburbs in the same ways in which we manage our own residential areas. In order to ensure that these areas are adequately regulated, they should be managed in an organised manner and in compliance with standard practices. A city encompasses a community comprised of many different residential areas and, accordingly, it should be organised and regulated in keeping with these pre-determined standard practices.



## 6.2.2. Types of Urban Plans

Urban Plans are determined for a particular space or territory subject to a planning process and in accordance with the data provided in the Plan. In this country, several different types of Urban Plans are prepared:

- **General Urban Plans;**
- **Detailed Urban Plans;**
- **Urban Plans for Residential Areas;**
- **Urban Plans for Areas Outside Residential Areas.**

General Urban Plans are adopted for both the city of Skopje and for the central zones of municipalities. For instance, General Urban Plans are adopted for the cities of Skopje, Kumanovo, Stip, Strumica, Prilep, Krusevo, and Gostivar. The General Urban Plan is of strategic importance for the development of a municipality's central zone. In this respect, the General Urban Plan also defines the territorial boundaries of a city.

The Detailed Urban Plan, which is approved for those sections of the city in which the General Urban Plan has already been adopted, is further sub-divided in order to better review the spatial organisation of the land. The territory or land mass covered by the Plan is referred to as a spatial entity surrounded by road networks, bodies of water or other types of natural boundaries. The Detailed Urban Plan provides specific guidelines for the construction of facilities in each urban area.

The Urban Plan for the Residential Area is adopted for those residential areas which may be characterised as rural areas. In municipalities, these Urban Plans are prepared and adopted for all rural suburbs located within the municipality. Urban Plans for the Areas Outside the Residential Area are prepared and adopted for rural areas and complexes located outside the residential area; in areas which are not incorporated within the General Urban Plan or which are not covered by the Urban Plan for the Residential Area.

## 6.2.3. Why Are Urban Plans of Importance to Municipal Bodies?

Urban Plans are very important documents due to the fact that they represent the foundation for the socio-economic and cultural development of a municipality. Every municipality wants to develop its economy so that it may improve the living conditions of its resident population. Therefore, the municipality should continuously adopt, revise, supplement and adapt these Spatial plans in accordance with modern world-wide trends in the area of development.

Municipal bodies are tasked with implementing programmes adopted by the Spatial Urban Plan in order to organise and construct communal utilities, such as: local road networks, water supply systems, sewage and atmospheric waste water systems, sewage networks, and in order to protect the environment, etc. It is the Municipal Administration which is responsible for the procedures that concern the adoption of Spatial Urban Plans. The Municipal Council, through its working bodies, continually participates in the process of promulgating Spatial Urban Plans. The members of the Council adopt Urban Plans by their passing a motion which becomes an integral component of the Plan

**Example B: Due to the fact that the National Park of Galicica, as a spatial entity, is of special significance to the Republic of Macedonia, it is necessary to adopt a Spatial Plan for this geographical area.**

**Example: The authority responsible for the adoption of the General Urban Plan, the Urban Plan for the Residential Area, and the Urban Plan for the Area Outside the Residential Area is obliged to seek out the relevant documents from the state administration which govern and regulate spatial planning.**



#### 6.2.4. Why Are Urban Plans of Interest to Local Residents?

Urban Plans are of great importance for local residents because they have a direct impact on living conditions and employment. Adopted Urban Plans enable citizens to achieve their rights to construct a facility either for commercial or residential purposes or for the public interest. Urban Plans can assist in the organisation of land and can help to resolve property and legal issues. They allow an area to be shaped and can assist the process of purchasing of construction land. In this respect, Urban Plans also facilitate the construction of infrastructural facilities, etc.

As one example, try to imagine a situation in which a citizen is seeking a building permit from his municipal authorities. Since having first constructed his house, this citizen's family has grown much larger. In order to accommodate the family in modern and decent living conditions, he now needs to construct an extension to the building. Upon the citizen's request, the relevant municipal official should examine the municipality's register of Plans to determine whether the suburb in which the citizen's house is located is covered by the Detailed Urban Plan. In this scenario, two options are possible:

**Example: Prior to the adoption of a Detailed Urban Plan, public consultations are usually organised. A public announcement aims to encourage all citizens residing in affected suburbs to see for themselves the proposed Plan. In this way, citizens participate in its promulgation. The inclusion of citizens usually allows for the adoption of practical and better quality Urban Plans. This mechanism of accountability is reliant upon citizens actually putting forward their suggestions and offering their own opinions. After a Plan is finally adopted, the input of citizens can no longer be taken into consideration.**

Should the official observe from an Urban Plan that the applicant is entitled to construct the proposed extension, he or she should outline the municipality's procedures which must be adhered to obtain the required building permit. Hereby, the enacted Urban Plan enables the citizen to construct the extension and accommodate his family in adequate living conditions.

Alternatively, if there is no Urban Plan in place, the municipal official should inform the applicant that he is prohibited from proceeding with the construction of the extension. Inevitably, the citizen will be extremely displeased as he will be unable to construct the required extension until such time that an Urban Plan is enacted for the suburb in which he resides. Consequently, his family will continue to live for the immediate future in sub-standard living conditions, directly impacting upon their socio-economic development.

As this example helps illustrate, the Urban Plan is important because it allows citizens to meet their needs and construct commercial facilities which will ultimately enhance job opportunities and positively impact upon socio-economic conditions - not only for the citizen involved, but also for other citizens whom attain employment in those instances when commercial facilities are constructed.

#### 6.2.5. Who is Responsible for the Adoption of Urban Plans?

The municipalities, including the city of Skopje, are tasked with the duty to adopt Urban Plans, which can be further subdivided between two specific charges. Firstly, municipalities are responsible for the procedures for the adoption of Urban Plans. Specifically, the Department for Urban Planning, within the Sector for Urban and Communal Utility Affairs, is responsible for the procedures concerning the adoption of Urban Plans and for the planning of those Urban Plans being considered for adoption by the municipality. Their preparation directly depends upon the financial resources of citizens. Within the municipality, the Municipal Council is principally responsible for the adoption of Urban Plans.

The second major responsibility relating to urban planning concerns the need for precision, quality and due respect towards all legal regulations and including all else pertaining to the demands of citizens. Those parties involved with the preparation of an Urban Plan are directly responsible for its content, accuracy, quality, and degree of applicability to legal regulations, including s, through which citizens' demands are entrusted.

Citizens should not be exempted from the process of ensuring accountability during the planning stage. Herein, consultative mechanisms, through public polls, surveys and debates, should be conducted prior to the adoption and commencement of an Urban Plan.



## 6.2.6. The Preparation and Adoption of Urban Plans

### ● Preparation of Urban Plan

The preparation of an Urban Plan is conducted in two phases, involving first its drafting and then its proposal. Municipal Councils, and the city of Skopje, adopt yearly programmes upon a proposal from the sector or department responsible for urban planning in the municipality, or in the city of Skopje. When preparing these programmes, the implementation of the demands of citizens is taken into consideration for the purposes of preparing the Urban Plans, which have been received through an announcement for the preparation of the yearly plan.

Programmes for the preparation of the Urban Plan are submitted to the Ministry for Environment and Physical Planning, for the planning of facilities which are of significance to the state. Urban Plans from this programme are financed from the Municipal Budget, or from the Budget of the city of Skopje. Each programme is published in the official gazette of the municipality or the official gazette of the city of Skopje. When preparing Urban Plans, various standards are used, including those used in the planning process. The Agency for Spatial Planning prepares Urban Plans from the programme of the Government of the Republic of Macedonia. Urban Plans for the municipality and the city of Skopje are regularly prepared by authorised companies which specialise in the field of preparing Urban Plans.

There are two types of authorisations, such as those that concern the preparation of all kinds of Urban Plans and the preparation of Urban Plans other than the General Urban Plan. This information is very important for the municipality during the process of deciding on who will prepare the Plan, and for the implementation of the public procurement procedure. Those whom plan the Urban Plan are frequently architects whom possess a license with which they are authorised to work on the preparation of Urban Plans.

### ● Adoption of the Urban Plan

The adoption of an Urban Plan is completed in two different phases - the drafting phase and the proposal phase. After an initial draft has been prepared, the Urban Plan is submitted to the relevant authorised bodies which therein undertake an expert revision of it. Any remarks that these experts make are customarily incorporated into the draft Plan, after which it is finalised.

A comprehensive debate takes place on the General Urban Plan, involving the aforementioned public consultations, which are followed by a presentation of the Detailed Urban Plan and the Urban Plan related to the affected residential areas. Based upon the comprehensive debates and public consultations, a report is prepared which provides a clear elaboration of the accepted and rejected comments which were previously submitted to the party responsible for the preparation of the proposed Plan.

Next, it is necessary to secure approval from the authority of state administration responsible for issues that relate to spatial planning. The proposal is then submitted before the Municipal Council, or the Council of the city of Skopje, for promulgation and adoption. The Council should have its own body to examine the Plan and to, potentially, approve the Urban Plan in question. The process of expert revision is performed by a legal entity authorised to prepare the Urban Plan, usually appointed by the municipality, or the city of Skopje. On the basis of the expert revision, a report is prepared, according to which the planner should express his or her own opinions. These documents become an integral part of the Plan.

The Municipal Council, or the Council of the city of Skopje, should then organise public consultations in order to verify the draft Plan, under a series of expert discussions. Public consultations exemplify a procedure in which citizens are encouraged to participate very intensively. These consultations, accompanied by public presentations, concerning both the Urban Plan and the Urban Plan for Residential Areas, are organised by the municipality's Mayor. Urban Plans should be displayed in public areas of neighbourhood self-governments for at least a duration of thirty days. Hereby, citizens can examine a Plan over this period and can thus write down any comments they may have on survey lists, offer their opinions, or make other suggestions as they see fit. The public presentation of the Plan is organised by experts and by the Mayor of the municipality.

A Committee established by the Mayor prepares the report on this public consultation period. The Committee is comprised of three members, including a chief planner, an authorised municipal official usually from the



Urban Planning Sector, and one external member who is usually a well-known scientist or other qualified expert. The Municipal Administration is obliged to inform citizens in writing of the committee's findings, particularly all those citizens who have submitted their comments at the public consultations. The correspondence will outline whether or not citizens' requests have been endorsed by the committee. It is quite possible that an Urban Plan may be sent back for yet another cycle of public surveying and public presentations if it is assessed that any newly-arising circumstances are substantial enough to warrant this course of action.

As for the General Urban Plan, the comprehensive experts debate is organised by the Mayor of the municipality, or, alternatively, by the Mayor of the city of Skopje. This expert debate is attended by representatives chosen by the party responsible for the preparation of the Plan, the state administration, and the local self-government and the departments responsible for the protection of cultural monuments. Communal utility enterprises and other bodies affiliated with the field of urban planning also attend. During the expert debate, the Plan is outlined and an explanation for it is provided. This is an opportunity for all attendees to offer their opinions on the Plan and to make proposals and suggestions forthwith.

### The Draft Plan

The draft is the version of the Urban Plan which incorporates all remarks derived from the expert debate and those suggestions that arise from the report on public consultations. Once these comments have been incorporated, the Plan is ready for final approval and adoption.

### The Approval of the Plan

The state body responsible for the spatial planning is tasked with verifying whether the Urban Plan has been prepared in compliance with legal regulations. This body should decide whether to approve the plan within a thirty-day period.

**Example A: Imagine a situation in which there is an adopted Urban Plan for a city, which is in compliance with all prevailing and relevant s and regulations. In one urban block of the city, a Detailed Urban Plan has been in force for some time and is now outdated having been enacted prior to 1996. If we look at the allocation of those portions of land suitable for housing, the two Plans may not be wholly compatible with one another as it may be the case that their particular provisions and other types of parameters for implementation cannot be incorporated. Therefore, the party applying for a building permit will have to undertake the construction according to conditions dictated by the old Detailed Plan, which may impose numerous types of restrictions on that construction.**

The Municipal Council, or the Council of the city of Skopje, is charged with finally approving and adopting the Urban Plan. In the case of the city of Skopje, however, its Council may only adopt a General Urban Plan, whereas the Municipal Councils may also adopt Detailed Urban Plans, Urban Plans for Residential Areas, and Urban Plans for the Area Outside the Residential Area. Municipalities which exist within the territory of the city of Skopje must first seek a positive response from the bodies of the city of Skopje before they may adopt their own Urban Plans. From the day that approval is received, Plans must be adopted within a two-month time-frame.

The General Urban Plan, which is applicable for the entire populated area, is usually adopted for a period of ten years, whereas the Detailed Urban Plan is implemented over a duration of five years. After the expiration of these time-frames, the party responsible for the adoption of the Plan must give its approval for a revision of the Plan to commence, which will determine if there is a need to change or supplement the Plan. Any changes must adhere to the same procedures as outlined above.

Once the aforementioned deadlines have expired, the party proposing the Plan should approve another revision to it, which will determine whether there is a need for a change or a supplement to be made. All changes and supplements are made in a similar fashion.

### 6.2.7. Deficiencies of Urban Plans

As is the case with many things in the world which are not ideal, Urban Plans also have their own deficiencies.



### ● Unnecessary Limitations

Frequently, the planner will stipulate a range of very strict definitions for construction in Urban Plans - often without prior consultation with the population or without due consideration to genuine needs or opportunities. This attitude may become an impediment for the implementation of an Urban Plan.

For instance, in the Detailed Urban Plan, sometimes it is stipulated that roofs of houses in family-dominated residential neighbourhoods should be made of one type of material, and limits are sometimes placed on the extent to which these roofs may be slanted. But, people who reside in these suburbs are often very reluctant to use materials for the construction of their homes which are already outdated. Instead, citizens would prefer to be permitted to use more modern materials in the construction of their homes, materials which are more aesthetic, cleaner or safer from the ecological point of view.

However, according to an existing Urban Plan, it might well be mission impossible to achieve this. Usually, this explains why a request will be put forward for changes and supplements to the existing Plan. In this particular case, the party responsible for the adoption of the Plan would have to come forward and try to accommodate the demands made of it by the citizens. It should be stressed here that sometimes it may be a very delicate matter to incorporate the demands of the population into the Urban Plan as sometimes these demands do not go hand-in-hand with applicable legal regulations.

### ● The Lack of an Adequate Plan

When a municipality is in want of an adequate Urban Plan, socio-economic and cultural development can sometimes be brought to a stand-still in the municipality, so impacting upon the municipality's population. The lack of an adequate Urban Plan may often delay the process of construction, especially when concerning the construction of commercial facilities, so directly affecting the employment situation and subsequently diminishing opportunities for the improvement of living standards and lives in general.

The allocation of land and final touches in the definition of Urban Plans cannot be undertaken if there is not already a Detailed Urban Plan in place. If there is no General Urban Plan in place, a municipality does not have a development strategy in place, and the municipality, accordingly, cannot implement its work programmes, especially those that concern communal utilities and other types of infrastructural development and maintenance, etc. In these situations, it could well be the case that the municipality acts in a disorganised manner.

Generally speaking, when there are no Plans in place it will be very unlikely that a municipality will be able to provide services to its citizens. Therein, the municipality will not function well. It is necessary to also mention that the preparation of Plans is often a very costly exercise, which depends to a great extent on the financial strengths of the municipality.

### ● Inconsistent Urban Plans

If no Urban Plans have been adopted, or if these Plans have been placed in a hierarchical order for residential areas in the municipality in terms of all Urban Plans, it is very possible that inappropriate problems might occur. These problems could make things even more difficult and could put the construction of all types of facilities on hold. In this situation, citizens will not be able to realise their land rights and will thus not benefit from an improvement in living and work conditions.

**Example B: Should there already be an adopted Detailed Plan for the suburb, and should there an adopted General Urban Plan, it is very possible that there might occur a number of discrepancies with regard to the allocation of land. In practical terms, this means that analyses about the needs of citizens may indicate that there is a need to increase the actual zone that was designated as being suitable for residential homes during the process of preparing the General Urban Plan. The Detailed Plan, adopted in 1996, may stipulate for that area there may have been a number of permits which were issued for the construction of commercial types of facilities, which are now already in place at the present time. Difficulties will occur when trying to align these two plans. A degree of discontent may occur amongst those citizens whom work at these facilities, which may make the plan less practical, perhaps to the point of being impossible to implement. Nonetheless, this does not suggest that the planning process should be concerned with only taking into consideration the current situation. The planning process should consider all relevant conditions and order them in a single workable document, paying due respect to prevailing circumstances.**



## **6.2.8. Other Acts Corresponding to Urban Planning**

The Urban Project details a set of ideal solutions related to a given facility which is to be constructed, in relation to traffic and urban portions of land, land which is designated as suitable for construction purposes, and in terms of conditions such as the maximum height available, local areas of greenery, and the infrastructural design of the facility.

There are several different types of land on which construction can take place, which are determined by the Detailed Urban Plan, the Urban Plan for the Residential Area, and the Plan for the Area Outside the Residential Area. The Urban Plan helps to provide precise details about the applicable conditions during the construction stage.

The procedure for the adoption of the Urban Plan, which it is financed by the investor, begins with the preparation of Urban Plans by an authorised legal entity. Constructions which are of interest to the state include traffic corridors, infrastructural systems, business areas, etc, and especially those constructions that cut through several municipalities. For these constructions, it is necessary to prepare an urban project based upon the pre-conditions set for spatial planning.

For this type of urban project, an expert revision is prepared and a comprehensive debate between experts is organised, after which approval may be obtained from the Minister responsible for matters related to spatial organisation. Based on the Urban Plan, an appropriate decision for the conditions of construction may be proffered.

## **6.3. ISSUANCE OF BUILDING PERMITS**

### **6.3.1. What is a Building Permit?**

The building permit is a document which allows the commencement of construction work. In order to obtain a building permit it is necessary to carry out a range of other preliminary activities.

### **6.3.2. The Urban Plans in the Procedure of Awaiting the Issuance of a Building Permit for Construction Purposes**

As was touched upon in the previous section, municipalities are responsible for prescribing the pre-conditions which must be met prior to issuing the building permit, which itself outlines further applicable procedures. The intended outcomes of an Urban Plan are outlined to citizens in a summary certificate. This certificate forms the foundation for architectural plans, which are required in order to obtain a decision on the location conditions.

Especially important are the Detailed Urban Plan, the Urban Plan for the Residential Area and the Urban Plan for the Area Outside the Residential Area, principally because they detail the specific parameters, construction conditions, communal utilities and infrastructural requirements applicable to the portion of land earmarked for construction.

#### **● Building Permit Conditions**

The applicable Urban Plan, for instance a General Urban Plan, prescribes the conditions under which construction may commence. These conditions delineate: the size of the facility to be constructed; its foundations, height, and distance to other nearby facilities and streets; the use of particular construction materials; water supplies and sewage; electricity supplies; telephone installations; and, other imposed limitations on construction.

The decision on the conditions applicable to facilities which are of importance to the state is usually taken by the state body responsibility over spatial organisation. Alternatively, the decision on applicable conditions for



facilities which are of local interest is issued by the Mayor of the given municipality. The immediate neighbours whom could be affected by the construction are informed on the content of the building permit by the state body and may be involved in the procedure for issuing the said decision. While the decision concerning facilities which are of local interest is valid for a full year and should be issued within five days, the decision concerning facilities which are of importance to the state is valid for two years and must be issued within thirty days.

### ● Obtaining Approval for Construction

Before the project documentation is prepared, it is crucial that all required approvals are obtained and that geological survey data is acquired and presented by the citizen. This geological survey data, pertaining to the land which is to undergo construction work, should be prepared by an organisation authorised to conduct geological surveys - usually upon the request of the investor or the state administration body responsible for spatial organisation.

This data provides information about the land in order to help the resolution of property and legal matters and to determine construction rights. Other types of approval which should be obtained concern the availability of particular capacities.

### ● Preparing the Project Documents

The project documents are compiled using all technical documentation related to the construction of the proposed facility. Sub-projects, which are part of the overall project document, are divided accordingly into:

- The Draft Project;
- The Main Project;
- The Implementation Project;
- The Project for the Use and Maintenance of the facilities.

According to their application, sub-projects may be further divided into the following categories:

- Architectural;
- Static and mechanical;
- Electrical-technical;
- Traffic;
- Mechanical;
- Work safety;
- Other projects (i.e. water supplies and sewage, etc.).

Projects are prepared by professionals whom are suitably qualified and authorised to prepare project designs. Project designs are prepared in compliance with currently applicable and prescribed legal regulations and must contain a section containing specific details for the project designer, investors, the background programme which defines the request for the project, and technical descriptions and measurements, including a calculation for the costs of the work yet to be undertaken.

The draft project is a sub-project which determines the basic shape, functions and technical parts of the construction, with a depiction of the size and shape of the construction on the location once the construction is

**Example: A citizen who wishes to construct his family home on a portion of land located in the city would visit the municipal Sector responsible for urban and communal utility matters. At which stage, the citizen should first look closely at the Detailed Urban Plan to determine what may be constructed and to discover the applicable conditions under which the construction may take place on that portion of land. Once it is verified that the construction of the family home is permitted in the Urban Plan, the citizen may pursue the obtainment of the necessary building permit.**

**Example: the project documentation related to the construction of a school will contain the following projects in it as an integral part; architectural, mechanical resistance and stability, electrical, water supply and sewage, mechanical (for the heating services) protection at work, protection from fires, and the organisation of the school yard.**



completed. At this stage, depending upon the complexity of the construction, it is possible to provide other draft ideas on the other functional, technological procedures in the production process. The draft project is a permanent document which is stored safely within the premises of the body which issued the project. A duplicate copy of these documents is also kept by the investor.

**Example: The main project for the construction of a family home contains an architectural project design, including a depiction of the shape, location and position of the construction, in addition to a provisions for household wiring and plumbing. This is then used as evidence to show that it meets all essential requirements. This main project must be prepared for the construction of all types of facilities, be they involving simple or complex construction procedures, should they involve the reconstruction of an existing facility, or be they for constructing typical construction projects. The main project is permanent document which is held within the premises of the body which issued it; a copy is kept by the investor.**

The main project is consisted of collections of all aligned projects relating to technical aspects of the construction; so approving all technical and other demands applicable to the construction project. The main project must contain all project details, including all other demands that may be applicable. It must contain all those details used during the project preparation phrase, with a time span reflecting the dates by which the construction can practically be completed. It also proffers the conditions which must be adhered to when undertaking any maintenance work to the constructed facility.

The implementation project elaborates those technical solutions outlined in the main project and is prepared in line with the main project. On the basis of the implementation project, the supervised construction of the facilities will commence. The implemented project design is held by the investor - the owner of the facility under construction - as long as the facility exists on its location. The project for implementation is prepared during and after the construction stage, after which all changes which have occurred during the construction phase are incorporated into it. This project depicts precisely just how the construction work progresses.

The project for the use and maintenance of the facility outlines the ways in which maintenance work and the general use of the facility should be undertaken by certified, authorised professionals. The project is subject to a process of supervision, which is carried out by an individual responsible for revisions, who prepares a report of his or her findings. This reviser may place certain demands on the project, such as requiring that the supervision should continue throughout the duration of the construction. For those projects which have been designed abroad, local certification must be obtained from the relevant legal authorities.

### ● The Building Permit

In order to begin construction activities, it is necessary to obtain a building permit for the construction of facilities which are of significance to the state. These building permits may be obtained from the body authorised for spatial-related matters. Whereas for those facilities which are of local significance, it is the municipality's Mayor who issues the pertaining building permits. Those facilities which are of importance to the state are distinguished under as being co-called category one facilities. Complex facilities fall under category two, while facilities which are of local character fall under the third categorisation. The fourth and fifth categories cover all other areas to which municipalities are authorised to deal with.

In the third category, are facilities which are complex in their construction, such as high-rise, hydro and other types of constructions, including: primary and secondary school buildings; sports facilities; cultural institutions; religious buildings; primary and secondary healthcare facilities; social welfare buildings; commercial, hospital-ity, and industrial facilities; business and residential facilities; local roads and railways; and, hydro electric power plants up to 40 Mega Watts and power lines up to 110 Mega Watts. Other constructions incorporated into this category include: local water supply systems; sewage systems and waste water treatment plants; water supply facilities; and, land-field sites for the disposal of communal waste, etc.

Constructions belonging to the fourth category include less complex facilities, such as: residential and business facilities which are only up to three floors in height; family homes and, small business facilities up to two floors in height, etc. Those facilities which belong to the fifth category are the simple constructions, for instance: ground-level commercial facilities on the premises of commercial companies which are up to six meters in height; electrical power sub-stations; kiosks and other types of constructions up to 12m metres squared in size;



sport grounds which have a flat surface area (i.e. football pitches and tennis courts, etc.); and underground constructions which do not exceed 100 metres squared in size, etc.

A building permit is issued upon the written request of an investor, who is required to submit all necessary documentation as prescribed by the laws governing construction related matters. The building permit is issued for the entire facility to be constructed, but it is also possible to obtain a permit for the part of the facility which can function as separate entity. Modifications or supplements may be made to the building permit, and it is possible that even the investor may change in the meantime.

Although the building permit is valid for a period of two years, it is possible to obtain an extension to the validity of the permit for an additional two years thereafter. The building permit can be issued for undertaking preparatory work when constructing a complex facility in order to protect the surrounding area or the environment, etc, and to prepare the construction site.

For some types of construction activities, it is not necessary to obtain a building permit. These construction activities include maintenance and modification work, reconstruction of facilities located within the compounds of the Army of the Republic of Macedonia, and construction work for individuals whom are partly or severely disabled, etc.

### **6.3.3. Constructing Facilities**

In order to begin construction work, one must first set up a construction site for that purpose, which should be made available for construction and employment inspection. Additionally, the investor is obliged to provide the design for the construction facility from an authorised organisation. The construction site should be fenced out and sign posts erected, in order to prevent uncontrolled access to it. A billboard should provide details about the investor, the title of the project, information about its implementation, details about its supervisors, and an outline conditions of the building permit, in addition to any further information which might relate to constructions which are of cultural or general interest.

Complex types of constructions may be implemented by a licensed legal entity. All of the documentation related to the design of the project should be kept at the construction site, alongside all received approvals and permits. Similarly, attempts to demolish facilities must be accompanied by the appropriate project documents and permits for the demolition to take place.

#### **● Supervision of the Construction**

Supervision over construction work is carried out by a supervisor engineer, who is authorised as an expert to supervise the facility under construction. A construction log book should be maintained and kept during the construction period; all activities related to the construction of the facility are recorded in this log book, including all changes which occur during the construction phase.

#### **● Attaining Technical Approval**

After the completion of construction activities, the next step is to obtain technical approval from the Committee for Technical Approval. While the Mayor of a given municipality is responsible for determining whether a facility is of local importance, for those facilities which are of significance to the state, the Committee for Technical Approval is established by the Minister with the portfolio on spatial planning.

#### **● Obtaining Usage Approval**

Approval for the usage of the constructed facility is issued by an authorised body specialising in the field of spatial planning. This approval is issued after it has been confirmed, through technical inspections, that the facility was constructed in compliance with the provisions of the main project. Only once all essential provisions have been fulfilled may the facility be used for its intended purpose.



### **6.3.4. Inspection Supervising**

The inspection regime which supervises the entire construction process and the issuance of the building permit is performed by the Urban Construction Inspectorate.

#### **● Urban Inspection**

Urban inspectors supervise the construction conditions on location to ensure that they are in accordance with the previously stipulated conditions of the project, guaranteeing that construction activities are in line with those proposed by the project. Urban inspectors employed by the State Inspectorate for Construction and Urban Matters supervise those construction works that are of state significance, whereas authorised inspectors from municipalities carry out inspection activities for construction works which are of local significance.

If the urban inspection finds that location conditions are not in line with the Urban Plans or that there are not in accordance with those stipulated in the urban project, then the inspectors are entitled to void the decision which was issued concerning location conditions and may propose to the body which originally issued approval for the project to suspend the building permit.

#### **● Construction Inspection**

The actual inspection of the facilities under construction is carried out by construction inspectors - either from the State Inspectorate for Construction and Urban Matters, if the facilities in construction are of significance for the state, or, by construction inspectors from the municipality, if the facilities are of local importance. The construction inspection supervises the construction activities for the facility and, if it discovers that there are irregularities, then it may make a decision to suspend construction activities or suggest that faults are removed or eliminated forthwith.

#### **● Executing a Decision**

In the event that the inspectorate makes a decision to remove or demolish a construction facility, should the investor fail to do so in the allotted timeframe, then the demolition of the construction facility may be executed by another party or another person at the investor's expense.

## **6.4. TRANSPORT**

### **6.4.1. Traffic Networks**

In the Republic of Macedonia, almost all modes of transportation exist, from transportation that utilises the land (i.e. roads and railways), and that which uses the airways (i.e. aeroplanes), to that which, albeit to a smaller extent, makes use of the waterways. Undoubtedly, however, the bulk of traffic is concentrated on land - on roads and railways. Constructions and improvements to transport connections represent an important and significant policy area, especially for the local residents whom most directly feel the effects of a policy. One must concede, nonetheless, that the construction of road networks is often detrimental in the respect that it endangers the natural environment.

#### **● Who is Responsible for Owning and Administering Transport Networks?**

Traffic networks across the country are categorised in terms of their importance these into one of two groups - facilities which are of significance to the state and those which are of importance to the local area. Those facilities which are significant to the state are either: motorways and regional roads, including all types of related road facilities adjoined to them; railways, also encompassing all accompanying railway facilities along them; and, airports, which are used for public and other types of transportation.



Streets and roads are of local significance. Whereas, those traffic facilities are of significance to and owned by the state, as managed by a body from the state administration responsible for traffic matters. Traffic facilities which are of significance to the local area are owned by the municipality and are thus managed by a body of local self-government so designated to be responsible for traffic related matters.

#### ● **Different Categories of Roads**

Roads and streets connect suburbs within a municipality, roads also connect municipalities to the centre, or capital, of the state - just as the state connects with other neighbouring states through particular road networks. As such, these different types of roads are categorised in accordance with their importance: motorways, regional roads, and local roads or streets. In practice, there do exist roads which do not fall under any of the above categories.

#### ● **Trans-European Corridors**

The trans-European road corridors represent land connections between the North-South "Corridor X" and between the East-West "Corridor VIII." These two so-called "Corridors" connect this country with its neighbouring states and with the member states of the European Union through both road and railway transportation networks.

#### ● **Local Roads, Footpaths and Bicycle Tracks**

Local roads are those that are located in the territory of the municipality and which connect the suburbs with one other and with the centre of the municipality. Roads through a city are important because they provide decent, fast connections business zones and the city centre. Road lanes, footpaths, and bicycle tracks all comprise the traffic road system located inside suburbs. But, even in the suburbs themselves roads can be further classified into several different groups, such as: motorways, gathering traffic roads, service junctions, transportation service roads, and residential roads. This classification of roads is delineated in accordance with the types of traffic flow running through them.

Traffic networks which run through cities are potentially polluters of the environment because of the amount of vehicle exhaust pipe emissions caused by the concentration of cars. For this reason, it is recommended that areas known as green belt zones be constructed alongside and between roads and footpaths.

### **6.4.2. Public Transport**

Public transportation is organised for the purpose of providing transport for passengers and goods. Public transport is carried out on road traffic networks.

#### ● **Passenger Transport**

The public transportation of passengers is conducted in cities, between cities, within residential areas, between residential areas and the city, and, lastly, between different states. Passengers are usually transported within light motor vehicles, buses or coaches, railways, or aeroplanes, etc.

Public transportation within a municipality is organised principally with the help of buses and taxis. However, it is worth noting that not all municipalities have their own bus or coach transportation services. Public transport is frequently provided by private enterprises which are authorised to carry out the public transportation of passengers.

In those municipalities and cities in which there is an organised public passenger transportation system in place, a sufficient number of bus stops are designated to be used by the transportation vehicles. The prices for accessing transportation services in a municipality are controlled by the Municipal Council or, in the case of the city of Skopje, by the Council of the city of Skopje.



Public transportation between different municipalities, across our country, and through to other countries is exercised through the use of motorised transportation, railways and/or aeroplanes. These modes of transportation are controlled by the state through a body responsible for traffic and transportation.

**Example: A Central Business District (CBD) may be split into two different zones - the very centre of the city, and the wider central area.**

**In the zone that incorporates the very centre of the city, the cost for parking a vehicle might be doubled - i.e. parking costs twice as much as anywhere in the wider central zone, for the same length of stoppage. In this way, the vehicles are prevented from concentrating in the city centre, so providing safer pedestrian movement, reducing air pollution levels, and helping the centre to better function.**

#### ● **Transportation of Goods**

Goods and cargo are transported through and between cities, within residential areas, and between residential areas and cities, and also, of course, between different countries. This public transportation of goods throughout the country is carried out by trucks or lorries, and by railways and aircraft.

#### **6.4.3. Transportation Safety**

Public transportation is conducted through traffic networks mostly using roads and railways. Well-designed and well-marked roads facilitate the safe flow of traffic. In old cities, however, very narrow roads mean that the traffic flow is rather more difficult and often very unsafe. Attempts have been made in order to resolve these problems by introducing one-way roads and through introducing zones in which traffic can be easily controlled. But, in addition, citizens' habits to use their vehicles for minor journeys must be changed.

The greater that public transportation is utilised by the public, the less vehicles there will be to cause problems on the streets, especially in city centres. Therefore, it is compelling to take vehicles out of city centres and to create so-called ring roads around cities. The division of a city into different zones for traffic represents one important tool by which to eliminate the excessive number of vehicles in the city.

#### **Legal Framework:**

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No. 5/02).
- Article 22, "The list of competencies", Paragraph 1. 1. Urban (Urban and Rural) Planning, issuance of building permits for facilities which are of local significance and those determined by the Law, the organisation of the space and the organisational of the construction land.
- Law for the Implementation of Spatial Planning in the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.39/04).
- Rule Book on Standards and Norms Concerning the Organisation of Spatial Areas (Official Gazette of the Republic of Macedonia, No... 2/02, 50/03).
- Rule Book for detailed content and the manner of the graphic processing of plans and the manner of the procedure for adoption of Urban Plans (Official Gazette of the Republic of Macedonia, No. 2/02).
- Rule Book on Standards and Norms for designing facilities (Official Gazette of the Republic of Macedonia, No. 69/99, 102/00, 2/02, 5/04).
- Law on Public Roads: (Official Gazette of the Republic of Macedonia).
- Law on Traffic Safety (Official Gazette of the Republic of Macedonia).
- Law on Spatial and Urban Planning (Official Gazette of the Republic of Macedonia, No. 4/96, 28/97, 18/99, 53/01 and 45/02)



- Law for the Construction of Investment types of Facilities (The Official Gazette of the Republic of Macedonia No.15/90, 11/91, 11/94, 18/99 and 25/99).

Laws that are in parliamentary procedure:

- Draft Law on Spatial and Urban Planning - (Official Gazette of the Republic of Macedonia No 4/96, 28/97, 18/99, 53/01 and 45/02)
- Draft Law on Construction - (Official Gazette of the Republic of Macedonia No 15/90, 11/91, 11/94, 18/99 and 25/99).





## 7.1 PUBLIC ENTERPRISES AND PUBLIC UTILITY SERVICES

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**Public utility services are naturally associated in the minds of citizens with municipal government. This is a competency that local self-government has exercised already for some time, but we hope that your municipality will better provide quality services for citizens in this area of responsibility.**

Citizens naturally associate municipal government with the responsibility over the provision of public utility services. This specific municipal competency has been the province of local self-government for some time already. I hope that you, during the course of your mandate, will provide for better quality services for your citizens, which will justify the trust that citizens have given unto you.

To begin, we should familiarise ourselves with the public utility services which are of public interest and of local importance. Why this is necessary? This is important in order to help you to make the appropriate decisions in the execution of this competency. Those activities which should be pursued in order to execution the responsibilities of public utility service provision, which are also of public interest and local importance, are determined in the Law on Public Utilities and include the following:

- Providing drinking water;
- Processing and delivery of industrial water supplies;
- Drainage and purification of waste waters;
- Drainage of atmospheric waters;
- Public transportation;
- Processing, depositing and dumping of solid waste;
- Disposal of industrial waste and hazardous materials;
- Maintenance of public sanitation;
- Maintenance of parks, green areas, forests, recreation areas, and waters;
- Maintenance of traffic lights and signs, and other infrastructural facilities;
- Maintenance of cemeteries, crematories and provision of cemetery services;
- Maintenance of public lights;
- Maintenance and usage of public areas for parking;



- Supervision of markets;
- Conducting chimney cleaning services;
- Maintenance of public utility-related equipment;
- Removal and storage of illegally parked vehicles, damaged vehicles, and agricultural machinery;
- Eradication of stray animals;
- Decoration of populated areas;
- Maintenance of public sanitation toilets;
- Air-spraying, disinfection, or similar.

If you look closely at each of these responsibilities, it should become clear that you would need to establish public enterprises in order to carry out many of these required activities. For the rest of these activities, you will likely have to transfer the execution of these duties to other private enterprises or entities by means of contracting out municipal responsibilities, or by means of offering concessions. In any event, it is you who should designate the ways in which these activities will be executed since you have the capacity to make decisions about the most efficient execution of these activities as members of the Municipal Council. Herein, you should decide whether to establish a Public Enterprise or transfer a particular activity to a particular enterprise or a private individual, in order that the service be effectively delivered.

Cognizant of the fact that the execution of these responsibilities is, in most cases, conducted through public enterprises established by the municipality, we should explain some particular matters related to the public enterprises, such as: issues of status, establishment, management, financing, oversight and control.

### **7.1.1. Public Enterprises**

Having in mind the fact that the execution of these activities is, in most cases, conducted through public enterprises established by the municipality, we should now explain some particular issues related to these public enterprises, such as their:

- Status;
- Establishment;
- Management;
- Financing;
- Oversight;
- Control.

#### **Status**

The Law on Public Enterprises does not define the status - i.e. the character of public enterprises. In other words, this law does not make any classification as to whether these enterprises can be termed as business enterprises or as a special type of public company. In contrast to the Law on Public Enterprises, the Law on Local Self-Government defines these enterprises as Public Services. This means that the Public Enterprise, as a Public Service, is a non-profit-making organisation charged with the responsibility to execute public services which are of public interest and of local importance.

In short, the Law on Local Self-Government categorises each Public Enterprise as a Public Service, defining it is an non-profit-making organisation. A non-profit-making organisation is an organization which does accumulate profit revenues from its activities; prices are designed to only provide for its regular service provision and the maintenance of its working assets.



## Establishment

Public enterprises are created by the decision of an authorised organ, the identity of which depends upon the service to be provided and whether they are conducted at local or state levels. Municipalities, including the City of Skopje, alongside the Republic of Macedonia, are responsible for establishing public enterprises. Having this in mind, it is possible to distinguish between municipal public enterprises and state public enterprises.

A decision to establish a public enterprise should prescribe the following details:

- The proposed activities of the public enterprise (i.e. supplying drinking water, purification of waste waters, providing public transportation, etc.);
- The name or title of the firm and its location;
- The precise inaugural deposit to be provided;
- The organisation of the public enterprise;
- The means by which decisions of the public enterprise's organs may be executed;
- The responsibility of the public enterprise in legal transactions;
- A timeline for the adoption of the statute;
- The appointment of public enterprise organs;
- The appointment of an individual who will lead the activities of the public service organs up to its establishment.

In order to enable the public enterprise to operate as a legal entity, according to the act so establishing it that public enterprise should be registered at the time of its establishment in the trade registers of the Basic Court nearest the location of the enterprise.

## Management

The management organs of a public enterprise consist of the:

- Management Board;
- Supervisory Board; and,
- Director.

### The Management Board

The Management Board is the administrative organ responsible for managing the operations of a given public enterprise. The number of members of a Management Board depends upon the size of the enterprise - i.e. the volume of services that the enterprise is engaged in providing - but will vary only between five and, at most, fifteen members.

Of these members, two-thirds should be professionals coming from the professional area subject to the work of the enterprise. The remaining third of its members will be representatives of the employees of the enterprise. Board members are appointed by the Municipal Council and their mandate cannot exceed four years. Their tenure in office may be shorter than four years (for example, two years), especially if the mandate of the members of the Management Board coincides with the mandate of the Council members. This issue is appropriately defined in the Statute of the Public Enterprise, to which the Council gives its approval.

Furthermore, it should be noted that Management Board members may not, at the same time as occupying a position on the Board, also hold any of the positions of Prime Minister, Minister of the Government of the Republic of Macedonia, or Mayor of a municipality including the city of Skopje. Also, Management Board



members cannot themselves, or through a third party, have any personal interest deriving from the public enterprise or from any business enterprise related to the public Enterprise. Neither may he or she adversely influence the independent and impartial decision-making processes of the public enterprise. Those individuals who have either previously been a member of the Management Board, have been a member of another management organ, or have fulfilled a management function of an enterprise which has gone bankrupt, cannot be appointed as President or member of the Management Board.

The Management Board is responsible for adopting the statute of the enterprise, making decisions on changes to the statute, adopting a work and development programme, making decisions about investments, adopting an annual financial report and an annual working report, establishing service price values, and deciding upon the internal organisation of the enterprise.

When making a decision on who you think should be appointed as a member of the Management Board, provided you bare in mind all of the previously mentioned issues, you will certainly make a good selection of candidates. In this endeavour, you will have created a good impression that a particular enterprise will be managed by professional and competent staff. This should guarantee that the enterprise will satisfy the needs of citizens and other users of service delivered by that public enterprise.

### **The Supervisory Board**

The Supervisory Board is established in order to supervise the financial workings of the public enterprise. This Board conducts an audit of all documents and records of the enterprise; reviews the annual financial report and the annual work report of the enterprise; and, submits its opinion on these aforementioned reports to the Management Board, the Minister of Finance, and the Minister of the appropriate Ministry under which the public service's activities fall under.

The tenure of Supervisory Board members cannot last longer than four years and it is recommended that persons who are to be appointed as members of the Supervisory Board should have at least four years of university degree experience, as well as knowledge and previous experience in finances and auditing. You should also note that a person cannot be appointed as a member of the Supervisory Board if he or she is also a member of the Parliament, is Prime Minister, a Minister of Government, a Mayor, or a member of a Municipal Council, including the City of Skopje. Hereby, the previously listed position is incongruous with the position of Supervisory Board member.

### **The Director of the Public Enterprise**

The public enterprise is managed by a Director, who is appointed or dismissed by the founder of the enterprise, the Municipal Mayor, who is also responsible for appointing the Director through a public vacancy announcement.

The Directorship position is incongruous with the positions of member of Parliament, Prime Minister, Government Minister, or member of a Municipal Council, including the city of Skopje, or Mayor. The Director of the public enterprise is responsible for: the execution of the decisions of the Management Board; conducting those enterprise activities envisaged by the development programme; the establishment of criteria for the usage and management of assets that are accrued during the work of the public enterprise; and the coordination of the working activities of the public enterprise. In addition, the Director is responsible and accountable for the delivery of results, for financial issues, and for any damage that is incurred to the public enterprise as a consequence of the execution of his or her decisions.

### **Financing**

From the day that it is registered in the trades register, the public enterprise has the status of a legal entity, meaning that it can gain rights of ownership over movable and non-movable objects or property, gain rights



and undertake obligations, and be held accountable for the actions it undertakes. The public enterprise therefore obtains assets from its work and development; from its own income sources; as a result of its own work activities; from loans or from other sources; or, in accordance with the Law, from the Budget. The primary income source, however, for financing a given public enterprise, is the price charged by the public enterprise for the service that it is providing. The upper limit of this price should be limited is determined by the Management Board, and should be approved by the founding organ or individual.

As you can see, you play a large part in this decision-making process. On the one hand you should be tasked with approving a price that will guarantee the successful work of the public enterprise, while on the other hand, you must ensure that you do not charge beyond the means of the public service user - i.e. the voter who has entrusted you to serve them. This is why you should always have both arguments in mind in order to make a most appropriate decision.

Due to the aforementioned process of establishing a service price, public enterprises are obliged to not accumulate additional assets or profits. This means that they do not provide resources for renewal of basic assets for work activities, nor for new investments. The appropriate Ministry should re-examine the conditions and establish parameters for the establishment of a price which reflects the actual expenses resulting from the work of the public enterprise.

Cognizant of the fact that you are obliged to adopt the Municipal Budget, you should plan for funds to be available for the provision of these public services - i.e. those assets that will be used for the construction or reconstruction of public utility infrastructural facilities. In doing so, you will undoubtedly create the necessary conditions for the improvement of services and so increase satisfaction levels among your citizens.

### Oversight and Control

Having in mind the fact that the municipality is the founder of the municipal public enterprises, it is logical to ask how the oversight and control over the work of the Enterprise will be conducted. At this point, it is pertinent to briefly explain the relationships which are established between the municipality and the public enterprise. As was mentioned previously, the decision to establish an enterprise, among other, determines the time frame for the adoption of the statute of the enterprise. In addition, the founder has to approve this statute in order for it to be put in force; i.e. the Municipal Council, as the authorised organ of local self-government, must offer its approval for the particular statute in question. This stage represents an opportunity to intervene in the statute if there is an opinion that a previously offered solution is not in compliance with the law, or if not in accordance with the establishing act, which transfers the authority for execution of a particular activity.

Without your approval, the enterprise cannot borrow. But, why is your approval required for borrowing? Without your approval, the enterprise would be unable to pay its debts, so putting a question mark under its ability to execute the responsibilities assigned to it. Furthermore, your approval is necessitated in order for you to deliberate on the incomes or expenses that the enterprise may incur in the course of its activities. While discussing issues of financing, it is important to mention the fact that the price established by the Management Board may only be put into force if approved by the Municipal Council.

These are some of the forms by which oversight and control are exercised by the municipality over the public enterprise. Regular annual or bi-annual supervision of the work of the public enterprise are conducted pri-

**Example: A Management Board of a public enterprise is to make determine what should be the price of a cubic metre of drinking water. Its decision must to be presented to the Municipal Council in order to receive its approval. During the Council session, as a Council member, you should review all important factors that have influenced the proposed price. Should you agree that the proposed price is reasonable to finance the needs of the enterprise, and that it will be acceptable to the users of the public service, then you should offer your approval to the enterprise. Conversely, you might recommend that the Management Board should re-examine its proposed price and consider the recommendations that you submit to the Management Board; in this scenario, the enterprise would later have to re-submit a new proposed price in order that it might be approved**

**It should be noted that the public enterprise cannot itself make amendments to the Statute without the prior approval of the municipality. Rather, you are tasked with giving permission for any changes to the remit of the enterprise - deviating, linking or merging that enterprise.**



marily through the adoption of annual work programmes and through the adoption of adequate annual financial plans for the execution of those programmes and, secondarily, through the adoption of the annual financial report and the report on the work of enterprise.

It is through these supervisory tools that you have the greatest opportunity to influence policy-making within a public enterprise. You approve its programmes and financial plans and evaluate its work as a whole when you adopt the annual financial report and the annual work report. It is pertinent to here remind you that if the annual financial report is not adopted by the Council, then sanctions will be imposed on the persons whom manage the enterprise - this will be expanded upon a little later in this chapter.

Another means by which you may maintain control and oversight over the work of a given public enterprise is by your appointment of members of the Management and Supervisory Boards. Through the members of the Management Board, you should be able to establish and maintain good communications between the municipality and the public enterprise.

Having in mind the authorities of the Management Board described previously, this Board should execute those programmes that you approve in order to satisfy citizens' needs and to strengthen their trust in you. Through communicating with the members of the Management Board - whom, as was mentioned earlier, should preferably have at least four years university degree experience, in addition to prior work experience in finances and auditing - you will be able to follow the work of the enterprise. You should expect to receive reports on its work and should receive the aforementioned annual financial report.

But, in order to ensure that you receive these items, you should make use of your right to request this information from the members of the Management Board. You may offer your suggestions and recommendations and, should you be of the opinion that these members are not working appropriately or that their performance is poor, then you may hold them responsible and may even request their dismissal. During your tenure in office you may well find that you are unsatisfied with only reviewing an enterprise's annual reports; as such, it is imperative that you sustain frequent communications and meet regularly with the members of the Management Board. The success of your tenure in office will likely depend upon this.

### **Disruption of Service Delivery**

We may say that a given public enterprise's work has been disturbed if it does not perform its responsibilities; if it fails to implement the development plan, so injuring the users of the services; if changes to the agreed usage of enterprise assets takes place; or, if changes are made to the agreed upon work conditions. Should these instances cause an interruption or interference with the performance of the enterprise's essential activities, as set forth by municipal approval, then a disturbance in the work of the public enterprise has taken place. Under these circumstances, it is necessary to undertake certain measures in order to eliminate the particular disturbance. These measures include the following:

**The bankruptcy of a public enterprise occurs only if the execution of the public service is previously provided for in a manner and procedure proscribed by law. The continuation of the execution of a particular service can be provided for by the establishment of a new public enterprise to which the license for the service delivery can be transferred**

- Dismissal of the Director;
- Dismissal of the Management Board;
- Dismissal of the Supervisory Board;
- Changes to the organisation of the public enterprise,
- Halting the execution of the unlawful act of the public enterprise which is compromising the execution of its essential responsibilities;
- Undertaking other measures established by specific laws.

As was previously mentioned, public enterprises are established to undertake a particular public utility service which is of public interest and of local importance; therein, the enterprise is obliged to support that public interest through its work. The enterprise is therefore required to deliver those public services for which it was established without interruption. It is also required to provide for transparency in its workings.



Generally speaking, procedures to declare the bankruptcy of the public enterprise cannot be initiated. If bankruptcy procedures have in fact been initiated, you have an obligation, under the authorities of the municipal organ which established the enterprise, to ensure the continued, uninterrupted functioning of the public enterprise and to guarantee the fulfillment of any of the enterprise's obligations to third parties.

The bankruptcy of a public enterprise occurs only if the execution of the public service is previously provided for in a manner and procedure proscribed by law. The continuation of the execution of a particular service can be provided for by the establishment of a new public enterprise to which the license for the service delivery can be transferred

## **Licensing the Execution of Public Services**

As was referred to at the beginning of this chapter, in addition to a public enterprise, you may also assign the execution of a public service activity to a legal entity or a private individual. This public service may then be delivered by the legal entity or private individual according to a permit that should be issued by the municipality, or the city of Skopje. The relationship between the municipality, including the city of Skopje (permit provider), and the legal entity or private individual (permit user), is regulated by a formal agreement between the two parties.

It is important to emphasise here that the agreement between both parties should be concluded in written form in order that it be legally valid and binding; no other kind of agreement can be considered to be valid. The agreement elaborates upon the following issues: the conditions and means by which service activities should be executed; a timeframe detailing when the service provider should start executing these activities; the rights and obligations of the municipality and the legal entity or private individual; the duration of the agreement; the reasons for issuing the permit; the conditions under which the agreement may be cancelled; and, lastly, the ways in which disputes or problems may be resolved.

It should be noted that the entities chosen to execute a particular service activity of public interest are obliged to support and protect that public interest. In other words, they must deliver long-term, non-stop quality public utility services, and, additionally, they should ensure that the facilities and equipment of the public utility infrastructure are well maintained and in a functional condition.

### **7.1.2. PUBLIC UTILITY SERVICES**

#### **Public Utility Infrastructure**

The term, public utility infrastructure, encompasses all construction facilities, related machinery, devices, installations, transportation and other infrastructural facilities used for the execution of public utility service activities. Public utility infrastructure comprises all those goods of general interest to the Republic of Macedonia and they can be transferred in order to be used and maintained in accordance with a procedure established in law.

These goods and objects should be categorised into primary and secondary objects. Primary objects include: city squares and public premises of the city; primary traffic networks and streets with pedestrian pavements; street lights on primary traffic networks, squares and public city premises; city and suburban public green areas (i.e. parks, etc.); primary atmospheric sewage systems; primary human sewage and waste water drainage systems; purification stations for sewage and waste water systems; water treatment reservoirs and purification of drinking water; primary water supply networks; primary high voltage power networks; primary postal networks; primary heating and gas supply networks; cemeteries and crematories; rubbish depots; and, other primary public utility installations established by the General Urban Plan.

Secondary objects comprise: secondary streets with pavements and parking areas; secondary water supply networks; street lights on secondary streets and public parking areas; green areas with cities and within urban



areas and facilities; secondary atmospheric sewage systems; secondary sewage and waste water drainage systems; secondary low voltage power networks and secondary power transformers; secondary postal networks; and, other secondary infrastructural networks and installations established by the Detailed Urban Plan.

You should be familiar with the ways in which different infrastructural objects are categorised because of two aspects. Firstly, in the spatial planning process, wherein Urban and Detailed Plans are adopted, you should know which infrastructural object should be included in which Plan. Secondly, you should know the difference between the authorities of the local government of the city Skopje and the municipalities with the boundaries of the city of Skopje.

Primary infrastructural objects are planned in General Urban Plans, while secondary infrastructural objects are planned during the adoption of the Detail Urban Plans. If you compare the competencies of the city of Skopje with the competencies of the municipalities of Skopje, you will notice that the city of Skopje is responsible for the construction and maintenance of primary infrastructure objects, involving: the construction, utilisation, protection and maintenance of main roads and traffic networks; providing drinking water from the water supply system of the city; drainage and disposal of waste waters and atmospheric waters; and, constructing and maintaining public lights on the main roads and traffic networks within the area of the city of Skopje. The municipalities of the city of Skopje, on the other hand, are responsible for secondary infrastructural objects, involving: the construction, maintenance, reconstruction and protection of streets; and, the construction and maintenance of public lights.

### Construction Land

Urban Plans, which are adopted for a particular territorial land space, confer on that land a special status in the respect that it becomes known as construction land. In due course we elaborate further on the status of construction property, but for the moment we should first understand: just what construction land is, what rights pertain to how construction properties may be organised and managed.

**Example A: As part of one construction programme, it has envisaged that a street will have to be built. The land on which the street is to be constructed belongs to a number of private individuals and so, in order to complete the construction programme, it is necessary to design a detailed proposal with a list of indications for the properties and then make a request to start the procedure from the Department for Property and Legal Issues at the Ministry of Finance. In this situation, the right of ownership of the construction property is limited.**

#### ● The Concept of Construction Land

The term, construction land, is used to refer to any piece of land on which construction work has begun or land on which construction is set to begin, in accordance with current spatial and urban planning and those acts which may replace these plans. The land is a common asset in the Republic of Macedonia and its proper management is thus a public interest.

#### ● Construction Property Rights

Construction property may be owned by the Republic of Macedonia, or it may be the property of national legal entities or private individuals. From this, you may realise that international legal entities or foreign individuals cannot themselves be the owners of construction property in the Republic of Macedonia. Those that do possess the right of ownership can exercise this right and so sell property or they may place it under a long or short term leasehold, take out a mortgage agreement, etc.

The rights over construction property owned by legal entities or private individual can be limited. Herein, when a construction property is owned in order to construct infrastructural facilities, that construction property may, under certain circumstances prescribed by the Law on Expropriation, be expropriated.

Judging from these aforementioned instances, we can see that the municipalities, including the city of Skopje, do not have the right of ownership over construction property. This is one of the major obstacles that you will face as you

work to execute your responsibilities; you must ensure that you decide to designate space, in front of business premises, for the retail trade to conduct itself. In order to provide this space in front of business premises you



should request that that space be provided by the Republic of Macedonia in order that the municipality may rent the space from the Republic of Macedonia.

Why is this necessary? Because before you offer something, first you must possess a right of ownership over that thing. In this specific case, public utility infrastructural objects, including public traffic areas, are goods of significance to the Republic of Macedonia. Therefore, only the Republic of Macedonia can transfer these goods to be utilised and maintained on terms determined by law. Herein, the Law on Construction Property states that construction properties may be rented out.

Having in mind the authority for undertaking or executing particular activities and services in the sphere of construction properties, municipalities, including the city of Skopje, are responsible for the adoption of programmes for managing construction properties, which also involves the calculation and payment of fees for managing construction property. All other activities and services, such as the fulfillment of rights for construction properties (concessions, long-term or short-term leases, mortgages, expropriation, etc) are placed under the authority of central government, the courts, and notaries.

Two things should be taken into account when considering the rights and responsibilities of municipalities with regard to construction property; that construction property may be leased out on a short-term basis, and that approval for so-called urban reclamation measures must be received. Authority over these two matters rests with the Ministry of Transport and Communications.

In practice, the construction of temporary construction facilities may often take place without prior consultation or approval having been received from the relevant local self-government authorities. This breaches the terms and criteria of urban reclamation measures. In breaching these terms, construction objects owned and previously managed by the municipalities, or the city of Skopje, are likely to have been damaged or destroyed - such as bicycle and pedestrian pathways, public greenery, etc. Consequently, future construction property management at these locations will, due to the prior lack of consultation or approval, be made more difficult or indeed be disallowed altogether.

At these spatial areas covered thus far, municipalities, including the city of Skopje, are tasked with executing their responsibilities, be they in relation to public utility cleanliness and hygiene, protection of the local environment, infrastructural and public utility management, traffic safety, or other public service competencies.

In order to overcome any problems which might emerge in the above spheres of responsibility and, bearing in mind the fact that the usage of a space for either a short-term period or for the execution of construction work, authorisation should be received from the municipality - or from the city of Skopje.

#### ● Management of Construction Property

The Law on Construction Property authorises and obligates municipalities, including the city of Skopje to manage construction properties. The management of construction properties may involve the construction of infrastructural facilities with a purpose to provide access to the construction land from public roads, water supplies, sewage systems, energy supplies, mail services, and other installations.

The planning, projection and construction of infrastructure should be completed in accordance with Spatial and Urban Plans, and in accordance with any regulations which supercede these Plans, and in keeping with the degree to which the property is used, which is made clear in the Plans.

The management of construction property is conducted according to an annual programme, which is adopted by the Municipal Council. The content of this programme is determined by Article 45 of the Law on Construction Property, which stipulates that the programme should specify:

- The space which is subject to programme management;
- The scope of activities for the preparation and maintenance of construction properties;
- The scope and degree of equipping construction property with primary and secondary infrastructure objects;

**Example B: Another situation in which the right of ownership over the construction property is limited occurs when, despite the fact that the owner wishes to sell the property, the land is earmarked for the construction of a facility of public interest. In this scenario, the Republic of Macedonia possesses a pre-emptive right to purchase that property.**



- The sources for financing the programme;
- A calculation of the necessary expenses for managing the construction property;
- The value and allocation of the fee for managing the construction property;;
- The terms for allocating financial assets for the construction and maintenance of the infrastructure;
- The assets used for the development of Urban Plans, alongside documentation for construction and maintenance of infrastructural objects and documentation for the building of infrastructural objects;
- The schedule for the programme's execution;
- Those infrastructural objects which are of public interest to the Republic of Macedonia, including an evaluation of its impact on the environment and nature, in compliance with law, financed by the Republic of Macedonia -i.e. the investor to whom Republic of Macedonia transferred the property.

For the management of construction properties, the investor pays a fee for the management of the property, which can be paid in installments. The value of this fee is calculated according to the annual programmes for managing construction property and in accordance with a Book of rules on the Degree of Arrangement of Construction Land and the Manner of Calculating Expenses, and in accordance with the degree to which the construction property is arranged.

This fee is calculated in accordance with some basic financial criteria, including, the base for the calculation of the fee featured in the annual programme, building zones, the useable area of the facilities, the purpose for which the premises will be used (i.e. residential or business), and the kinds of infrastructure to be constructed.

The management of the construction property, established by the urban documentation for populated area, and the regulations which replace these plans, can be undertaken by the municipality. If the municipality is not in charge of managing the construction property, then this responsibility falls to the investor who, in light of this fact, should not pay a fee for the management of the construction property. The investor manages the property at his or her own expense in instances when the construction of facilities occurs outside of urban and populated areas, as well as in cases when the management has not been foreseen in the programme.

Having submitted the registered project documentation, the necessary approvals, and the proof that fees have been paid for the management of the property, the municipality - or the city of Skopje - and the investor may conclude an agreement on the specific fee to be paid and the means by which it should be paid. The municipality, or the city of Skopje, is obliged to conclude this agreement within fifteen days of the investor having submitted his or her request. Beyond this date, it should be considered that the investor is building on an unmanaged property, and the approval for which must be issued by the municipality.

The fee that the municipality receives for the management of construction property should be regarded as being the income of the municipality, or city of Skopje, and therefore it should be used for implementing the programme for managing the construction property.

In order that a given programme may be implemented - i.e. a project to build infrastructural facilities - it is necessary that the municipality should previously obtain the rights to the property in question. As was mentioned previously, the municipalities and the city of Skopje do not possess an ownership right over the construction properties. As such, one of two possible scenarios is likely to occur, depending upon who is owner of the construction property. In the first instance, if the Republic of Macedonia is the owner of the property, then a request should be submitted to the government authorities. This request asks that the Republic provides the given property to the municipality, or the city of Skopje, on a long-term leasehold basis, free of charge.

Alternatively, if the property is owned by a private individual, then an expropriation procedure should be initiated, wherein the property is acquired for the use of the municipality. This procedure, conducted by an authorised organ of state, is a very long one, the biggest obstacle being a determination of the value of the expropriated property. The owners will always request a higher value for the expropriation - higher even than the market value - which will not be acceptable to the municipality. Due to the fact that the value will not be determined by mutual agreement, its value will be determined through court procedures. All this takes time, and is one of the reasons why the programme is unlikely to be implemented punctually.



Should a programme not be successfully implemented, then you will have not satisfied the faith entrusted to you by your citizens. In order to avoid this situation, when adopting a particular programme, and especially when you determine the value that should be allotted to this programme, you should bear in mind the fact that you should support only those programmes which are likely to be implemented. You are obliged to agree upon a value appropriate to the market value of the property. When determining its market value, different prices may be assigned to the property depending upon its location. You may not lower the value for properties anticipated in plans for the construction of business facilities; in this way, you will not discourage further investments.

In some municipalities, there are a large number of illegally constructed properties. In these municipalities, under certain special conditions, you might choose to allow the owners of these properties to legalise the status of their properties. Assets or payments recovered from these owners as a result of this legalisation of the status of their properties could be awarded to the programme so assist its implementation. These assets derived from fees pertaining to the management of construction property represent municipal income and they may thus be used for the implementation of programmes. The successful execution of a programme depends upon the volume of assets collected.

The prevailing economic conditions within a given municipality, and within the Republic of Macedonia more generally, it may occur that there is no interest for construction programmes. In this case, the amount of assets actually collected may be lower than the sum expected. Under these circumstances, there is the possibility that you will be able to access funds from the Republic of Macedonia, which are dedicated to the construction of infrastructural facilities in municipalities.

In order to gain access to these funds, you must have adopted an Urban Plan and have in place the technical documentation required for the construction of the particular public utility facility. These are the basic pre-conditions to qualify for the aforementioned, designated central government finances.

The following is a list of the available central government funding sources: From the Ministry of Transport and Communications, under its programme for water supply and sewage, you may receive funds for the construction of these facilities on your municipality's territory. Through the fund for regional and major roads, you may obtain assets for the construction of local roads and streets, while from the Macedonia Road Fund you may request funding in order to maintain transit roads through the populated areas of the municipality.

If you have problems with dirty roads, floods or atmospheric waste water drainage you may request resources from the Ministry of Agriculture, Forestry and Water Management under its programme for agricultural development, as well as from its Water Fund. The Agency for Undeveloped Areas, which is part of the Ministry of Local Self-Government, offers funds for the construction of public utility facilities for those populated areas considered to be under-developed. From the Ministry of Environment and Physical Planning, under its programme for the protection of the environment, you may obtain resources for the construction of facilities which allow for the protection of the environment.

#### **Legal Framework:**

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No. 5/02).
- Law on the City of Skopje (Official Gazette of the Republic of Macedonia, No. 55/04).
- Law on Communal Activities (Official Gazette of the Republic of Macedonia, No. 45/97, 23/99, 45/02, 16/04).
- Law on Public Enterprises (Official Gazette of Republic of the Macedonia No. 38/96, 9/97/ 6/02).
- Law on Construction Property (Official Gazette of the Republic of Macedonia, No. 53/01).





## 7.2 EDUCATION, SPORT AND RECREATION

Murtezan Ismaili

**The provision of educational services is an important new responsibility for municipalities. The transference of this competency represents an excellent opportunity for municipalities to positively impact upon the deliberate and accidental mistakes made in the past management of educational services. You should try to do everything in your power to ensure that our precious children are proud of their school and proud of their municipality.**

Offering a superior education for students is perhaps the most important way in which a successful future may be created for future generations whom will have to cope with a rapidly changing environment. The demands placed upon school systems have increased as Macedonia has applied to join the European Union. Not only does the country need to restore and adapt its educational system to the changing requirements of the market economy, but it also must reform its educational system as a precondition for acceptance into the EU.

### 7.2.1. Education and the Municipalities

The municipalities of modern Macedonia have no history in providing education services at the local level. Decentralisation envisages the devolution of many competencies, amongst them education. Both elementary and secondary education will come under municipal jurisdiction once the new Councils and Mayors have been taken up their positions after the local elections. It is then that municipalities will assume ownership over school buildings and other property related to elementary and secondary education. As they get stronger and improve their capacity to raise revenues, the municipalities will receive even more responsibilities. The maintenance of school buildings and the payment of salaries for auxiliary staff will be the concern of municipalities from day one.

Municipalities must be committed to help schools achieve excellence through the continuous improvement of their programmes, and services. Council members should use their expertise to assist both the state and local education agencies to improve education services and prospects for students with disabilities, and for the education system and other students as a whole. An adequate level of pupils' participation in the decision-mak-



ing processes of schools should be replaced with active participation. Increasing these levels of participation will ensure that the social responsibility of pupils is enhanced. Special emphasis should be given to:

- Motivating students to study through proactive educational and teaching processes; offering greater responsibility and dedication to students' educational and professional development;
- Teachers, developing innovative techniques for making education more modern, and providing teachers with professional motivation for their work, with opportunities for the promotion of well-performing teachers;
- Enhancing the participation and involvement of parents in the education of their children;
- The public in general, increasing their capacity to analyse the quality of education provision, to help accelerate the development of a more advanced educational system;
- Special attention should be awarded to the education of females and the principle of not leaving any child behind in his or her educational development.

The improvement of the quality of educational infrastructure and equipment is considered a priority issue in relation to the future development of the education sector. Prominence should be given to the need for the establishment of a system of standards in order to monitor and improve the quality all educational levels. These standards pertain to:

- Functional and environmental aspects of school buildings and the level of equipment in schools (including, appropriate school playgrounds, green areas, safe fences, and the removal of structural obstacles to children and students with disabilities, etc.);
- Educational facility standards (classrooms, up-to-date equipment, teaching aids, language and computer laboratories, sports halls and other playgrounds, areas for games and space organised for the extracurricular activities of students);
- Clearly defined professional competencies for the providers of educational activities and school management.

One of the major objectives of the municipality is to improve the quality of primary education and higher educational standards, increasing access to education, and raising levels of academic achievement. Remote populations in particular should receive special attention in the provision of education services. Of the many factors that influence the quality of primary education in this country, the following should be focused upon by local self-government:

- The location, facilities, timing and content of teacher training;
- The professional development of all types of educators and caregivers;
- The role of government, NGOs, communities and parents in education;
- Monitoring the conditions of each school;
- Supporting school management in order to improve educational conditions;
- Communicating with the local business sector;
- Communicating with international donor organisations and institutions;
- Supporting and assisting projects and initiatives to modernise schools.

Thus, in broad terms, local self-government should support education projects in addition to simply providing financial investments in order to stimulate the development of children and so as to improve educational opportunities for economically marginalised families. Representatives of communities who use a language other than Macedonian are entitled to use the language and text books of that community. Other major initiatives of the local self-government may include:

- The introduction of computers to assist teaching and to improve learning methods;
- The improvement of physical infrastructure, particularly that of schools located in remote areas;



- Improving the teaching capacity of teachers through various Institutes for Educational Development;
- Education initiatives, improving teacher training, and accelerating the take up of computer-assisted educational methods;

Students of those communities which speak a language different to Macedonian may use their own language alongside school books written in that language. Initially, teachers' salaries should be provided by central government, by a system of block grants. These are separate finances collected on annual basis, which are solely reserved for the payment of salaries; these monies can under no circumstances be used for other purposes. Later in the process of decentralisation, municipalities will be expected to increase their own capabilities to finance primary and secondary education, using revenues collected through local taxes.

#### **The School Board is tasked with:**

- Submitting a draft annual working plan and a report on the work of the school to the Municipal Council;
- Submitting a draft financial plan to the Council;
- Submitting a draft annual balance sheet to the Council;
- Proposing to the Mayor one candidate for to be its school principal, in accordance with the new Laws on Elementary & Secondary Education.

#### **Concurrently, the Municipal Council is responsible for:**

- Establishing and/or abolishing the school;
- Notifying the courts on its decision within three days of the adoption of the act;
- Ensuring access to primary and secondary education for all children;
- Deciding upon the location of the school;
- Appointing members to the School Board - two members at elementary schools and three at secondary schools - to represent the local municipality therein;

#### **The Mayor is charged with:**

- Appointing and/or dismissing the school principal;
- Adopting a decision to select a new school principal, three months before the expiration of mandate of the incumbent, and inviting the School Board to make a vacancy announcement for this position;
- Appointing a new principal within fifteen days of having received a proposal from the School Board. If for any reason a director is not appointed, the entire procedure is repeated, and within 5 days the Mayor appoints a director;
- Appointing a trustee, for not longer than six months, in the event of the principal being dismissed..

One of the actors who makes an important contribution to ensuring that a child's education is successful is the school principal, who is plays a key part in managing the school and mentoring teachers as they apply their new skills in the classroom.

#### **The School Board**

**The organ responsible for administering a school is its School Board, which in small schools will be composed of seven members, whereas in larger schools, it will be comprised of nine members. In either instance, the Municipal Council should appoint representatives - two for elementary schools and three for secondary schools - to sit on the School Board in order that the local municipality be represented therein.**

#### **The School Principal**

**The tenure in office for the school principal is four years in total. All candidates for the position of principal must have at least five years of teaching experience, and should have passed the exam for principals. A candidate who has not passed this exam may be considered for the position, provided he takes the examination within one year of service as school principal. If she or he fails to pass the exam, she or he will no longer be eligible for the position.**



## 7.2.2. Sports and Recreation

The Republic of Macedonia faces a number of problems with regard to sports and recreation, in respect of:

- a. The competencies of local self-government;
- b. The assets, ownership and management of sports facilities;
- c. The financing of sports;

### a. Competencies of local self-government

According to the Law on Supplementing and Amending the Law on Sport, municipalities are responsible for developing the sports and recreational activities of citizens, as elaborated in the programmes of sports and recreational clubs. Herein, local self-government is charged with building and maintaining sports facilities, determining the sport facilities network, classifying that network, and taking care of the utilisation of sports facilities, etc. The municipality should also organise sports events, support traditional, national and international sports competitions, support school and student sports competitions, support municipal sports unions and, additionally, provide facilities, materials and personnel for the proper functioning of sports clubs. In order to fulfill these duties, the Municipal Council should develop specific programmes on the proposal of municipal sports unions, which should be financed from the Budget of local self-government.

### b. Assets, Ownership and Management of Sports Facilities

The changes to the law do not provide any additional competencies to local self-government which would be useful for developing sports activities. The ownership and management of sports facilities remain under the jurisdiction of the Government of the Republic of Macedonia; specifically the Agency for Youth and Sport.

### c. Financing of Sports Facilities

The key finances for sports activities should be determined by municipalities and be provided for in their budgets. Sports may also be funded through sponsorships and donations by all individuals and organizations interested in supporting sports activities. Towards this endeavour, municipalities are entitled by law to establish sports development foundations.

### Legal Framework:

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.5/2002).
- Law on Primary Education
- Law on Secondary Education
- Law for Changing and Supplementing the Law on Secondary Education
- Law on Local Self-Government, Article 22, Number 6,
- Law on Changing and Amending the Law on Sports, Article 22-a and Article 22-b



## 7.3 SOCIAL WELFARE AND HEALTHCARE IN LOCAL SELF-GOVERNMENT

Docent D-r Jove Kekenovski

**As you will no doubt be aware, your citizens expect you to deliver quality social welfare and healthcare services. In these two fields, which are of great important to citizens, new responsibilities have been handed to you.**

### 7.3.1. Social Welfare and Healthcare in Local Self-Government

The provision of social security for the citizens of the Republic of Macedonia is guaranteed by its constitution. Article 1 of the Constitution of the Republic of Macedonia explains that our state is a sovereign, independent, and democratic country. In our country, high priority is afforded to social welfare. The social security of the citizens of our country is awarded through a system of social insurance and social welfare. The social security system provides measures and risk insurance against disease, old age, disability, death, unemployment, and is thus provided for through a system of offering pension, disability and unemployment insurance. These services are predominantly financed by taxing the wages of employed persons. A system of social welfare provides support to citizens when they are not in a position to provide for their own social security. This system is, to a large extent, financed by taxing the wages of employed citizens.

In the last ten years, the general political, legal, economic and social system - i.e. the structural organisation of social services provision - has been critically reviewed and social reforms developed in cooperation with the European Union and in accordance with best practice world-wide. In the last few years, the activities of de-institutionalization within these processes have been affirmed. According to the Law on Social Welfare, many of the services, measures and activities are provided for in several levels, such as:

1. **Social Welfare Protection** - taking measures to eliminate social risks to the citizen, family or general population through education and counseling services, developing self-aid forms, and promoting voluntary work;
2. **Non-Institutional Protection** - solutions which utilise counseling services, family support, home care, day care, and accommodation with foster families;
3. **Institutional Protection** - educational services for productive activities and accommodation in **social welfare** facilities;



4. **Social Welfare Rights** - permanent allowances for disabled and the socially disadvantaged persons, allowances for assistance and care, social welfare rights, allowances for part-time employment when caring for disabled children, grants for goods, and rights to shelter.

### 7.3.2. Social Welfare Development Programme

According to the Law on Social Welfare, the Ministry of Labour and Social Policy should, at the beginning of every year, adopt a programme for social welfare - a basic document pertaining to the implementation of social welfare services during that year. This programme prescribes how social welfare provision will be organised, detailing the specific needs of the population and the methods by which social welfare should so provided.

Strate{kite aktivnosti, koi treba da proizlezat od programata, se:

- ◆ As of March, with the entrance into force of the amendments to the Law on Social Welfare, the conditions for transferring the right to establish care homes for senior citizens from central to local self-government in Bitola, Prilep, Kumanovo and Skopje were created. Decentralisation in day care centres for children with special needs will have been implemented in Prilep, Veles, Tetovo, Kriva Palanka, Delcevo, Skopje and the village of Manastirec in Makedonski Brod, as well for other types of day care centres which are currently being established.
- ◆ Local self-government units, according to the pre-identified needs of their citizens, will assume social welfare responsibilities for certain sections of the population through the establishment of small institutions and other non-institutional forms of social welfare that could be organised at local and regional level.

**During 2004, social welfare will have been implemented, firstly, by delivering services and measures for social protection, non-institutional protection and institutional protection for those citizens exposed to social risks; and, secondly, through providing social support to public beneficiaries.**

- ◆ The processes of decentralisation and de-institutionalisation will be implemented through the opening of day care centres for: children with problems with their mental development (for instance, in Skopje and Kicevo); for family violence victims (in Skopje and other cities); for drug addicts (in Ohrid, Kumanovo, and Skopje); for homeless persons (in Skopje); for homeless children (in Skopje); for senior citizens and disabled persons (in Bitola); as well as for the accommodation needs of foster families.

- ◆ The establishment of small, local public institutions for social welfare at which the re-integration of social welfare beneficiaries with the local self-government unit and the family will be supported, in addition to provisions for the individual treatment of these beneficiaries. Priority will be given to the creation of pre-conditions for including and introducing other service providers - i.e. civil society organisations and individuals - to provide particular services in the field of social welfare.

### 7.3.3. Social Welfare in Local Self-Government

Practice so far has shown that the Constitution of Republic of Macedonia is consistent with the democratic spirit of the European Charter on Local Self-Government, but not all legal regulations are in accordance with this Charter. With the recent amendments to the Law on Local Self-Government, from February 2002 the conditions were created for the decentralisation and transference of social welfare responsibilities from central to local level.

Paragraph 7 of Article 22 of the Law on Local Self-Government states that, in the field of social welfare, local self-government is responsible for: the social welfare and protection of children, including the provision of day care services for children; accommodating old citizens in care homes, through the municipality's ownership, financing, investment and maintenance of these homes; social care for disabled persons and children without parents or parental care; providing social welfare services for children with educational and social problems and, those children exposed to social risks; providing social support services for drug and alcohol addicts; rais-



ing the awareness of the general population; accommodating people exposed to social risk; and providing for the educational needs of children at pre-school age.

The Law on Social Welfare accords that these services be implemented by local self-government units, on which basis a social welfare development programme is adopted by the Parliament of the Republic of Macedonia, as proposed by the Government's Ministry of Labour and Social Policy.

In the field of social welfare activities, amendments have been made to the Law on Social Welfare, the Law on General and Administrative Procedures, and the Law on Administrative Lawsuits, so to enable the decentralisation of competencies in this area. According to these changes to the Law on Social Welfare appropriate changes to the Law on Family, the Criminal Code, and the Law on Execution of Sanctions should be made.

Municipalities, including the city of Skopje and the municipalities within the city of Skopje, are charged with responsibility over social welfare provision by the Law on Social Welfare. In accordance with this legal framework, the municipalities of Republic of Macedonia adopt their own development programmes in order to meet the specific social welfare needs of their citizens. As such, municipal authorities should confirm their responsibilities, according to the law, by their adoption of general acts in the field of social welfare. Each municipality, including the city of Skopje and the municipalities within the city of Skopje, provides social welfare for: disabled persons; children without parents or parental care; children with special needs; homeless children; children with specific educational and social difficulties; children of single-parents; persons exposed to social risk; drug, alcohol and other psycho-tropic substance misusers; senior citizens without family care; through non-institutional and institutional forms of social welfare, and through providing accommodation to persons exposed to social risk, while also being responsible for raising the awareness of the population on the need to ensure social welfare.

Municipalities, including the city of Skopje and the municipalities within the city of Skopje, are entitled to establish public institutions for non-institutional and institutional protection, if, on the advice of the Ministry of Labour and Social Policy, approval is obtained from the Government of the Republic of Macedonia. The municipality need not receive permission for establishing a social work centre or a public education institution for the accommodation of children and youth with deviant behavior. The Minister of Labour and Social Policy prescribes the requirements and standards for the establishment of an institution for social welfare.

The head organ of the public institution established by the municipality, or the city of Skopje or one of its composite municipalities, is its Executive Board, which consists of five members whom are appointed by the founding entity - two of which should be professionals or practitioners working within the social welfare institution.

The director of this public institution is appointed and discharged by the Mayor. However, should the director not be appointed on time, the Minister of Labour and Social Policy must appoint a temporary director for a period up to a maximum of one year. The director is responsible for submitting a report on the functioning and financial management of the institution to the Executive board, the Minister of Labour and Social Policy, and to the Mayor.

The municipality has a duty of care to provide accommodation to persons exposed to social risk. The right to accommodation is also extended to socially disadvantaged and homeless persons. The particular criteria and forms pertaining to this accommodation benefit are determined by the Municipal Council, the Council of the city of Skopje, or the Councils of any of the municipalities within the territory of the city of Skopje.

### **7.3.3.1. Types of Facilities for Social Protection and Non-Institutional Protection**

#### **● Social Work Centres**

In order to provide for the provision of social welfare services, the Government of the Republic of Macedonia adopted a decision for the establishment of a network of public institutions for social welfare, wherein twenty-seven social work centres and eleven social welfare institutions were created. Although the working procedures and financing of social work centres and social welfare institutions are regulated by legislation deriving from the Parliament of the Republic of Macedonia, the actual provision of social welfare services to citizens is regulated at the local level. Social work centres, which cover the entire territory of the country, are covered



under municipal jurisdiction. Social work centres are established for one or several municipalities; there being twenty-seven social work centres across the country today, established within several different municipalities as inter-municipal social work centres. The social work centre is a multi-functional institution which links professional activities with the public activities in a very innovative fashion. The social work centre offers social welfare services and so takes care of citizens' rights. Thus, the professional part of the social work is integrated into administrative procedures.

The head organ of the social work centre, the Executive Board, is comprised of five members appointed by the founding entity. One member is a representative of the Municipal Council of the municipality in which the social work centre's head office is located; another representative is a professional or practitioner, working at the social work centre; and, lastly, three members are there as representatives of the founding entity. In the case of the social work centre that provides social welfare on the territory of the city of Skopje, the Executive Board features a representative proposed by the Council of the city of Skopje.

The social work centre may establish a foundation in order that the property gained on the basis of an arrangement for lifetime care and support, or based upon other arrangements, can be used for providing social welfare to citizens in the municipality, or the city of Skopje, in which the social work centre has jurisdiction. The Executive Board is comprised of three members, two of which are representatives of the social work centre and one of which is appointed by the municipal council of municipality in which the social work centre's head office is located - or by the Council of the city of Skopje, if the centre's head office is based in Skopje.

- **Foster Family Accommodation**

Social work centres are responsible for accommodating children and youths within foster families.

- **Homeless Shelters**

This centre provides daily, temporary accommodation and care to homeless persons, providing them with counseling and dietary services, assisting with hygiene management, and supplying cultural and amusement activities.

**Providing Shelter to Victims of Family Violence**

**This area of social welfare and social work focuses on the protection of victims of family violence through their accommodation in shelters. In 2004, shelters were opened in Skopje, Strumica, Kocani and Bitola. These shelters were opened not only to fulfill the needs of the municipalities in which they are located, but also to accommodate the needs of all other municipalities in the region.**

- **Family Violence Victims Centres**

Providing daily, temporary accommodation and care for up to six months, with a possibility for extension to another six months, the Family Violence Victims Centre provides counseling services, dietary services, daily accommodation, and offers hygiene and cultural and amusement activities to its residents.

- **Support and Home Care Centres**

These centres provide food, personal hygiene and apartment cleaning services, among other services, to the homes of senior citizens and disabled persons.

- **Daily Centres and Clubs for Senior Citizens**

These centres and clubs provide for the social welfare of senior citizens through their provision of day care, food, and personal hygiene services, in addition to their responsibility to provide cultural amusements and other activities for senior citizens.

- **Centres for Homeless Children**

These centres provide educational and counseling services in addition to cultural, amusement and recreational activities for homeless children.



- **Centres for Drug Misusers and Other Psycho-Tropical**

- **Substances Misusers**

This centre provides counseling and information services, education, jobs and cultural, amusement and recreational activities to drug misusers and other substance misusers, and their families.

- **Centre for Alcohol Misusers and Those Undergoing**

- **Anti-Alcohol Treatments**

As well as providing counseling and information, education and jobs services, this centre offers cultural, amusement and recreational activities to alcohol misusers and their families. The draft programmes for the functioning of these centres have already been developed in accordance with the operational programme of the Ministry of Labour and, consequently, social policy centres in Skopje, Ohrid and Kumanovo are envisaged to have been established by the end of 2004. Under these programmes, wider coverage of the problem will be ensured and the daily functions of hospitals for drug abusers treatment will have been decentralised. These daily centres are constitutive parts of social work centres.

- **Centres for Persons with Mental or Physical Disabilities**

This centre should provide day-to-day accommodation to individuals whom suffer from mental or physical disabilities, in addition to occupational therapy and other services, including education activities. These centres may be established as public or private institutions for social welfare, and, moreover, they may be incorporated as a part of the social welfare centre.

### 7.3.3.2. Types of Institutional Protection Facilities

According to the law, an individual has a right to be accommodated in a social welfare facility when that individual cannot be provided appropriate living conditions by his or her family; unless other exceptional circumstances dictate that he or she be accommodated in an institution. There are several types of facilities in which persons may be accommodated:

- **Facilities for the Accommodation of Children and Youths Without Parents or Parental Care**

This facility provides accommodation, food, clothing, nursing and care to children and youths until conditions allow for their safe return to their families, or until they are ready to start their own life by finding employment not longer than six months after finishing secondary school and only if other accommodation is not possible.

- **Facilities for the Accommodation of Children and Youths with Educational, Social, or Anti-Social Behaviour Problems**

This facility accommodates children from the age of seven to eighteen or until they finish secondary school. In addition, this facility accommodates minors for short-term observation, diagnoses, education and corrective treatments, depending upon their needs, for up to three years.

#### Care for Senior Citizens

**When referring to the care of senior citizens, there exist several practical examples of social work centres which have chosen non-institutional forms of social welfare provision for their service beneficiaries. In the municipality of Veles, for instance, in the village of Chashka, a social club for senior citizens allows the local population's 165 older persons to meet regularly and be offered various social and cultural activities. In Gevgelija, day care is provided in the form of psycho-social support and a meals service delivered to the homes of about 50 senior citizens.**

#### Working with Homeless Children

**The city of Skopje has had extensive experience in working with homeless children, providing educational and psycho-social support to children and their families in its social work centre. This programme, which is targeted at children aged between six and fifteen, is offered in a daily centre which is supposed to have opened by the end of November 2004. The programme is executed by a psychologist, a social worker, a pedagogue, a doctor and a number of volunteers.**



Providing accommodation, primary and secondary education to minors with anti-social behaviour disorders in appropriate educational facilities, these two types of facilities are responsible for providing adequate conditions for accommodation and food. In addition to taking care of the health of these minors, these facilities should also organise activities for educational, free-time, and cultural and amusement purposes.

### **Caring for Persons with Mental or Physical Disabilities**

**Social welfare programmes aim to provide services to help families caring for a family member who has a special need, so avoiding that individual being accommodated in an institution. In these instances, the individual would be able to stay in an environment better suited to his or her well-being, whilst enabling his or her family to continue with their social and professional lives. Today, as a result of these services, centres have been established as a model of care for children with moderate or severe mental handicaps who still live together with their families.**

**These centres typically accommodate between twenty and twenty-five children between the ages of five and eighteen, all of whom possess moderate, heavy or severe mental handicaps. The centres operate in the municipalities of Kriva Palanka, Delcevo, Veles, Gevgelija, Prilep, Bitola, Tetovo and Skopje. In the upcoming period, centres are expected to be opened in Kavadarci, Kicevo, and Stip. Each centre is an organisational unit within the social work centre; all its services are provided by professionals from various different professions, including social workers, psychologists, pedagogues, disabled children workers, physiotherapists, and nurses.**

**According to current estimates, six employees are required for a centre with twenty-five children in order to ensure its full functioning, taking into consideration all functions performed by the social work centre.**

### **● Facilities for the Accommodation of Children and Youths Faced with Obstacles to their Mental Development & Facilities for the Accommodation of Children and Youths with Physical Disabilities**

#### **● Facilities for the Accommodation of Adult and Senior Disabled Persons**

There are three types of facilities which aim to provide accommodation for adult and senior disabled persons: a) facilities for senior citizens with disabilities; b) facilities for adult disabled persons; and, c) facilities for adult disabled persons with moderate or severe obstacles to their mental development. These facilities, which care for senior citizens and adult disabled people, provide various accommodation, food, support and care, health protection, and cultural, amusement, occupational and recreational services to their residents - as dependent upon the specific needs, capabilities and demands of service beneficiaries.

The facility for adults with moderate or severe obstacles to their mental development provides accommodation, health protection, and occupational therapy to these persons, as pertaining to the specific capabilities and health circumstances of each patient.

#### **7.3.4. Health Protection**

The system of health protection, or healthcare provision, for the Republic of Macedonia encompasses measures, activities and procedures for the protection and improvement of the health, living conditions, working environments, and health insurance rights and responsibilities, as well as measures, activities and procedures carried out by the organisations in the field of health, aimed at protecting and improving human health. This system is also charged with the task of preventing illness and providing healthcare for individuals suffering from diseases, injuries, or other health problems; thus healthcare authorities should work toward the early detection of diseases and establish the health status of patients, in order to provide early and effective treatment and rehabilitation services, through taking appropriate professional medical measures, activities and procedures.

The right to health insurance is comprised of the following:

1) Compulsory health insurance;

2) Additional compulsory health insurance which provides for health protection in the event of illnesses or injury;

3) Voluntary insurance which provides a higher level of health protection and more benefits above the standards stipulated by the Ministry of Health;



- 4) Health services which are paid for privately;
- 5) Compulsory health protection.

#### **7.3.4.1. Local Self-Government and Healthcare Provision**

Article 22, Paragraph 9, of the Law on Local Self-Government determines which competencies relating to health protection are now placed under the jurisdiction of local self-government. According to this law, local self-government is now responsible for managing the network of public institutions and facilities that provide primary healthcare services, through the appointment of its representatives onto the Executive Boards of those health organisations under public ownership.

The Executive Boards of public health facilities which provide primary healthcare services are consisted of nine members - three of which are representatives of the professionals and practitioners working at the health facility, elected by a professional body; four are representatives of the founding entity; and two are representatives of the local self-government, one of which is appointed by the Council of the municipality in which the public health institution's head office is located, and the second of which is appointed by the Council of the most populous municipality within the jurisdiction of the health institution.

The only exception here relates to the city of Skopje, where, in, the two representatives of local self-government are appointed by the Council of the city of Skopje, when that public health institution provides primary health services within the territory of the city. The Executive Board is responsible for adopting the institution's statute, any statutory changes made to it, a report on its functioning, its financial plan and balance sheet, in addition to adopting and implementing all general regulations pertaining to it, as well as other things stated in the institution's statute.

In short, the municipality is now responsible for improving the health of its citizens, taking preventive actions, taking care of workers' health and safety, maintaining permanent supervision over the environment, and supervising contagious diseases, alongside other activities prescribed in the law.

#### **Legal Framework:**

- The Constitution of Republic of Macedonia (Official Gazette of the Republic of Macedonia, No. 52/1991).
- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No. 5 of January 29, 2002).
- Law on Social Welfare (Official Gazette of the Republic of Macedonia, No. 50/1997, 16/2000, 17/2000 and 65/2004).

#### **Facilities Currently Maintained in the Republic of Macedonia**

**In total, 1,337 people are accommodated in the following facilities - of which 494 are children and 843 are adults (508 being senior citizens):**

- **Two facilities for children without parents or parental care - for children aged 3 years-old. Home for infants - in Bitola (a capacity of 100 children and 25 mothers with an average of 70 children accommodated). Home for children "11 Oktomvri" - in Skopje for children aged between 3 and 18 years-old (a capacity of 144 children with 105 children presently accommodated).**
- **Two facilities for children with educational and social problems - and minor delinquents in Skopje (with a capacity of 71 accommodation places). Facility for accommodation and education of children and youngsters "Ranka Milanovic" - (a capacity of 75 children with 30 present beneficiaries)**
- **Three facilities for people with mental and physical disabilities - Facility for rehabilitation of children and youngsters in Skopje (a capacity of 150 with 108 currently benefiting). Special facility "Demir Kapija" (a capacity of 420 with 380 beneficiaries so far). Facility for protection and rehabilitation "Banja Bansko" - in Strumica (with a capacity of 65 spaces)**
- **Four homes for senior citizens - Gerontological Facility "13 Noemvri", "Majka Tereza"- in Skopje (with capacity of 107). Home for senior citizens "Sue Raider" - in Bitola (a capacity of 147). Home for senior citizens "Kiro Krstevski Platnik" - in Prilep (a capacity of 150 with 94 presently accommodated). Home for senior citizens "Zafir Sajto" in Kumanovo (with a capacity of 160),**
- **First private facility for children without parents, "SOS detsko selo Skopje" - (a capacity of 84 children, with 2 accommodated so far and currently filling the capacity further).**



- Law on Health Protection - consolidated version (Official Gazette of the Republic of Macedonia, No.17/1997).
- Law to Amend the Law on Health Protection (Official Gazette of the Republic of Macedonia, No. 10/2004)



## 7.4 | CULTURE

Evgenija Bektas - Josifovska

**Libraries, museums, cinemas, music, drama, theatres, the arts and film. How else might we define these terms, if not as the embodiment of culture? Your responsibilities toward this sphere of jurisdiction are discussed in the pages that follow.**

Culture represents a summary of the knowledge, beliefs, arts, laws, customs and other human achievements through which people express their permanent spiritual needs and behaviours in reaction to their surroundings. Culture also represents the creative aspects of a modern reality of new activities and values which advance human rights and freedoms. Moreover, culture as a continuous process is an open-ended value system based upon several fundamental characteristics:

- Availability
- Variety
- Openness
- Responsibility
- Adaptability

1. The **availability** of cultural values concerns the fulfillment of the cultural rights of all citizens. Art becomes culture when audiences deepen and feel their values. Even then culture changes, and improves the quality of life.

2. The **variety** of culture refers to cherishing the treasure of all varieties in the cultural identity of Macedonia, as well as recognising the need to broaden the area of artistic forms, and artistic freedom. Culture represents the expression of a variety of different experiences and value systems of different individuals, social groups and peoples. This is how alternate identities may be recognised. The amendments to the Constitution of the Republic of Macedonia of 2002 emphasise the multicultural character of our society. Consequently, the Constitution, with its amendments, and the Law on Culture nurture and support culture by creating equal opportunities for the expression, cherishment and affirmation of the cultural identities of all communities.

3. **Openness** should be the essential constant in any cultural system. It will exist only through the openness of media, since this is the form by which culture confirms itself and improves. Not only for economical and political reasons, but for cultural reasons as well, our country should be deeply involved in a cultural exchange with the world. So as to maintain an active international cultural policy, the country should also join the European



and world cultural institutions, including international associations of museums, libraries, galleries and musical artistry. Furthermore, the country should apply for eligibility for international and European cultural funds and should strive to be actively involved in regional cultural cooperation with its neighbouring countries.

4. **Responsibility** refers to respecting the moral codes of professions and legal obligations thereto. The national programme on culture should become the force for the activation of creative energies in all cultural institutions.

5. **Adaptability** refers to the need to fully utilise all positive opportunities awarded to cultural development. Besides working with public institutions, the public interest in the area of culture may be enhanced through cooperation with non-governmental organisations and with the private sector.

### **The Decentralisation of Culture**

Culture may be expressed as a national, local and individual interest which may or may not have profit as its primary objective. The national cultural interest is equally the public cultural interest of all citizens in the country, which has the aim of providing all citizens with an equal opportunity to participate in cultural processes, as artists or as recipients of culture.

The local cultural interest, however, should be associated with the public interest of citizens at local self-government level. The scope and means by which this public interest is expressed is regulated by the municipalities, and is financed by the cultural programme approved by the Municipal Council. Local cultural institutions are in a direct contact with citizens, whom are able to reveal to these institutions their cultural requirements and ways in which they may be satisfied. Having in mind the fact that local self-government authorities now have their own resources, it is possible that the cultural life which flourishes within municipalities might be made richer, more dynamic and of a higher quality.

Citizens, rightly, do not expect mere occasional, accidental bursts of culture; rather they wish to organise their own cultural activities. In this endeavour, the prevailing distance between the centres of culture and the provinces may be overcome. An individual's interest in culture is expressed by artists, institutions and other legal entities and other private persons, through their own decisions and through the exercise of their own resources.

Culture is performed by individuals, public and private institutions and other legal entities and persons. An artist is any individual who produces a creative performance in the area of art (painting, music, literature, sculpture, etc.), or who produces a creative performance apart from the obligations of education, legal status, registration, or citizenship. A substantive artist performs art professionally and, in accordance with trade association regulations, he or she should register the artistry so created.

A cultural institution is a legal entity that performs cultural activities and has a non-profit aim. The institution, which may privately or locally funded, may be established by a private individual or by a legal entity. The public institution may be locally-orientated if established by local self-government unit, or it may be nationally-based if established by the state.

### **Using Culture as a Resource for Development**

The new philosophies of culture and the concepts drawn of those philosophies are incorporated in national programmes which treat culture as a movement for development. In order that culture may enrich and raise the quality of life as a tool of social development, culture itself must be constantly renewed and developed, so to provide for economical and spiritual revival and reproduction.

New economical policies create the conditions for motivating institutions to seek out additional resources, domestic and foreign donations, sponsorship, and credits, etc. These policies can also provoke institutions to offer high quality services, to rent out premises, acquire income from selling tickets, obtain membership fees, developing cultural tourism, or introduce special cultural taxes.



The Republic of Macedonia has an extremely rich history, with influences from several different cultures which have contributed different moral, religious, and cultural nation. In its birth and evolution, Macedonia has become a truly multicultural country. Traditional handcrafts, for instance, which are being researched for scientific purposes, have been the focus of numerous conservation efforts which hope to preserve aspects of the country's history, for current and future generations.

### **Improving Cultural Management**

Improving cultural management depends upon developing the existing professional staff whom occupy positions in cultural institutions. Professional improvement, training, and study visits should be provided, alongside cooperative activities with neighbouring countries, and further engagement with international organisations.

### **Cultural Strategising**

A de-concentration of capital is required in order to provide for a more cost-effective allocation of labour and to ensure that cultural institutions may perform their duties to provide high quality cultural services and create cultural programmes which produce the best possible results. On the basis of professional expertise, criteria for the delivery of the country's National Cultural Programme are determined, and resources allocated to enable the completion of all cultural capital projects whose funding has, in recent years, been delayed.

Under the decentralisation of government powers, competencies related to the provision of cultural services are transferred to municipalities. Herein, local authorities are responsible for deciding upon cultural needs at the local level. Culture is thus financed in accordance with a programme on culture approved by the local Municipal Council. National cultural interests, however, remain the responsibility of the state.

Cultural competencies, at the time of writing, are in transition. The Law on Culture began the process of decentralising and the determining the status and linkages between different cultural institutions. Initiatives that support the establishment of new cultural institutions deriving from the need for cultural development will be encouraged, and, at the same time, the status of current cultural institutions will be reviewed.

### **Priorities in Cultural Development**

In accordance with defined goals and the measures for their achievement, the National Cultural Programme elaborates upon the country's priorities for cultural development. Some general priorities include providing support to: cultural heritage; modern art; the management of cultural services; the cultural needs of particular communities; and cooperative linkages with foreign and domestic non-governmental organizations. Hereto is a more comprehensive list of the priorities outlined by the National Cultural Programme:

- The protection and preservation of cultural heritage;
- The protection and preservation of intellectual works;
- The activities and services provided by museums;
- The services provided by libraries;
- The services provided by cinemas;
- Publishing and literature;
- Musical arts;
- Theatrical arts;
- Cultural centres;
- Cinematic arts;
- Fine art, i.e. painting, etc;



- Cultural tourism;
- Non-governmental organizations (NGOs) and associations of citizens;
- Cultural industries;
- Cultural research;
- International cultural cooperation;
- Cultural events;
- Support to young professionals and youth talent;
- The protection of authors and related rights;
- Investments in culture.

### **The Protection and Preservation of Monuments and Memorials**

Monuments and memorials serve to mark certain significant events or persons in the history and culture of the Republic of Macedonia, the Macedonian peoples more generally, or indeed any of the different ethnicities which live in this country - Albanians, Serbs, Turks, Vlachs, Romas, Bosniaks and other peoples, whom have made an extraordinary contribution to the social development of the Republic of Macedonia. Construction of monuments and memorials contribute to the advancement of human rights and the affirmation of humanitarian principles, together with the general values of the civilization.

A memorial or monument is a single object, or group of objects, designed in the form of architecture, sculpture, painting or other applied arts, possessing historical and artistic qualities which provide permanent memorial to a certain event or individual of outmost significance to the Republic of Macedonia. A project to build a memorial or monument may be undertaken by the Parliament of the Republic of Macedonia or the state's administrative organs, or by local self-government units, institutions or associations of citizens and legal entities, or by foundations and other concerned legal entities and citizens. The Municipal Council is tasked with approving requests to establish a memorial project or observe a particular memorial day within its territory. Approval is obtained from the Council if agreement is achieved by a majority of votes of Municipal Council members.

In addition to making decisions on the construction, maintenance, protection and utilisation of memorials, the Municipal Council may also elect to establish and nominate the members of a special board responsible for building memorials. Herein, the Municipal Council is responsible: for issuing a permit for changing the memorial; undertaking activities in its vicinity which may alter the integrity of the memorial; for moving the memorial to another location; and, for deciding on other similar issues.

A special register should be maintained by the state administrative organ in charge of cultural affairs for all monuments and memorials. Similarly, registers of memorials and monuments should be kept by municipalities. The Municipal Council has a duty to submit an summary of its own register to the Ministry of Culture within fifteen days of a memorial or monument entering the municipal register, or, within fifteen days of any changes being made to an existing memorial or monument.

It is important to be aware that all regulations pertaining to the construction of investment objects, and all regulations concerning spatial and urban planning procedures, apply also to the construction of a memorial or monument,

### **Cultural Heritage**

Cultural heritage comprises material and nonmaterial goods which represent an expression of present-day or traditional arts and handcrafts or are representative of the art of man and nature; and which have cultural and historical significance in their archeological, ethnological, historical, artistic, architectonic, urban, ambient,



technical, sociological or other scientific and cultural values and functions. Specifically, this cultural heritage may be embodied in the:

- Non-movable (archeological sites, churches, monasteries, watch-towers, amams (Turkish spas), mosques, old city architecture, old village architecture, monuments, memorials, bridges, caves);
- Movable (museum objects, archeological objects, old handwritings, ethnological objects, paintings, icons, frescos, audio and cinema material);
- Spiritual (songs, dances, customs).

**The basic aim of protecting cultural heritage is to:**

- Maintain cultural heritage in its original and genuine condition;
- Preserve conditions for the survival of cultural heritage and maintain the integrity of all information that the heritage offers us as a witness to another period in time;
- Spread knowledge of the values and meanings of cultural heritage and its role in cultural identification;
- Ensure that cultural heritage serves the cultural, scientific, educational, aesthetic, religious, tourist, economic, and other needs of citizens and society in general.

The protection of cultural heritage is a primary responsibility of the state and its organs and public services. Local self-government units, their organs and public services are also responsible for protecting culture within their legal jurisdictions. Due care and respect toward cultural heritage should also be afforded by all citizens.

**Activities to Support Local Cultural Institutions**

In order to better support conditions for the decentralisation of competencies over the current network of cultural institutions, in accordance with the Law on Culture and in compliance with other regulations of local self-government, the following activities should be undertaken by particular governmental bodies:

- The Ministry of Culture should support through competitive processes projects of national cultural interest proposed by local cultural institutions, the day-to-day activities of which municipalities are obliged to finance.
- The Ministry of Culture should provide, for municipality-established local institutions, a portion of the finances needed for the regular operation of the institution. These finances, provided from the national budget, should be accompanied by financing from the municipality.
- In those municipalities which do not currently feature cultural institutions, the establishment of theatre groups, fine arts, and the renewal of cinema theatres should be enabled in order to enrich cultural life.
- Projects which support the decentralisation of cultural competencies should continue to be financially supported through NGOs or associations of citizens. Special attention should be given to strengthening capacities for managing local institutions and planning and financing cultural activities at the local level through other sources.

Cooperation with non-governmental organizations, or civil society associations, through the development of joint projects, should be favoured in order to increase public awareness of cultural heritage, thereby strengthening intellectual and public dialogue. Civil society associations allow voluntarism and amateurism to drive culture forward. Therein, practices for high quality, efficient and rational engagement by citizens would be established, influencing the work of public institutions. Special attention should be paid to supporting the renewal and preservation of traditional, old crafts and skills.



With the increased activities and territorial mobility of cultural institutions, it is likely that the number of cultural events being held across the country will increase. In this event, many cultural events may be scheduled to take place at the same time, which reduces audience numbers. To avoid this occurring too frequently, a calendar of cultural events should be drafted.

**Example A: An example of a successful cultural activity is the celebration organised on New Year's Eve in the city square; a tradition that is observed by many municipalities, including Skopje, Bitola, and Prilep, among others. Funds for such events are drawn from the Municipal Budget, which may of course be supplemented through various private sponsorships of the event. These events may involve performances from local folk and cultural associations, artistic associations, choirs, amateur theatre groups, local entertainers, or modern music artists, etc. Through such a celebration, the whole city has the opportunity to enjoy and participate in an activity open to all.**

**Example B: In the municipality of Bitola, bonfires are set in all towns and villages to celebrate the religious holiday of Badnik-Koleda. Three years ago, Bitola organised a large Koleda Fire within the city square which citizens were delighted to attend. A sum of money was drawn from the Municipal Budget in order to provide for the musical entertainment and thanks to the support of a number of public enterprises that donated sand, wood, alcohol and other beverages to the event - citizens had a very enjoyable time over a number of hours. This Koleda Fire celebration has since been repeated a number of times.**

## The Structural Organisation of Cultural Institutions

Local self-government cultural organs are managed by a Director and an Executive Board. Directors are nominated by the Mayor through a competitive application process. Candidates for the position of Director are obliged to submit a proposal for the cultural development of the institution.

The Mayor has the right to select and appoint the Executive Board, the members of which are composed of representatives nominated and dismissed by the Mayor. Two of its members should be distinguished individuals in the area of culture; one member should be a representative of the local self-government; and, two members should be employees of the institution. The members of the executive board are selected, on the basis of their professional backgrounds and abilities, for a mandate of four years - for which they may thereafter be re-nominated to serve for another mandate. All of the members of the Executive Board may be dismissed from their position before having completed their mandate should they be found to have acted contrary to the law.

There are many other examples, of course, that also elaborate just how local capacities may be utilised for organising various successful cultural events. Among these, the Vevcani Carnival and Prilep Beer Festival should especially be commended.

### Legal Framework:

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.5/2002).
- Law on Culture (Official Gazette of the Republic of Macedonia, No.49/2003).
- Law on Protection of Monuments of Culture (Official Gazette of the Republic of Macedonia, No.24/73 and 42/76).
- Law on Macedonian Language Usage (Official Gazette of the Republic of Macedonia, No.5/98 (Constitutional Court Decision 63/99).
- Law on Author's Rights and Similar Rights (Official Gazette of the Republic of Macedonia, No. 47/96 and 3/98 and 98/02).
- Law on Museum Activities (Official Gazette of the Republic of Macedonia, No.25/79 and 51/88 and 12/93 and 31/98).
- Law on Library Activities (Official Gazette of the Republic of Macedonia, No.31/98).
- Law on Financing Local Self-Government (Official Gazette of the Republic of Macedonia, No.61/04).



## 8 DECENTRALISATION AND THE ENVIRONMENT

Toni Popovski

**The environment is the place in which we work and strive to fulfill our hopes and ambitions. The environment is our home, the place in which we raise our family, and it also comprises the territories of our municipalities. We should not only pay attention to the immediate area in which we live, but we should also do all we can to ensure that our municipalities are leaders in environmental protection efforts.**

The environment embodies the area in which we live and build our homes, the places at which we work, the locality in which our children play and study, our general vicinity, settlements and natural surroundings. The environment does not only belong wholly to human beings, but also to the entire natural world, including plants and animals. Any disturbance to the environmental ecosystem more often than not leads to severe and permanent consequences. The pollution of air, soil and water systems, for instance, decreases biological diversity and has a negative impact upon the general health of humans. Environment pollution is accelerated by the processes of industrialisation and globalisation, most significantly resulting in global climate change. These global effects seriously impact upon the lives of all people in all countries and communities, since pollution is rarely confined to national boundaries.

The protection and improvement of the environment is one of fundamental challenges for humankind because of our perpetual need to provide for the existence of future generations. The best ways that solutions to environmental problems may be found is through the creation of appropriate instruments, policies, regulations and institutions to deal with these problems at global, national, regional and local levels. As is generally accepted, if prevention fails then attempts should be undertaken to solve a problem immediately. This underlies the reasons why we should think globally, while acting locally.

A fundamental value of the constitutional order of the Republic of Macedonia, the principle of protecting and improving the environment is founded upon the internationally accepted view that a balance between the needs of economic, social and ecological systems must be achieved. In theoretical terms, this is known as sustainable development.

In one respect, the right to a healthy environment is an individual right. But it is at the same time the collective responsibility of all citizens to make sure that this right is properly exercised. Every human being has the right to a healthy environment. And, in turn, each and every one of us is obliged to improve and protect nature and the environment. This country provides for the fulfillment of the citizens' right to a healthy environment under Article 43 of the Constitution of the Republic of Macedonia.



All the natural resources of the Republic of Macedonia, its flora and fauna, its common resources and communal infrastructure represent goods of common interest for this country, and they thus enjoy special protection, according to the Constitution and in line with existing laws. In keeping with the provisions of the

### **The Law on the Environment**

**The Law on the Environment defines the aforementioned principle of sustainable development, reaffirming the goal of satisfying the needs of a healthy living environment and allowing the social and economic needs of current generations to be met, without endangering the rights of future generations. The Law stipulates that, when undertaking any activity whatsoever, our primary concern should be the rational and sustainable utilisation of resources.**

Constitution, the basic legal framework determining essential principles for the protection of the environment is stipulated in the Law on the Environment, which in its own right represents a kind of ecological constitution for this country. This law creates the institutional framework for protecting the environment and establishes administrative procedures common for other special laws which arise from this framework law. The improvement of the environment is identified as one of the fundamental values of the constitutional order of the Republic of Macedonia.

Local self-government, as a form a local community management, is obliged to protect and improve the environment. Issues connected to the protection and the improvement of the environment are of direct relevance to citizens. Protecting and improving the environment is one of the most specific issues which acts as an incentive for the implementation of the right of citizens to autonomously and directly impact upon issues of local interest. Through establishing local institutions and representative bodies, we also create the conditions for the direct management of the ecological subsystem.

The term competencies stands for the rights and obligations of local self-government. One of the central issues for local self-government is relates to the scope of their competencies. In 2002, a new Law on Local Self-Government was passed, Article 22 of which refers to the protection and improvement of nature and the environment as one of the competencies of local self-government. Specific measures for the protection and prevention of water, air and soil pollution, protection of nature, protection from noise and of nonionic emissions are

therein outlined. The decentralised organs that are to carry out transferred competencies in the area of the protection of the environment are to exercise functional and financial autonomy; although central government reserves the right to supervise the legality of the actions of local organs.

The Ministry of Environment and Physical Planning, in spite of having its own local units operating at the municipal level, does not under this decentralised regime transfer its local-level public servants to the authority of the municipalities. In the past, the centralised management of environmental protection meant that the local administration was not very involved in the activities of the Ministry. The municipality's lack of resources for protecting the environment not only limited institutional capacity at the local level, but it also limited the capacities of the state administration. Local authorities were only involved in waste disposal activities the maintenance of areas of greenery, which on their own made little difference to the overall management of environmental protection. Due to their lack of real responsibilities in this area, local authorities have had very little experience in environmental management. This imposes upon them the need to effectively strengthen local institutional capacities.

It should be expected that the transfer of competencies will proceed relatively slowly, and with limited financial, human and technical resources. A number of realistic technical and material preconditions should be fulfilled before competencies are fully transferred to local level. In particular, institutional reform will be required for municipalities to effectively manage their environmental responsibilities; these reforms should be firmly supported and coordinated by central authorities. In this context, the ongoing reform of public administration should also be taken into consideration.

Under the new decentralised legal framework, municipalities are obliged to undertake the following competencies in the area of the environment:

### **Raising Public Awareness**

Municipalities should provide continuous support to efforts aimed at raising the level of education and public awareness on issues related to protecting and improving the environment. In this context, the scope of municipal activities should be broad and applicable to the particular prevailing conditions of the local environment - for instance, focused at natural resources and their significance for local economic development.



Education and information on the environment should be promoted and adequately financially supported. Municipalities should perhaps follow the examples set by the municipalities of Karpos and Veles, which have created public awareness and educational centres to strengthen awareness of issues concerning the environment. Municipalities might also promote their own ecological campaigns through organising special municipality days dedicated to the protection of the environment, or by planning other various events, etc.

#### Drafting and Implementing the Local Ecological Action Plan

In compliance with the National Ecological Action Plan (NEAP), municipalities should draft and implement their own bi-annual Local Ecological Action Plan (LEAP). Each Municipal Council, including the Council of the city of Skopje, should create a body, managed by the Mayor to monitor the implementation of the LEAP. This body should submit an annual report based upon the results of the implemented LEAP to the state administrative organ in charge of environmental matters. This state organ may then suggest its own proposals for changing or amending the LEAP, according to the need for harmonisation with the National Ecological Action Plan.

Depending on the level of environmental pollution in a given area, the Local Ecological Action Plan should provide medium and long-term measures and activities for the protection of the environment and the health of people living in municipalities, or the city of Skopje. Specifically, the LEAP should refer to:

- Measures to protect the municipality from pollution and to improve local air quality;
- The supply of high-quality drinking water and the protection of waters from pollution;
- Drainage of wastewaters;
- The management of waste;
- Protection from noise pollution which occurs as a consequence of factory operations and other economic and industrial activities;
- Urban development and urban planning;
- The development of local public transportation and management of traffic;
- Improving energy efficiencies;
- The development of eco-cultural tourism and the consideration of its influence on the environment;
- The protection of bio-diversity;
- The management and utilisation of natural resources;
- Raising public awareness and developing educational activities on the protection and improvement of the environment;
- The consequences of economic development for the environment;
- The competent bodies for implementing the NEAP.

The preparation and approval of the Local Ecological Action Plan should be one of the essential local development priorities of a municipality, since it acts as the foundation for strategically planning the sustainable development of the local ecological system. Compared to state authorities, local self-government is better equipped to set these development priorities, composed as it is of representatives from the local population. Those municipalities that have already drafted an NEAP are better able to utilise the financial resources offered by international donors - the development partners of the Republic of Macedonia.

#### Implementing a Strategic Assessment

A strategic assessment, involving full public participation, should be implemented to examine the impact of various different environmental strategies, plans and programmes. In the near future, a national system to assess the impact on the environment of various environmental strategies, programmes and plans will be established. A strategic assessment is the only tool that provides for the adoption of effective environmental protection policies.



This instrument is strongly recommended in order that the public be involved in the early stages of a planning process, thus meeting at least two of the key tenets of the Law on the Environment: the principle of prevention and the principle of participation.

The participation of municipalities is envisaged in the process of preparing the strategic assessment on the state impact, thus providing municipalities with the opportunity to influence state-level strategic decisions which may be of concern to their own environs and competencies. This is of especial importance to the development of strategic infrastructure, transport corridors and roads, and energy supplies with neighbouring countries, etc.

### **Offering Opinions on Projects to be Implemented**

On the basis of a prepared feasibility study, and in order to stimulate public debate, local self-government should offer its opinions on all projects to be implemented on the territory of the municipality, taking into consideration the likely impacts upon the local environment.

The Ministry of Environment and Physical Planning is in charge of developing the methodology and systems for making an assessment on the impacts to a local environment, and for managing the database storing the data pertaining to these assessments. Since this procedure is linked to urban planning, which is under municipality competencies now, and in order to ensure that quality decisions are taken at the local level, excellent, functional and efficient cooperation should be maintained between municipal and state.

It is important to achieve a high level of understanding of the procedures relating to the assessment of environmental impacts. Therefore, each municipality should have at least one employee to work on the procedures related to assessing impacts upon the environment. In addition, municipalities should plan expenditures for making public announcements and for ensuring the publication and distribution of relevant literature for public debates, etc.

### **Issuing B-Integrated Eco-Permits**

On the basis of the aforementioned public participation, municipalities are charged with issuing so-called B-integrated ecology permits to companies which pollute the local environment. The companies are obliged to obtain a B-integrated eco-permit, while the Government of the Republic of Macedonia is responsible for determining those facilities for which a permit is needed.

The Minister in charge of the state organ for the protection of the environment prescribes the procedure for issuing or amending the partial or complete transfer of B-integrated permits, including the conditions under which business activities are required to cease. The Mayor of the local municipality, or the Mayor of the city of Skopje, is tasked with issuing B-integrated eco-permits. In cases when the facility is situated on a legally protected area, the organ of the state administration in charge for matters of the environment must issue the B-integrated eco-permit.

Municipalities, including the city of Skopje, should have at least two employees charged with issuing these B-integrated eco-permits - one for each industrial sector. The municipalities and the city of Skopje must inform the state administrative organ in charge of matters concerning the environment for the fulfillment of conditions for providing B-integrated eco permits. In addition, municipalities are entitled to establish joint administrative procedures for issuing B-integrated eco-permits.

The B-integrated eco-permit includes information on the company and the facility, and the requirements that the company should meet all with regard to the usage of the facility, in compliance with all pertaining and existent legal provisions and by-law regulations.

### **Provision of Opinions on A-Integrated Eco-Permits**

The local self-government should merely offer an opinion on the issuance of A-integrated eco-permits. The activities of new installations that cause environmental pollution on a large scale, or significant changes to existing installations, are determined by the Government of the Republic of Macedonia and may be carried out only on the basis of an integrated ecological permit called an A-integrated permit, which is issued by the organ of the state administration responsible for the environment.



## **Contingency Planning**

Municipalities are responsible for preparing a contingency plan for emergency situations, based upon on the internal planning for emergency situations prepared and submitted to the municipality by companies and public enterprises. These contingency plans should incorporate those measures to be undertaken should a catastrophe occur. The company should submit the plan to the municipality - or the public organs of the city of Skopje. On the basis of the submitted plan, the municipality, or the authorities of the city of Skopje, should prepare their own contingency plan for emergency situations and therein submit it to the state organ in charge of the environment.

These contingency plans should be prepared so as to provide for:

- Localisation and control over a catastrophe, so minimising its overall consequences and reducing possible damaging consequences for the lives and the health of people, property, and the environment;
- Measures to be undertaken for the protection of people and the environment from the consequences of the catastrophe;
- Information to be passed to the general public and all public services concerned by the situation;
- Renewing and cleaning the local environment, having taken care of the immediate consequences of the catastrophe.

The Mayor should provide the public with open accesses to external and the internal contingency plans. These internal and the external contingency plans should be applied by the operator without delay, and if necessary, by the municipality or the city of Skopje. Within fifteen days of the contingency plans having been finalised, the Mayor is obliged to submit both the external and the internal plans to the state administration organ in charge of the environment.

The company, the Mayor, and the state organ in charge of the environment should periodically analyse, test, revise, and renew these internal and external emergency plans over a three-year period. Consideration should be given to the latest technical innovations in dealing with catastrophes of the kind envisaged by the plans.

## **Authorising Local Environmental Inspections**

The inspection supervision of all areas of the environment is maybe the most important segment of the new competencies of the municipalities in the area of the environment. As such, municipalities are charged with the responsibility to authorise local inspectors on the environment. The scope of the inspection supervisory powers entrusted to the municipalities depends on the type of pollution suffered in a given municipality, and also on the capacities of municipalities.

Municipalities may cooperate with one another to provide for the adequate inspection and supervision of local environmental conditions. The Ministry of Environment and Physical Planning should organise for regional inspections and supervisions at state level. In principle, municipalities are responsible for organising for the inspection, supervision and control of pollution levels and ensuring that pollution does not spread outside of the territory of the municipality. In light of these important competencies, municipalities must appropriately organise themselves as soon as possible, and employ the necessary staff and technical equipment for the efficient conduct of inspections and supervisions.

## **Seeking Compensation from Polluters**

Municipalities may introduce the polluter pay system fees for the pollution they cause the local environment. These fines act as additional income for the municipality. The Law on the Environment elaborates a principle whereby the polluter has an obligation to pay this fine in order to compensate the municipality for expenses it will incur for removing that pollution, and for the reparation of the damage caused to that local environment to restore it as much as possible to its state prior to the damaged wrought by the pollution.



## **Implementing Plans for Waste Management**

Local self-government authorities should prepare and implement a special plan for managing waste, based on the waste management plans drawn up by legal entities and ordinary individuals with the territory of the municipality. Previously, municipalities were limited to collecting communal waste without any having formulated any integral managing strategies thereto.

The Ministry of Environment and Physical Planning should set standards for managing solid waste, with the supervisory responsibility itself thereto transferred to municipalities. The Ministry will remain responsible for preparation of the strategy for waste disposal, planning regional sanitary waste disposal locations and determining waste managing standards. The waste disposal of dangerous substances is hereto the responsibility of the Ministry of Environment and Physical Planning.

The provision of training and technical assistance is essential for local municipalities to be able to successfully meet their aforementioned responsibilities here. Notwithstanding, municipalities may of course carry out these activities jointly with one another, by establishing joint institutions and cooperative modes of financing.

## **Record Keeping**

Local self-government units are charged with the responsibility to keep records pertaining to the waste which is created within their municipal territory boundaries.

## **Programmes for Improving Air Quality**

In order to ensure a high standard of air quality, municipalities should draw up plans to implement programmes to decrease air pollution.

## **The Management of Water**

Municipalities should participate in the procedures to draft the National Programme on Waters for Commercial Use, in addition to participating in the process for managing the executive bodies in charge of river banks. Taking into consideration the structure of the waters as a resource of the Republic of Macedonia, and the fact that waters most often run through the territories of several municipalities, this issue requires an optimal level of cooperation and coordination between different municipal and state authorities.

The responsibility for the protection and management of waters is divided between several Ministries, of which the Ministry of Environment and Physical Planning and the Ministry of Agriculture, Forestry and Water Management are at the forefront of planning activities. Clearly, the issue of water management requires a multi-sector approach with the active participation of local authorities. Municipalities are responsible for adopting plans for the protection of waters within their own territories, which should be in compliance with national plans. Compliance is ensured through adequate coordination in the preparatory stage of planning and by making sure that these plans are adopted by the consent of the Ministry in charge.

Municipalities have a special responsibility to undertake measures for smaller water polluters; a responsibility which is directly linked to local inspection supervision. The European Union Framework Directive on Waters implies that administrative bodies for river banks be established to take charge of managing the waters of rivers. By participating in the work of these bodies, municipalities are able to influence the protection of their local environments. Responsibility for the management and ensuring the quality of underground waters remains under the competency of the state administration.

Water protection is closely linked to urban planning because of the requisite infrastructural and construction undertakings and the need to determine suitable construction locations. Herein, municipalities are responsible for the construction and management of water drainage stations. The drainage of waste waters in the coming months and years ahead will create an extraordinary, if not the ultimately the biggest, financial burden on municipalities. This is especially the case in the context of integration into the European Union and the consequent requirements presented by harmonization for the legal and institutional framework of the Republic of Macedonia.



Assessments show that an additional investment of 175 Euro per inhabitant is needed in order to construct the infrastructure required for water protection. Once additional costs are added to this figure - i.e. for monitoring the quality of water and for providing resources for the maintenance of infrastructure - it may be concluded that water-related competencies are perhaps the most expensive financial challenge presented by the European integration process.

As such, municipalities should insist on the creation of all conditions necessary for attracting and absorbing technical and financial assistance, from both national authorities and international donors.

### **Proposing Water Protection Zones**

In addition to the aforementioned water-related competencies, municipalities are also responsible for proposing and declaring certain geographical areas to become water protection zones. The declaration of these zones should be incorporated into urban planning procedures.

### **Other Responsibilities of Municipalities to Undertake Environmental Initiatives**

Besides those responsibilities already outlined, the new special environmental laws provide a host of other opportunities for municipalities to take the initiative at the local level of environmental protection. The following initiatives should be emphasised:

#### **Local Networks for Monitoring the Environment**

Municipalities may create local networks for monitoring the local environmental situation, to keep a register of polluting factors and substances, and to keep a cadastre of the environment (cadastre listing polluters, waste producers, protected areas, etc.). The Law on the Environment defines the local monitoring networks. The municipal government, or the city of Skopje, may in compliance with the special law establish these local monitoring networks.

In accordance with the law and municipal regulations, or the regulations of the city of Skopje, the financing of these local monitoring networks, allowing for the performance of their duties, maintenance and the development of the network, is provided from the Budget of the municipality, or from the Budget of the city of Skopje, in addition from other sources. The aforementioned law regulates the delegation of monitoring duties. The state administrative organ in charge of the environment may delegate monitoring duties to the municipality. Although the monitoring is not obligatory, several municipalities have to create monitoring networks for measuring air quality in compliance with strategies for improving air quality.

In the context of European integration, several significant investments directed to achieving the European standards for the air quality should be considered. Given current air pollution levels, the estimated investment required amounts to about 75 Euros per inhabitant. At the moment, the most important investments are in the sector for public city transportation and in the energy sector, so to ensure that hard, solid and liquid fuels are replaced in favour of gas in industry and in domestic central heating systems. The Ministry of Environment and Physical Planning has prepared a report on this issue.

Once municipalities have organised their own monitoring networks, they are obliged to provide public access to all information related to these networks. They are also obliged to prepare an comprehensive report on the environmental conditions of the territory of their respective municipalities. The Law on the Environment determines that state organs and municipal organs, including the organs of the city of Skopje, are obliged to put in place all necessary measures and procedures to ensure the availability of this information and to ensure the participation of the public in decision-making processes pertaining to the environment. In short, the aforementioned organs are obliged to provide for the active participation of the public.

#### **Managing Protected Areas**

Municipalities may propose an area be declared as protected and may participate in planning procedures for managing that protected area. The Law on the Protection of Nature stipulates that this management respon-



sibility should be divided between the competent Ministry and the municipalities. The management and monitoring of these protected areas of local interest (i.e. natural monuments, parks, forestry, etc.) may thus be delegated to municipalities. The Ministry of Environment and Physical Planning should remain in charge of the protection of areas of national interest and should monitor those protected areas, and coordinate activities to sustain biological diversity and conserve natural eco-systems. The proper Ministry in charge should exercise authority over the legal obligations arising from the management of these protected areas, regions and localities; and, in turn, municipalities must prepare and adopt plans for their management activities, subject to the supervision of the proper Ministry.

### **Decentralisation and the Environment**

Through this process of environmental decentralisation, citizens are given the opportunity to directly access information regarding the environments in which they live. The mechanisms for citizens' participation in municipal administrative bodies should allow citizens and all interested subjects to get involved in decision-making processes which effect the quality of their environs.

In turn, municipalities are gaining the necessary instruments to create appropriate policies, to plan and to undertake activities to improve the quality of the environment and to prevent environmental pollution. Hereto, on a legal and institutional level, the decentralisation of environment competencies represents a significant step forward in the direction of harmonisation with the standards of the European Union. And, by progressing along this path, the necessary conditions for the utilisation of pre-approved EU funds are created should Macedonia attain EU candidate status.

Nonetheless, the challenge of taking over and delivering these new competencies is still ahead of us. In order to meet this challenge, at this moment the process of building the capacities of local administration, and of finding investment opportunities to strengthen our operational powers, is of utmost priority.

### **Legal Framework:**

- Constitution of the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.52/91, 1/92, 31/98, and 91/2001).
- Law on Local Self-Government (Official Gazette of the Republic of Macedonia No.52/95).
- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.5/2002).
- European Charter on Local Self-Government (Council of Europe, 15/10/1985).
- Law on the Protection of Nature (Official Gazette of the Republic of Macedonia, 67/04).
- Law on the Air Quality (Official Gazette of the Republic of Macedonia, No.67/04).
- Law on Waste Management (Official Gazette of the Republic of Macedonia, No.68/04).



## 9.1 | POLITICAL PARTICIPATION AT THE LOCAL LEVEL

Docent D-r Jove Kekenovski

**Your citizens have the right to watch over you, to support you, to scrutinise you, and to criticise you. In the chapter that follows, you will learn more about the powers possessed by the voter; powers which act to check the behaviour of municipal authorities.**

In our day-to-day lives, we learn about politics and the extent to which we live in a political-cultural context. But how can we make sense of our own political socialisation and how should we act in the context of our own political culture? At first glance, we may say that people express the different aspects of their character in various ways. Some individuals are especially active, joining political parties, campaigning for candidates at elections, or getting involved in the administration of a political party. Others join pressure groups, lobby on behalf of a particular issue, or press for a particular demand to be met. Some choose the path of a politician, and successfully perform their duties. There are also those among us whom opt out of political activities altogether and do not even vote.

The question most frequently asked is, why do people choose to become involved in politics? In answering this question, we might explain that some of the motivating factors include the desire for a successful life or to fulfill one's rights, or because of a fear for one's security in society. Alternatively, political participation might arise from the desire to achieve a certain level of cultural and educational enlightenment or simply from a wish to access information. The ability of the state to oblige citizens to become involved in political life is another important reason. In any case, it is certainly true to say that a basic characteristic of the activities of individuals and groups alike is their desire to influence those political policies adopted by state authority institutions.

### Political Participation

Political participation may be defined as those activities performed by an individual to influence those in power - i.e. to influence the decisions approved by state organs. Political participation represents voluntary action on behalf of the people whom want to participate in the creation of public politics.

The scope and the forms of participation vary depending upon the type of political system in existence. As such, the ways in which people engage in politics varies from one system to the next. Liberal democracies, totalitarian dictators and developing states offer opposing modes of political engagement for the people. In liberal democracies, the prevailing norm is that of voluntary participation; people may choose whether or not they



wish to participate in politics (for example, they may or may not decide to vote), and they may choose how they will so participate (for example, by joining a political party, or signing a petition). The most obvious exception to this norm of voluntary participation is when voting is deemed obligatory; a situation that we can find in several democracies, including Australia, Greece, and Belgium, etc.

The most usual types of political participation, however, are:

**Abstaining from Political Participation**  
**In discussing citizens' participation, we should not forget that many choose to abstain - i.e. refrain from participating - in political life. Those people whom are actively involved in political life are generally in the minority, compared with the total number of citizens who have the right to vote. Political apathy and carelessness are common features in all political systems.**

**There are many different reasons for not participating in political life. With some citizens abstinence may simply be due to the character of the individuals themselves or it may be because of pure discontent or a feeling that the current state of affairs are unalterable. Citizens may believe that their vote is useless or that it is impossible to make a positive contribution to society. In other cases, abstinence may be due to a loss of self-confidence, amongst many other reasons.**

**Thus, there are several groups of people whom voluntarily decline to participate in political life. These groups may be categorised as the following:**

**a) Apathetic - People whom are not interested in participating in politics or are uninterested in involving the political sphere in their own problems, needs, professions, or private lives. For this category of people, politics is a waste of precious time.**

**b) Alienated - People that consider politics to have left them behind. Whether or not these people participate in voting processes, they consider that decisions have already been made by the political establishment. They believe that politics serves only political elites. Unlike with apathy, alienation is not simply passive; rather it represents a more complete sense of alienation with the whole political system.**

**c) Despondent - People whom have lost confidence in their own capabilities and have lost faith in life itself. They consider social changes as unpredictable and uncontrolled, with political leaders too incompetent to oppose the inevitable.**

- 1) Voting during national elections;
- 2) Voting at referenda;
- 3) Agitating and other forms of pre-electoral campaigning;
- 4) Active participation in political parties;
- 5) Active participation in interest groups and non-governmental organisations;
- 6) Participation in political demonstrations and politically motivated strikes;
- 7) Participation in various forms of citizen disobedience - i.e. tax evasion, evading military service, etc.;
- 8) Active participation in advisory bodies and governmental/local governing boards;
- 9) Membership in consumer protection boards and other public enterprise boards;
- 10) Participation in implementing social policies;
- 11) A variety of community activities (ecological, housing, communal, and other matters of concern, etc.).

### **9.1.1. Citizens' Participation in Local Self-Government**

Your citizens have the right to watch over you, to support you, to scrutinise you, and to criticise you. In the chapter that follows, you will learn more about the powers possessed by the voter; the power which acts to check the behaviour of municipal authorities.

Participation in local self-government units is undertaken by citizens themselves, whom also take part in all forms of decision-making. Citizens express their right to local self-government in two basic forms:

- Directly; or,
- Indirectly, through their representatives in local self-government bodies.

Citizens participate, directly or through their representatives, in decision-making processes within the different tiers of local self-government on all issues of local concern, but particularly regarding issues of: public services provision; urban and rural planning; environmental protection; local economic development and local



financing; communal activities, culture, and sports; social and child welfare; education and healthcare; and, other areas as determined by law.

Citizens are able to indirectly influence the municipal decision-making through their democratically elected local self-government representatives. Direct participation by citizens on issues of local concern can be achieved through citizens' initiatives, citizens' gatherings, referenda and various other tools provided for in the law.

### **9.1.2. Indirect Citizens' Participation**

The promulgation of municipal policies and the direction of municipal activities is influenced, indirectly, by citizens through the electoral process. Hereby, local elections allow for the selection of the populace's representatives to the municipal halls of political power. Each election represents a complex process of melding together the inter-relating and oft competing interests of different social groups and communities. Elections embody the most significant political activity that citizens can engage with, by which existing political institutions are reconfigured and the democratic foundations of society are reaffirmed.

In addition to choosing a political party on the basis of its campaign platform, citizens also choose to elect individuals whom they feel they can trust. In this way, citizens feel dignified because by taking part in the electoral process, they participate in the establishment of authority. Periodical elections allow a dialogue to take place between ordinary individuals and politicians and enable an exchange of political influence between public officials. As such, in participating in elections, electors choose either to support the current local municipal government, or to offer their votes to opposition candidates.

Local elections, as a form of citizens' indirect participation in local self-government decision-making, are characterised by several features:

- 1) Transferred Sovereignty - in an indirect democracy, sovereignty is transferable; meaning that sovereignty is transferred from the people to their elected representatives;
- 2) Free and Fair - elections should be general, free, direct, and conducted by secret ballot;
- 3) Legitimising Power - through their election, the political mandates of politicians are legitimised.

In the Republic of Macedonia, citizens' participation during local elections is regulated by a legislative framework which includes: the Law on Local Elections; the Law on the Election of Representatives to the Assembly of the Republic of Macedonia; the Law on the Election of the President of the Republic of Macedonia; the Law on Electoral Units for Electing Representatives of the Assembly of the Republic of Macedonia; and the Law on the Electoral List.

During free and general elections, conducted by secret ballot, citizens elect Municipal Council members, Mayors, Members of Parliament, and the President of the Republic of Macedonia. The members of Municipal Councils are elected by the principle of proportionality, while the President of the Republic of Macedonia and the representatives of the Assembly of the Republic of Macedonia are elected by the majority principle. No-one may hold the voter responsible for the way in which he or she voted, and, as such, no-one may ask the voter to reveal his or her vote. Every citizen over the age of eighteen is legally entitled to vote. Any citizen of the Republic of Macedonia has the right to stand for election if, in addition to being over eighteen years of age, he or she possesses the legal capability to conduct the responsibilities of office, and if he or she is not also currently serving a custodial sentence for a criminal offence. The lists of candidatures, for instance for the position of Mayor, should be proposed by registered political parties or groups of voters. In cases when a group of voters proposes a list of candidates' names, then all their signatures should be presented on a form prescribed by the State Electoral Commission.

### **9.1.3. Basic Forms of Direct Participation in Municipal Decision-Making**

Direct, democratic forms of participation allow citizens to actively engage in political processes and in policy-making at the local level. These forms embody an opportunity, a right even, for citizens to act should the



municipality ignore their needs or should the municipality fail to take a decision that they feel should be taken.

The forms of direct participation, or direct democracy, in fact represent legal opportunities for citizens to compel the municipality and its bodies to undertake certain activities, approve decisions or documents, or to resolve a particular issue which the municipality is deemed to be failing to respond to. According to the legislation of the Republic of Macedonia, citizens have the following forms of direct local participation available to them:

#### **a) Citizens' Initiatives**

According to the Law on Local Self-Government, one of the forms of direct participation in decision-making processes for local level issues is the Citizens' Initiative. Hereby, citizens are entitled to propose that the Municipal Council passes a certain regulation or decides upon a certain issue within its jurisdiction. The Council is legally bound to discuss the citizens' proposal if supported by at least 10 percent of the local electorate. If this precondition is fulfilled, the Council is obliged to schedule the discussion within ninety days of the initiative being submitted. The Council is also obliged to inform the citizens on its decision.

#### **b) Citizens' Gatherings**

In broad terms, a Citizens' Gathering, as a form of direct participation, is an organised meeting of a group of citizens whom have permanent residence within a given municipality. These gatherings may be called either by the local Mayor on his own initiative, on the request of the Municipal Council, or on the request of at least 10 percent of the local electorate. The Mayor, or other representatives of the municipality or local self-government unit, are obliged to inform citizens about the gathering.

Citizens have the right to participate equally in all discussions occurring at the gathering, and may vote on or propose specific resolutions, etc. Based upon the gathering's discussions of the issue at stake, citizens are entitled to adopt general directions and conclusions by a majority voting principle. Thereafter, municipality bodies are obliged, within a ninety day period, to review all of the directions and conclusions agreed upon at the gathering. Municipal bodies are further obliged to take into consideration these directions and conclusions when deciding upon issues of local concern, and to therein inform citizens of their own considered decisions.

#### **v) Referenda**

Within units of local self-government, referenda may be initiated on those issues of local concern which are within the scope of municipal responsibility. The right to organise a referendum is regulated by the statute of the local self-government unit. A referendum is a very important means by which citizens may express their views and so directly participate in the local decision-making process. As an instrument which allows for the free and complete expression of the true opinion of citizens, it in many respects is more significant and carries greater weight than a citizens' gathering. This makes the referendum an instrument which encompasses the principles of pluralist local democracy. A referendum also serves to harmonise direct and representational methods of arriving at decisions within local self-government. It is an important part of local self-government for municipalities and the city of Skopje alike. A positive result in a referendum acts as a guarantee that a municipal decision can be approved and coherently implemented. Referenda may be initiated on the decision of the Municipal Council for issues related to its own competencies. Alternatively, if 20 percent of the electorate call for a referendum, the Municipal Council is compelled to organise one.

Conducted by secret ballot, all whom enjoy the right to vote in elections are also entitled to vote in the referendum. Voting on the issue in question is expressed by choosing between either "yes" or "no" on the voting ballot. The referendum is deemed successful if a majority of citizens vote in its favour, and if over one half of the total number of registered voters take part.

The Municipal Council is bound to abide by the result of a referendum. Should a proposal of the Council not be supported by the referendum vote, the Council is obliged to not act in any way, or approve any decision, contrary to that vote. Only after a reasonable period of time has passed may the Council put forward their proposal again and so initiate another referendum. By statute and in accordance with the law, local self-government is responsible for regulating the procedure by which a referendum is proposed.



#### **9.1.4. Other Forms for the Participation of Citizens**

##### **a) Complaints and Proposals**

Every citizen of the Republic of Macedonia is entitled to submit a complaint or proposal, individually or as a group, to their representatives in the Municipal Council, the Municipal Administration or the Mayor. The Mayor as such is obliged to establish clear procedures through which all complaints and proposals may easily be submitted, and to respond in writing to citizens within a sixty-day time frame. If complaints or proposals are not related to the competencies of the municipality, the Mayor is obliged to forward them to the relevant body, and to inform citizens thereof this action.

##### **b) Public Forums, Surveys and Proposals**

While preparing municipal regulations, the Council or the Mayor may choose to organise public forums, conduct surveys, or ask citizens to submit their own proposals on proposed regulations.

##### **c) Participation in the Executive Boards of Municipal Communal Enterprises**

In accordance with the Law on Public Enterprises, one of the central bodies of a municipal public enterprise is its Executive Board, which should be comprised of at least five and not more than fifteen members. The founding entity of the enterprise is tasked with nominating and dismissing experts of various fields as representatives to the board, alongside representatives of its employees upon a proposal from the board of employees. The number of enterprise employees entitled to sit on the board is one third of the total number of members of the Executive Board.

The Executive Board is charged with responsibility over: drafting the statute of the enterprise and deciding upon any necessary statutory changes; establishing other companies, in accordance with the law; approving the work and development programme for the enterprise; deciding upon its business plan; drafting the annual budget; deciding upon investments and debt management; determining a price regime for the enterprise's products and services; deciding upon the internal structure and organisation of the enterprise; and, other matters regulated by the statute of the public enterprise.

Through a liberal interpretation of the aforementioned law, especially the sub-section referring to the nomination of board members, it is very often the case that representatives of political parties engaged in the Municipal Council may propose themselves to become members of an Executive Board for reasons of either political or personal interest. This creates fewer opportunities to involve ordinary citizens in the Executive Boards of public enterprises functioning within their municipalities.

##### **d) Participation in the Boards of Primary and Secondary Schools**

The Law on Primary and Secondary School Education provides for the direct participation of citizens in the management of primary and secondary school boards, in addition to the schools' so-called Councils of Parents. Primary school boards are composed of eleven members; four of which should be teachers or educational experts, three being parents of the children attending the school, and two of which should be representatives of the founder of the school (which for the time being may only be the central government); in addition to two representatives from the local municipality. The representatives of the municipal government are nominated and dismissed by the local self-government, while the parental representatives should be nominated and dismissed by the Council of Parents.

Secondary school boards consist of nine members; two are representatives of its founder (which may for the time being only be the government); three are parents; and four of the members are teachers. This membership demonstrates that the municipality cannot nominate its own representatives to these boards. The school board decides upon the annual work plan of the school, determines its financial plan and is responsible for school accounts. It is also in charge of drafting the school statute, publishing vacancy announcements for the position of school principal, and must deal with complaints regarding students' grades, in addition to other matters.



It is worthwhile to mention here the possibilities that the two aforementioned laws provide for citizens' participation in the management of schools, namely, through the Council of Parents. This Council is comprised wholly of those students' parents whom are not already employed by the school. The Council monitors the school's educational work, and so arrives at its own opinions and proposals. The scope of work, membership numbers and organisation of the Council of Parents is regulated by school statute.

**Example: A very well known example of this scenario by which Councillors nominate themselves to Executive Board positions recently occurred with the Council of the city of Skopje. Until 2000, all of the city's Councillors were members of the Executive Boards of communal public enterprises. This is a classic example of the usurpation of the citizens' right to direct democracy. Ten of a total of fifteen members of the City Council were assigned to Executive Boards.**

**Similarly, the Council of the municipality of Prilep nominated two of its members to be representatives on the Board of the only communal public enterprise in Prilep - "Komunalec" - whose board consisted of only nine members in total. In Kumanovo, the public enterprise "Water-Supply and Drainage Systems" had six of a total of its nine Executive Board members as representatives of the Municipal Council; while six of the nine members of the Executive Board of the enterprise "Cleanliness and Greenery" also came from the Municipal Council. As for the public enterprise "Communal Market", ten of its fifteen Executive Board members were also members of the Municipal Council.**

**It is very prudent to mention the fact that, in 1996, a decision was issued which stipulated that no Councillor should, at the same time as occupying his public position, also be a member of an Executive Board of any public enterprise.**

**In the municipality of Struga there are two public enterprises. The first, named "Prokava", is a joint Struga-Ohrid enterprise, of which ten of its total of fifteen Executive Board members (five from each municipality Struga and Ohrid) are municipal officials. The other public enterprise in Struga, "Kominalna", has nine members on its Executive Board in total, six of which are from the Municipal Council. In this municipality, there are Councillors whom are at the same time members of Executive Boards.**

### 9.1.5. Neighbourhood Self-Government

The right of citizens to local self-government was first added the country's statute books by the 1963 Constitution of the Socialist Republic of Macedonia. Under this legal framework, municipal government was introduced as the primary form of local self-government and as the means by which citizens might achieve political participation.

Today, the neighbourhood self-government unit is a territorial unit which deals with 'real life issues' common for communities, villages, settlements or suburban areas. The neighborhood self-government unit is neither a miniaturised municipality nor is it a sector or section of the local self-government. By its function and structure, the neighborhood self-government unit is territorially organised and represents a primary form of citizens' organisation for determining and resolving the range of common needs and problems that citizens face. The neighborhood self-government unit embodies the citizens' right to self-determination, allowing citizens to stand before the municipality in an organised fashion in accordance with the municipal statute, the Law on Local Self-Government, and the Constitution.

The 1991 Constitution of the Republic of Macedonia provides that neighbourhood self-government may be established within municipalities. Local self-government is regulated by the aforementioned Law on Local Self-Government adopted in 2002. According to its provisions, two forms of local self-government may be organised within a municipality: urban communities within cities and neighbourhood self-government units in rural areas.

The areas in which urban communities are established are determined in accordance with municipalities, as are their borders determined in accordance with the Urban Plans of the city. The statute of a municipality regulates the forms of neighbourhood self-government which may be established within the area of that municipality; namely, urban self-government units within cities, and neighbourhood self-government units in other areas. The statute also regulates the relations between urban and neighbourhood self-government units within municipal bodies, the competencies of the Mayor which may be delegated to the president of the council of the neighbourhood self-government unit, and the financing of these delegated competencies, in addition to other matters of significance to the neighbourhood self-government unit.

The citizens of urban and neighbourhood self-government units decide on issues of mutual interest at citizens' gatherings, at which they are entitled to voice their opinions and prepare policy proposals. The councils of the urban and neighbourhood self-government units are elected at citizens' gatherings in accordance with a procedure regulated by the



statute of the municipality. The council of the urban or neighbourhood self-government unit elects a president from among its members, who serves a mandate of four years. Until the time that a president is elected, the council is chaired by its oldest member. The president is deemed elected if he or she receives a majority of votes from the total number of members on the council. If the turnout is less than is required in the first round of elections, a second round of voting takes place.

During the second round, members vote for the two candidates whom received the most first round votes; the candidate in receipt of the majority of council votes is elected as its president. The president calls and holds council meetings and is in charge of the overall work of the council. He or she also signs all documents and acts adopted by the council and is obliged, within three days of their signature, to submit them to the Mayor of the municipality. The Mayor then publishes the documents in the official gazette of the municipality.

The Mayor may delegate certain matters to the president of the council of the urban or neighbourhood self-government unit. Usually these would be matters of direct, day-to-day relevance to the inhabitants of the particular urban or neighbourhood self-government unit. The procedure by which delegation may occur is regulated by the statute of the municipality. By the act of delegating duties to the president of the council of the neighborhood self-government unit, the Mayor determines the resources needed for the performance of these specific duties and the procedures by which the municipality will supervise the work of the president of the neighbourhood self-government unit.

#### **Legal Framework:**

- Constitution of the Republic of Macedonia of 1991, including its subsequent amendments.
- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.5/2002).
- Law on Local Elections (Official Gazette of the Republic of Macedonia, No.46/1996, 46/2000, 12/2003 and No.35/2004).
- Law on Electing the Members of the Assembly of the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.42 of June 25 2002).
- Law on Presidential Elections for the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.20/1994 and 34/2004).
- Law on Electoral Units for the Election of Members to the Assembly of the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.43 of June 26, 2002).
- Law on Electoral Lists (Official Gazette of the Republic of Macedonia, No.42 of June 25, 2002)
- Law on Referendum and Citizens' Initiatives (Official Gazette of the Republic of Macedonia, No.24 of May 28, 1998).
- Law on Public Enterprises (Official Gazette of the Republic of Macedonia, No.38 of July 31, 1996).
- Law on Primary and Law on Secondary School Education (Official Gazette of the Republic of Macedonia, No.52 of July 11, 2002).
- Law on Public Roads (Official Gazette of the Republic of Macedonia, No.26 of May 29, 1996 & No.40 of July 6, 1999).
- Decision for Establishing a Local Roads Fund for the Municipality of Gazi Baba (Official Gazette of the City of Skopje, No.08/96).





## 9.2 PUBLIC RELATIONS AND CITIZENS' PARTICIPATION

Ace Kocevski

**You have been offered an opportunity to perform good deeds for your municipality. In order to ensure the success of your term in office, you should open up the municipality for citizens, non-governmental organizations, and all those interested in your work. Only through the regular exchange of information will you be able to solve municipal problems and learn about new and innovative initiatives for the future. Furthermore, you should make use of all the means of communication that modern technology provides.**

### 9.2.1. DEFINING PUBLIC RELATIONS

Definitions of public relations may vary, but the concept should always include the following elements:

- Public relations allows for an improvement of awareness on citizens' participation in decision-making processes.
- Public relations represents the establishment and maintenance of good relations between the public and a given organisation.
- Public relations is a process used for the development of positive attitudes or to modify negative attitudes towards a given organisation.
- Public relations encompasses the management of the reputation of a given organisation.

Communications, embodying the essence of public relations, should not be short-term, but extended and continuous. Good communication is not based on a one-way flow of information to the public; information flows must be two-way. At first sight, the term "public" seems to embrace a very broad group of people. But, in essence, communication is based on individual interests which are alike or even identical among a certain target group. Because of this fact, a strict differentiation between target groups and their interests is of utmost importance for the development of local self-government. Only by this differentiation may local authorities implement and maintain successful public relations policies, and so expect positive results.



## 9.2.2. COMMUNICATING WITH THE PUBLIC

Communications with the public, various groups of citizens, and the media, in complement to the participation of citizens in decision-making and supervisory processes, are basic facets of any democratic society.

In democratic societies, governance belongs to the citizens. They practice democracy directly through referenda and other forms of direct involvement by democratically elected representatives. As Mayor or member of the Municipal Council, you hold positions in which you are responsible for the benefit of citizens. You should never forget this fact. Citizens should always be at the centre of your thoughts; and not only prior to the elections, because the election is not the only means by which democracy is exercised. Citizens know how to award, but they also know how to punish

In the context of a given municipality, the term 'public' pertains to all citizens within that municipality, or all citizens in a given city, a part of the city, or of several villages. The public may also represent groups of citizens made up of individuals that have common needs or interests, or whom are of the same age, sex, ethnic background, status, or profession (i.e. women, youths, students, agricultural workers, etc.).

Communication with the public is a very complex process which involves the interaction of two parties - i.e. you and your municipality on one side and the public on the other. Herein, a joint, two-fold and interactive process of mutual influence unfolds. At times, the work of public relations is misinterpreted as simply being marketing, journalism or public presentation. In actuality, these activities are only but a part of public relations. As a Mayor or a Councillor you will probably face the question: "What do you, as representatives of local self-government, require of citizens?" In light of this question, you should determine which communication techniques best suit your needs and the demands of targeted groups.

Your success depends on public assessments of your work. Accordingly, you should not improvise with different communications strategies; instead you should conduct research and conduct analyses of the impact of these strategies. You should develop a plan for presentations and communications and should refine your strategy, aims, target groups, and methodologies. You should also evaluate and analyse completed campaigns so that you may base your future activities on lessons already learned.

### PUBLIC DEBATES

Public debates are open meetings that the Mayor and Councillors hold with groups of citizens resident in the municipality. The topics discussed during these meetings are invariably of major significance to the lives of community members.

During these debates, the local self-government representatives inform citizens about their proposals, their opinions, and their vision for current municipal programmes. Citizens, in turn, offer their own assessments and opinions in relation to these activities. In addition, citizens pose requests to municipal representatives and are actively involved in discussions on all topics of essential interest. Citizens use these debate opportunities to assess the effectiveness and efficiency of local government in protecting the interests of their community.

Public debates act as a very meaningful and informative bridge between citizens and local self-government. Public debates do have failings, but nonetheless their benefits outweigh these failings since they allow simultaneous communication with a large number of people and provide valuable feedback information which can be used to assess the success of policies, while also allowing new, high-quality ideas to be produced.

### SURVEYS

A survey is a great opportunity for local self-government representatives to assess public opinion on a particular issue of public interest and, on the basis of which, arrive at a decision on that issue. Surveys may very much improve the position of municipal representatives, since most of their decisions should be approved and supported by the majority of the public.

**Example: Topics discussed at public debates frequently include the Municipal Budget; construction programmes, cultural programmes, and sports programmes, etc.**



Surveys may be conducted by opinion polls through direct contacts or through telephone conversations. Regardless of which surveying methodology is employed, a survey should be conducted with as many randomly-chosen citizens as possible, so that it reflects an accurate representation of current opinion.

### **MEETINGS WITH CITIZENS**

The most practiced and useful means to communicate with citizens is to hold meetings with target groups. In comparison with public debates, meetings provide greater opportunities for the exchange of information and for consultations on a variety of issues.

### **OPEN LINES**

An extremely useful tool of communication for municipalities is the so-called open line or 'hotline' - a direct telephone line reserved for citizens to call the municipality to talk about their concerns, ideas, opinions, and complaints. As a service to citizens, the local self-government should seriously consider citizens' input during these calls and to apply most of the suggestions offered, provided that they are practicable and appropriate.

### **ANNUAL REPORTS**

Although the practice is not currently well-established, local self-government representatives will in the future be compelled to begin publishing annual reports on their activities. It is advisable that as many of these reports be printed as is necessary to be distributed to every household in the given municipality.

These municipal annual activity reports will provide citizens with a broad idea about the activities being undertaken on their behalf by their elected representatives; so allowing citizens to determine whether promises have been fulfilled or not. The reports will also deal with the Municipal Budget and expenditures, the kinds of municipal plans being drawn up, and the visions that the representatives have for the coming year.

### **OPEN SESSIONS OF THE MUNICIPAL COUNCIL**

The Municipal Council's sessions should be open to the public. All interested individuals or groups of citizens possess the right to monitor these sessions. Upon prior announcement, it is recommended that interested citizens should be afforded the opportunity to address the Council and to voice their opinions with regard to issues of utmost interest. Citizens should also be allowed to seek Councillors' support on particular issues of concern.

### **BROADCASTING MUNICIPAL COUNCIL SESSIONS**

The direct broadcast or transmission of the Council's sessions, by television or radio, is an ideal medium to inform the public of the work of local self-government. Whenever possible, this medium should be adopted.

### **LETTERS AND LEAFLETS**

Citizens may address Council members or the Mayor by letter, wherein they may express their opinions, submit considerations, put forward proposals, or detail complaints on issues of concern to the local self-government. Municipalities are obliged to take in consideration all citizens' written contributions, provide feedback, or schedule meetings with the public. On particular issues of concern, local representatives may print leaflets to be distributed to target groups.

### **OPEN DAYS**

Direct contact is the best way in which to communicate with citizens, through which citizens may honestly, immediately and openly - without the need for mediators - communicate with local representatives and so exchange views and information on all present and prevailing issues.



The public should be informed about the dates and times on which they may meet their representatives from the local municipality. It is recommended that representatives of the Municipal Administration, public enterprises and other municipal public services attend these meetings between the Mayor and the public. This provides citizens with more precise information and answers, so discouraging citizens from feeling compelled to seek further recourse with other institutions.

Up to this date, many meetings held with Mayors have concerned issues outside of municipal competencies (i.e. employment, social benefits, social housing, etc.); which inevitably led to citizens regularly leaving meetings disappointed and dissatisfied. Decentralisation and the transfer of competencies to the municipalities will, however, much improve this situation.

### **CITIZENS' SERVICE CENTRES**

Citizens' Service Centres, which arose from so-called Information Centres, act as a municipal focus point for citizens to obtain information on municipal activities affecting those issues of which they are concerned about. Citizens' Service Centres are a new, very simple and efficient way of providing citizens with information and providing them with services in a friendly and pleasant atmosphere, thus helping them to easily overcome their daily problems.

Placing the citizen at the centre of attention, Citizens' Service Centres supply citizens with essential information, also offering them advice on procedures to be followed for all complaints on matters under municipal competencies. It is recommended that, after 1st July 2005, all Citizens' Service Centres be transformed into so-called 'One-Stop Shops'

### **9.2.3. MEDIA COMMUNICATIONS**

**The Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.05/02) defines that municipal representatives, council commissions and public services are obliged to inform citizens, without charge, of all their activities, plans and programmes of significance to the development of the municipality. The municipality is also obliged to provide citizens with access to all relevant and basic information pertaining to the services that the municipality delivers.**

In any modern society, effective media communication is extremely important, because of the power of the media to influence public opinion. It is your obligation to provide free access to the information; this is important for citizens since this information may have a major impact on the quality of their lives. One of the most efficient ways of providing information to citizens is, of course, through written and electronic mediums. Citizens may be communicated with directly through the media, at public events, press conferences, interviews etc. And they may also be communicated with indirectly in the form of press releases, letters to readers, rebuttals, and paid public advertisements, etc.

Because of the importance of information, the Constitution of the Republic of Macedonia incorporates standards that guarantee freedom of access to information, freedom of speech, freedom to perform in public, and freedom to share information with the public.

As a representative of the municipality, you should offer convincing public performances, using skills to send the right message which has an effect on citizens. Through previously conducted research, analyses, and identification and assessments of target groups, you should be able to precisely identify a subject for your speech, choose ways in which to address the audience, and effectively present your overall demeanour. During your performance, you should be exact and clear-cut in your statements, comprehensible, and should use arguments based on fact. You should also refrain from gesticulating and using jargon and insulting words, so that the audience finds your statements that much more convincing.

### **PRESS CONFERENCES**

The press conference is one of the most utilised forms of direct communication. Press conferences should be scheduled in a timely fashion and should start on time. The presentation made during a press conference



should be both precise and concise so as to afford attendant journalists with a clear idea of what the important points are and to prevent any miscommunication of these crucial points.

The best way in which a press conference is organised is to provide journalists with opportunities to ask questions. You should conduct yourself openly and in a convincing manner in order to acquire credibility and to ensure the confidence of the public. It is recommended that you hold the press conference in a suitable room wherein a state and municipal flag is displayed, alongside the municipal seal or logo. On occasion, should you wish to bring attention to a certain place or problem location, you might hold meetings with journalists in the field. This is especially useful if you wish to highlight the start or finalisation of a particular project of major concern to citizens or a chosen target group.

### **RADIO AND TELEVISION PHONE-INS**

These excellent forms of communication utilise electronic media. You should accept the challenge to face citizens and should answer their direct questions. Although, at times, these questions might be hard-hitting, you must accept that possibility as a regular part of your work responsibilities. You should be optimistic, refrain from gesticulating and using insults, and you should be open and direct. Use facts to supplement your exchanges and try to not show any signs of nervousness. At times, you may find that you can only provide a disappointing answer to the questions of citizens. In these circumstances, you should nonetheless endeavour to be honest and admit that you have not done enough to remedy the problem at hand; in which case you should explain that you will work on the issue with much greater attention in future.

### **PUBLIC ANNOUNCEMENTS**

It is worthwhile making use of public announcements, which can be distributed to the media. Public announcements should contain only that information which you feel need not be communicated directly with citizens. You should arrange the text of the announcement as precisely as possible, illuminating key issues for those target groups of citizens whom you wish to so inform.

### **WRITTEN MEDIA INTERVIEWS**

It is advisable that you accept the invitations of local and national media for interviews. An interview is an excellent opportunity to present to the public your assessments, attitudes, projects and visions for the municipality. Try to practise spontaneous and life-like conversation and refrain from asking for pre-arranged questions which could give you time to prepare answers to submit in writing; this would bestow a bad impression of yourself and would undoubtedly restrict the opportunities for journalists to ask you questions. It is recommended that you employ an original but recognisable style here.

### **BULLETINS, NOTICES, BILLBOARDS, RADIO AND TV MESSAGES**

If you deem it necessary, you should proceed with printing a bulletin to present particular items of information to citizens. You may also wish to publish notices in both the written and electronic media. For some events, you might decide that it is worthwhile to put up posters and billboards, or, on occasion, you may wish to produce radio and television messages as political jingles or sound-bite broadcasts which can have a major effect on the public, or particular target groups. Accordingly, you should be inventive and creative. For major projects, it may be practicable to arrange for the launching of an advertisement campaign. Most importantly, in all of these endeavours, you should ensure that you: Attract the attention of citizens! Convince them! Gain their confidence and support.

### **9.2.4. CITIZENS' DIRECT PARTICIPATION IN MUNICIPAL DECISION- MAKING PROCESSES**

Through their elected representatives, citizens indirectly participate in decision-making processes. For issues of especial local interest, however, citizens are able to directly exercise power by organising Citizens' Initiatives, Citizens' Gatherings, or Referenda. This is a central benefit of democracy.



Citizens are, for instance, entitled to submit proposals to their Municipal Council to resolve a particular issue or to adopt a certain course of action; this is known as the Citizens' Initiative. In order that the Council be compelled to discuss the issue in question, the law requires proposals to be supported by at least ten percent of the municipal electorate or relevant urban community.

Another legal avenue is the so-called Citizens' Gathering, which may be organised for an entire municipal territory, or just a portion of it. These meetings are initiated and hosted by the Mayor upon the recommendation of the Council or upon the request of at least 10 percent of the municipal electorate. In the event of a Citizens' Initiatives or Referendum taking place, municipal organs are obliged to respond accordingly, either by taking into consideration their conclusions or through informing citizens about measures subsequently undertaken.

Every citizen has a right to submit complaints or recommendations to his or her local municipality, wherein enquiries or recommendations may be made about the work of municipal representatives and the Municipal Administration. The Mayor is responsible for enabling citizens to submit complaints or recommendations. He or she is also obliged to clearly answer the complainant in a reply issued no later than sixty days after the initial submission from the citizen. During the promulgation of municipal regulations, the Council or the Mayor is entitled to organise public debates, polls or request citizens' proposals.

### **9.2.5. COMMUNICATIONS WITH OTHER TARGET GROUPS**

Local self-government representatives need to communicate not only with citizens and journalists, but also with other target groups, such as citizens' associations, the business community, governmental and international institutions, and international associations. All of these different groups have varying needs and interests and so contact with these groups are of a specific nature, requiring special preparations. Relationships must be maintained, developed and deepened, whilst new partnerships are also sought and developed.

#### **COMMUNICATIONS WITH NON-GOVERNMENTAL AND NON-PROFIT-MAKING ORGANISATIONS**

The essence of democracy is embodied in a developed civil society, involving a network of citizen associations and non-governmental or non-profit-making organisations through which citizens are able to accomplish particular needs and interests. You should establish good relationships with these sectors of civil society, so enabling you to better achieve the specific demands of citizens. As such, you should support their projects and build partnerships and relationships with these associations and organisations.

#### **COMMUNICATIONS WITH THE BUSINESS COMMUNITY**

The business community is the engine responsible for the development of your municipality. Municipal progress, economic strength, unemployment, social conditions and general levels of well-being, are all related to the extent to which this business sector is itself developed. For this reason, you should afford special attention to the establishment and maintenance of good relationships with the business community. Be open to their ideas and initiatives and always look for the best solutions.

#### **COMMUNICATIONS WITH THE GOVERNMENT AND GOVERNMENTAL, FOREIGN AND INTERNATIONAL INSTITUTIONS**

By law, the Government is obliged to cooperate with municipalities on those issues of interest to local self-government - especially with regard to laws that pertain to municipalities and for the granting of donations. Municipalities must, additionally, be consulted about planning procedures for public issues during the preparation of the Spatial Plan of the Republic of Macedonia.

The Government may conclude agreements for cooperation with one or more municipalities regarding the planning, programming and implementation of policies for specific areas of common interest. In order to ease



the resolution of issues of interest to citizens, municipalities should establish regular contacts with Government Ministries, agencies, funds, and bureaus, etc. During and after the post-communist transition period, cooperation with foreign governmental and non-governmental organisations (NGOs), as well as international organisations and associations, is of special importance.

## **COMMUNICATIONS WITH SPECIFIC TARGET GROUPS**

Within your municipality there exist numerous sports clubs, cultural and art associations, choirs and orchestras, and organisations for women, students, retired persons, war veterans, and individuals with special needs, in addition to many other organisations. All these are very important for the community because they unite a large collection of citizens. You should do everything you can to work cooperatively and form partnerships with these groups and help them to successfully achieve their aims. This is of great interest to your citizens.

### **9.2.6. THE CITIZENS' CHARTER**

In order to make your work activities more transparent and accountable, you should adopt a Citizens' Charter, listing all services that the municipality provides and the standards that citizens can expect to receive. This Charter, which should be made available to as many citizens as is possible, will contribute to delivering better quality services for citizens and will improve the transparency and efficiency of the Municipal Administration.

The Charter should establish clear standards for impartially and politeness in communicating with citizens. Prerequisites should be established for the provision of professional, approachable, precise and timely services. It is important that you and the officials of the Municipal Administration remember that the citizen should not be seen as a source of disruption to your work activities, but rather as the beneficiary of these activities. You hold your office because of the citizen, not vice versa. You are not offering favours to citizens, instead you are offering them services. If anything, it is they whom have granted you the favour by having offered you the chance to serve them.

### **9.2.7. HOW TO COMMUNICATE EFFECTIVELY AND PREVENT CONFLICT**

Conflicts are a part of life. Social and individual value systems create perhaps the greatest obstacles to effective communication because they reflect perceptions and styles of communication developed in childhood, and the experiences, personal expectations and dispositions determined by adulthood. We each solve our own life issues in ways that do not always satisfy our expectations. This is how conflicts occur. Put simply, conflicts are a consequence of our individual characteristics. You will undoubtedly encounter conflicts in the daily course of your work as a Mayor or Councillor. Accordingly, in public relations, you should always bear in mind the alternative ways in which conflicts may be resolved.

## **CONFLICT-RESOLUTION PROCEDURES**

The most commonly used method for resolving conflicts is to redirect the attention of a particular person or group towards the outcome of the conflict. Instead of focusing on the issue of who will win or lose, you are advised to instead focus yourself on your attitudes toward the individuals or groups with whom you are in conflict.

Depending upon a given situation, you may be forced to try to impose your opinion in a conflict situation, using the authorities at your disposal. Experience shows, however, that the best results are achieved through compromise or agreement, which provides a larger pool of alternative solutions. Regardless of which specific conflict resolution strategy you choose to follow, please always bear in mind that in addition to asking candid questions you should be tolerant and a good listener. During this process, it is very important to accurately and



realistically define the problem at hand and the approach to be adopted towards it. The development of conflict solution skills depends to a great extent upon your day-to-day communications.

### **9.2.8. THE APPLICATION OF INFORMATION COMMUNICATION TECHNOLOGIES (ICTs)**

We are living in an increasingly globalised world, the result of rapid technological development and computerization - a time in which democracy, development, and social welfare depends upon global information technology processes, especially the Internet and electronic services. Information is the most precious resource, with knowledge and continual learning as important factors in accepting change and increasing competitiveness..

The emergence of an 'Information Technology Society' (IT Society) is the result of the ever-increasing adoption of new 'Information and Communication Technologies' (ICTs). This development is pointed to in the 'European Commission Action Plan - eEUROPE 2005', and in the 'Closing Declaration of the World Summit for Information Technology Society (WSIS) Geneva-Tunisia, 2003-2005', signed by the Republic of Macedonia.

In this country, an IT Society should accelerate economic growth, foster a stable economy, encourage competition, decrease unemployment, and develop a digital state administration. Similarly, the local level application of IT Communications looks set to improve the quality of services provided by local self-government. As efforts are concentrated to the development of a model Macedonian municipality, it is extremely important to provide citizens with access to public information and to facilitate the stimulation of online communications between citizens and municipalities.

The future of municipal governance lies in the development of ICT. If you can grasp this fact it will benefit you, your municipality, your citizens and your community as a whole. So do not procrastinate; you should immediately begin to prepare for the adoption of ICT application strategies in your municipality. The impact will be enormous. You will you raise standards of democracy to a significant level, increasing transparency and, most notably, improve citizens' participation in decision-making processes. Additionally, you will increase the effectiveness and efficiency of the organs of local self-government and the Municipal Administration. You will contribute to economic activities, attract investors and will strengthen and improve cooperation with the business community and non-profit-making organisations.

With the application of ICT, you will be able to provide the following:

- 24-hour information access, seven days a week, for all interested individuals;
- The integration of local self-government with the local economy;
- Direct, fast services for citizens and legal entities;
- Integration and access to databases and improved internal communication, which will spare time, energy and financial resources, simultaneously improving service qualities;
- Information about the municipality, your own rights, obligations and responsibilities, the Municipal Budget, and other important Decisions, Programmes, and Projects.

But, in order to provide these services, it is necessary for you to integrate subsystems, information flows and efficient communication at all levels. Your municipality's information system should be comprised of two integrated components: the Intranet and the Internet.

The Intranet connects all employees of the municipality, enhancing your internal administration possibilities. The Internet provides you with opportunities to communicate with external partners and allows employees to easily exchange information, documents and other items with each another. Unfortunately, the economic and social condition of this country prevents many employees and citizens having personal computers at home. That said, we hope that this situation will swiftly change and that the number of Internet users will drastically increase within a relatively short space of time - as is the case in other countries in transition which are in ahead of us in terms of the process of market reform.

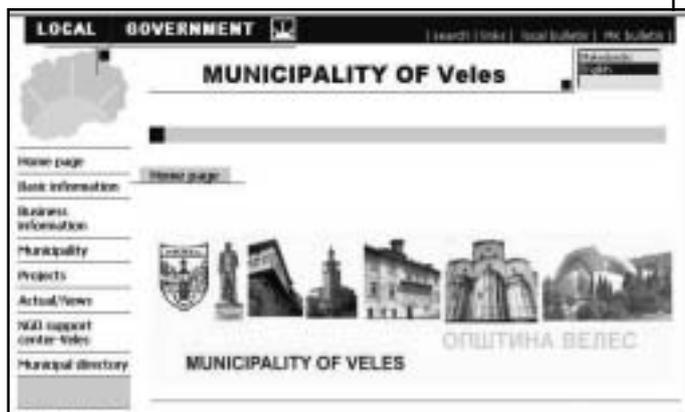


## WEBPAGES

Every municipality should have its own webpage, which should be well-designed, easy for viewing, and regularly updated with the latest information pertaining to the affairs of the local self-government. In addition to basic information on the legal framework, statutes and other information, the webpage ought to contain details of all decisions adopted by either the Council or Mayor, as well as all information related to important events occurring within the municipality.

## ELECTRONIC MAIL (E-MAIL)

The speed of delivery for electronic mail is incomparable with that of conventional mail services. Regardless of distance, letters and documents reach their final destination almost immediately after they have been sent. The benefits, in terms of saving time and money, is incredible and, the after-effects incomparable. It is recommended that you establish a practice by which citizens ask you questions via email, to which you should reply, out of respect, in a timely fashion and with an appropriate response.



Source: Municipality of Veles

## ELECTRONIC SIGNATURES

In the near future in Macedonia, citizens will be able to electronically manage their financial obligations (telephone, electricity, and water bills, etc.) from their homes using electronic signatures - as it is in developed countries, or Estonia for example. In order for this to happen however, it is first necessary to develop and adopt legal regulations to guarantee secure communications, proper definitions for procedures and steps for data access, and appropriate electronic forms, certificates, or similarly encoded devices.

## E-CONFERENCES AND DISCUSSION FORUMS

E-Conferences, or discussion forums, could be organised for important topics and issues which are of concern to citizens, at which citizens could express their individual viewpoints. These E-Conferences would be of great benefit to municipal representatives and decision-making processes in general.

## MOBILE TELEPHONY

The rapid increase in the number of mobile telephone users increases the possibilities for establishing immediate and direct communications between the municipality and its citizens, wherever they are, using mobile phone calls, SMS messages, and eventually through emails sent using mobile phones.

### 9.2.9. ONE-COUNTER SYSTEM

It is recommended that Citizens' Service Centres be transformed into so-called front-line offices. These should be offices in which citizens make first contact with the municipality when attempting to pursue a particular right of theirs related to local self-government decision-making. Front-line offices have proven to be a great asset to municipalities in countries ahead of Macedonia in the reform process.

Under the one-counter system, instead of a citizen having to move between one municipal counter and another, experiencing insults from irresponsible civil servants, only his or her documents would be passed between municipal counters or offices. By the end of this administrative procedure, the citizen would be duly informed and invited to take their documents from the counter first approached. The front-line office should be supported by a back office, within which the documents should be processed.



This system of electronically organising a municipality would significantly raise the service quality level for citizens, positively influencing the efficiency and effectiveness of the municipality - and so increasing citizens' trust in local self-government.

#### **Legal Framework:**

- Constitution of the Republic of Macedonia (Official Gazette of the Republic of Macedonia, No.52/91).
- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No. 5/02).
- Law on the Ratification of the European Charter for Local Self-Government (Official Gazette of the Republic of Macedonia, No.23/97).
- Law on Citizens' Association and Foundations (Official Gazette of the Republic of Macedonia, No. 31/98).
- Declaration for the Accelerated Development of the Information Technology Society and Digital Economy of the Republic of Macedonia as a National Priority (Official Gazette of the Republic of Macedonia, No.48/02-11).
- Action Plan of the European Commission of the European Union - eEUROPE +.
- Action Plan e-EUROPE 2005 - Information Technology Society for all.
- Closing Declaration of the World Summit for Information Technology Society (WSIS) Geneva-Tunis 2003-2005.
- World Bank - Manual for e-Management (Recommendations, Directions and Guidelines for e-Management).



## 10 INTER-MUNICIPAL COOPERATION

Goran Angelov

**During the course of your life, you will undoubtedly come across many problems which can be resolved by only yourself alone. For some of these problems, however, you may need to seek help from relatives or friends. Similarly, while numerous municipal problems may be resolved easily, others necessitate that you cooperate with other municipalities, so enabling you to strengthen the effectiveness of your municipality. This chapter offers some basic ideas and directions regarding the possibilities for cooperation between municipalities as a means to improve levels of motivation and creativity.**

The essence of inter-municipal cooperation is characterised by the need for local self-governments to cooperate with one another to effectively manage problems and issues common between them; the positive effects of which should be immediately recognisable by citizens. Mutual cooperation between municipalities may be instigated in a wide variety of fields, for instance, in the daily execution of municipal services, the exchange of information and best practices, and in the implementation of mutual public utility infrastructural projects, which might otherwise be excessively expensive for one municipality to operate alone. The mutual needs of citizens' frequently demand that we cooperate with each other; and as such, we are obliged to establish the necessary circumstances under which cooperation can occur.

The Law on Local Self-Government provides legal basis to inter-municipal cooperation. In the law, there exist no obstacles to inter-municipal cooperation, provided that the said cooperation does not violate the Constitution of the Republic of Macedonia. The Law on Local Self-Government refers to inter-municipal cooperation in a number of Articles, namely Articles 14, 15, and 81.

Over the past fourteen years since the first democratic elections for local government and particularly over the last eight years - after the enactment of the Law on Local Self-Government 1995/1996 and the Law on Territorial Division 1996 -inter-municipal cooperation had never been as firmly rooted as it should have, principally due to a number of obstacles. An inability to fully comprehend the essence of inter-municipal cooperation is one of the reasons why Mayors and Councillors often focused their activities only within their own municipalities. It was widely perceived that all problems and programmes, especially large infrastructural projects, could be implemented by one municipality alone. This approach, unfortunately, has been foolhardy.

In many instances, inter-municipal cooperation between two or more municipalities fails because of the political affiliations of the respective Mayors. In short, cooperation is obstructed by a lack of political foresight. Other reasons for a lack of inter-municipal cooperation may include a major shortage of financial resources. The fact



remains, however, that those whom are really dedicated and willing to establish cooperation will not give up after the first year of the establishment of cooperation - and thus represent very good examples for this type of cooperation.

European and Macedonian experiences have shown that the process of achieving inter-municipal cooperation is both long and exhausting. The first key results of cooperation may only be realised after more than four or five years, a fact which is often very de-motivating for participants. We should not forget that, in many instances, it is ourselves whom obstruct cooperative endeavours because of our own political interests.. For example, we might argue that, "if the director or seat of this inter-municipal public enterprise is not based in my municipality, then I refuse to participate in this kind of inter-municipal cooperation". You should understand that this chapter is written from my own experiences in Macedonia to highlight that which we will have to overcome in order to establish satisfactory inter-municipal cooperation.

Over the past several years, there have been numerous examples of inter-municipal cooperation throughout Macedonia. Yet, because of the limits to available space in this book, it is impossible to elucidate but a few examples here. Among these cases in point, we will look at the ways in which cooperation has helped with: water supply in the Tikves region; the disposal of solid waste in south-eastern Macedonia; and, administrative matters for communal inspections in the eastern Macedonian municipalities of Vinica and Zrnovci.

**Example for Inter-Municipal Cooperation: water supply system in the Tikves Region, solid waste collection in South-West Macedonia and administrative cooperation between Vinica and Zrnovci in the field of communal inspection**

Ahead of you lies a period in which the Law on Local Self-Government 2002 must be implemented. You should understand that you are charged with many new responsibilities and competencies that will undoubtedly prove to be challenging to undertake. Please do not forget that citizens expect much of the 'new municipalities' - that decentralisation will improve their standards of living. For many new of the new competencies, you simply must cooperate with other municipalities. Only then can your municipality be efficient and economical, and will you more easily be able to implement the new competencies of local self-government.

## 10.1. INTERNATIONAL COOPERATION

The desire for inter-municipal cooperation often occurs beyond national borders and, as such, there exist many instances in which municipalities have decided to mutually cooperate with the municipalities of other countries. There are a number of reasons why this type of cooperation occurs. One underlying rationale is that international municipal cooperation allows for the sharing of information and best practices, in addition to also enabling cultural exchanges, economic mutual aid, and regional problem-solving between different municipalities across various countries.

In modern Europe, almost all local municipalities have established some form of international cooperation. Generally speaking, international cooperation can be categorised in two ways: Twinning, which involves bilateral, or sometimes multilateral, agreements between municipalities; and, Euro-Regional, which occurs in cases when several municipalities from different countries form an association of geographically-linked local self-governments. These are the two basic kinds of international cooperation for municipalities in Macedonia and in Europe. Besides these two kinds of cooperation, municipalities are entitled to become members of international organisations or to cooperate with these organisations.

### 10.1.1. Twinning

Twinning, in most instances, involves a bilateral agreement between municipalities of two or more countries. The twinning agreement regulates the fields in which the municipalities intend to cooperate and the specific cooperative endeavours that they agree to undertake. This type of cooperation is used regularly by municipalities in Macedonia, mostly for purposes of exchanging information and best practices, for cultural and sports cooperation, and, in several instances, for economic cooperation between the twinned municipalities. Characteristically, this type of cooperation provides opportunities to choose between many municipalities interested in international cooperation across Europe and the world. Municipalities are not limited only to neigh-



bouring countries - as constrains the establishment of Euro-Regions. Given the existence of Europe and the wider world, you it is advised that you establish contacts and twinning between municipalities. That said, you should not be surprised if it takes some time to find a partner municipality outside of Macedonia. The two reasons why this may become a lengthy procedure include:

- The high degree of twinings already undertaken by municipalities outside of Macedonia.
- The protracted legal procedures which must be undergone in many potential partner countries before formally entering into a twinning arrangement..

Modern European trends in this area have been very positive in the last few decades. In numerous countries, municipalities have been motivated into establishing cooperation with municipalities from other countries. Within European Union funding, there is a programme for 'Twinning Assistance', which aims to financially stimulate and assist municipalities within the European Union alongside municipalities from candidate countries to bring municipalities outside of the European Union closer into line with those inside it.

Insofar as the dual processes of decentralisation and EU integration are concerned, the twinning of Macedonian municipalities with European municipalities provides excellent opportunities for cooperation. However, do not lose faith if one European municipality refuses to cooperate with your municipality, for there will be many others willing to do so.

Macedonian legislation with regard to this field is extremely liberal. By this we mean that special approval or an opinion from a central authority is not required for Macedonian municipalities to establish international cooperative partnerships. The only requirement is that an appropriate Ministry should record all instances of international cooperation with our municipalities.

### 10.1.2. Euro-Regional Cooperation

Regional cooperation in Europe increased during the 1960s, while in our region it has improved in the last two decades. The basic characteristic of European regional cooperation is the necessity that this cooperation be established between municipalities of two or more neighbouring countries - because of their geographic proximity and the existence of shared interests, for instance: in the flow of people, goods, information, and trade; and in the liberalisation of customs and visa procedures, etc. Unlike twinning, this cooperation also provides for the finalisation of infrastructural projects of common interest to the whole European region.

There are many regions in Europe in which excellent relations exist between different municipalities. In these regions, numerous projects were finalised at the joint satisfaction of all cooperating parties. Today in Europe, there are a significant number of these so-called 'Euro-Regions'. The map below illustrates the number of Euro-regions in 2000:

Over the past two decades, the Republic of Macedonia has undertaken several initiatives to create Euro-Regions. Unfortunately, due to a number of obstacles, only the following Euro-Regions have so far been legally established:

- Skopje - Nis - Sofia
- Ohrid - Prespa
- Kumanovo - Presevo - Gnjilane

I hope I have succeeded in encouraging you to establish at least one form of international cooperation.

**There is a so called "Twinning Programme", within the EU funds. The Twinning Programme provides financial support to the municipalities of the European Union and other countries (those that have a status of candidate country) aimed at convergence of the non-EU municipalities to the municipalities of the EU.**



Source:  
European Commission, [www.europa.eu.int](http://www.europa.eu.int)

**Map of Euro-Regions**

## **10.2. ZELS - PROMOTING MUNICIPAL INTERESTS**

In order to solve problems of common interest, local self-governments in European countries, and across the wider world, freely associate with one another. There are two basic reasons why municipalities join a local self-government association, such as to:

- Protect their own general interests
- Exchange information, services and activities.

The Association of Local Self-Government Units of the Republic of Macedonia, otherwise known as ALSU or ZELS (Macedonian acronym), is a unique association in which municipalities, as units of local self-government, and the city of Skopje, as a special unit of local self-government, have ordered themselves as a body to exchange experiences and promote local democracy.

ZELS, as a distinctive association of local self-government in the Republic of Macedonia, was established in 1972 and was reconstituted in 1996 by the Law on Local Self-Government.

### **THE MISSION OF ZELS**

The general mission of ZELS is to:

- Affirm the principles and values of local self-government;
- Unite local self-government units;
- Represent the Association of Local Self-Government Units and lobby to exercise pressure on central authorities to provide for decentralisation and for circumstances fulfilling municipal interests and needs.

### **ACCOMPLISHING THE MISSION**

The Mission of ZELS may be accomplished through the:

- Promotion and initiation of mutual cooperation and exchange of information among members;
- Development of the Association as a lobby group which also acts as an advisory board to central authorities on issues of local self-government;
- Promotion of continuous and constructive cooperation between local self-governments and central authorities;
- Establishing relationships with national and international associations of the local self-governments;
- Organising training and conferences for its members.



## ORGANISATION

ZELS consists of four administrative organs:

- A House of Mayors
- A House of Councillors
- A Permanent Committee
- A President and Two Vice-Presidents

### THE HOUSE OF MAYORS

The House of Mayors is an organ of the Association consisting of the Mayors of all the municipalities in the Republic of Macedonia, and including the Mayor of the city of Skopje.

### THE HOUSE OF THE COUNCILS

The House of Councils is composed of a single representative of the Council of each municipality in the Republic of Macedonia, and includes one representative from the Council of the city of Skopje.

### THE WORK OF THE HOUSES

The Houses normally work and meet in separate sessions, but may hold joint sessions during which they discuss common interests and issues, which the Presidents of both Houses agree to discuss during their sessions.

### THE PERMANENT COMMITTEE

As an organ of the Association, the Permanent Committee is composed of thirty members, including:

- The President of the House of Mayors, who is at the same time the President of the Committee;
- The Vice-President of the House of Mayors, who is at the same time the Vice-President of the Association. This individual is elected from the Mayors belonging to the non-majority communities of the Republic of Macedonia;
- The President of the House of Councils, who is at the same time the Vice-President of the Association and Committee;
- Thirteen representatives from the House of Mayors, elected by House members;
- Fourteen representatives of the House of Councils, elected by House members.

**Respected Mayors and Councilors, I hope that you fully understand the role and the mission of ZELS, because ZELS is here for you and your municipalities, and ZELS is actually all of you. The power of ZELS comes from you and therefore the future shape of ZELS depends on you and your devotion to ZELS. Let me remind you that there are no party interests in ZELS, but there is only one interest, and that is the joint, the common interest of the units of local self-government.**



## ZELS COMMISSIONS

The Permanent Committee may establish working bodies, known as Commissions, which develop or review recommendation materials, in addition to reviewing other issues related to the organisation of particular activities. Commissions may be permanent or temporary, and, aside from the members from the Permanent Committee, may also be composed of other expert persons.

Presently, in ZELS, there are 10 Commissions:

- The Commission for Finance and Administration
- The Commission for Urban Planning
- The Commission for Education
- The Commission for Territorial Organisation
- The Commission for Public Utility Activities
- The Legal Commission
- The Commission for Sport and Culture
- The Health Commission
- The Commission for Local Economic Development
- The Commission for Organising Municipal Fairs

### 10.3. THE PRESENT AND FUTURE

According to the Law on Local Self-Government, 1996, all municipalities had to be members of ZELS. Now, however, in accordance with the new Law on Local Self-Government, 2002, a major democratic step forward was made; membership of ZELS is optional, dependent upon the will of the municipality - or the city of Skopje. It is important to mention, however, that over the past several years, ZELS has been the only national association of municipalities in which all municipalities, including the city of Skopje, have shared membership.

In recent years, ZELS has focused itself on the creation of a legal framework for decentralisation. Our Commissions and Permanent Committee have worked hard to design numerous decentralisation laws, and in many instances our remarks have been accepted and implemented in the laws adopted by the Parliament of Republic of Macedonia. For example, members of ZELS participated in the work of various Ministry Commissions to prepare regulations necessary for implementing the Law on Local Self-Government.

Our daily dedication to the protection and development of local self-government, in accordance with democratic principles and the decentralisation agenda, allows us to maintain daily and continuous cooperation with central authorities. This cooperation was legally regulated by the signing of a Memorandum for Cooperation between the Government of Republic of Macedonia and ZELS, in March 2003.

Aside from these activities, ZELS has also been working on the provision of services, which is a common activity for a modern association. As such, we organised two municipality fairs in 2001 and 2003, at which 38 percent of the Municipal Administration was trained in accordance with ZELS training programmes.

In accordance with the statute of October 27, 2004, the internal organisation of ZELS was changed, in order to make it more efficient. The two Houses were changed, with the General Assembly now as the highest organ of ZELS. Each municipality possesses a single vote in the Assembly, while Mayors are at the same time delegates to the General Assembly, with the presidents of the Councils as their deputies. The standing Committee is transformed into an Executive Board consisting of fifteen members, which I hope will make it a much more flexible body of ZELS. The third organ of ZELS is the supervisory board, which is composed of five members. This board generally supervises the legality of the material and financial activities of ZELS.



To all you respected Mayors and Councillors, I hope that you now fully understand the role and mission of ZELS. As an organization, ZELS exists especially for you, and your municipalities. In this respect, ZELS is an embodiment of you. The power of ZELS is derived of you. Because of this, only you, your dedication and tolerance to ZELS will determine its future. It is pertinent that I here also remind you that there is no place for political party interests in ZELS. Indeed, there is only one interest - the joint interest of all the local self-government units in the Republic of Macedonia.

## 10.4. INTERNATIONAL INSTITUTIONS OF LOCAL AUTHORITIES

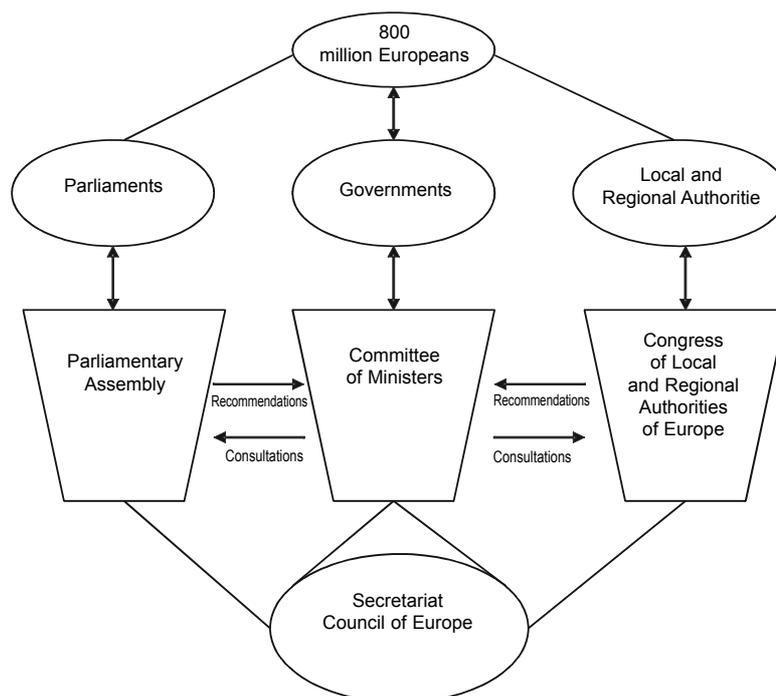
### 10.4.1. The Council of Europe - Congress of Local and Regional Authorities

The Council of Europe is an international institution first established in 1949 by ten countries, and now composed of forty-five European member states. The Republic of Macedonia has been a member of this Council since 1995. Under the terms of its membership, many legal documents from the Council of Europe have become part of the legislative framework of Macedonia, including the European Declaration on Local Self-Government from 1998, when it was ratified by the Macedonian Parliament. The seat of the Council of Europe is in Strasburg, France.

The fundamental values under which the Council of Europe is constituted include:

- The Strengthening of Democracy;
- The Protection of Human Rights and the Rule of Law;
- Maintaining Europe's Cultural Heritage and Heterogeneity;
- To Act as a Permanent Forum - studying and dealing with many societal problems, so as to improve of the quality of life for Europeans and strengthen the continent's democratic stability, with assistance from politicians and with the help of legal and constitutive reforms.

The organs of the Council of Europe are illustrated in the following diagram:



Source: Council of Europe, [www.coe.int](http://www.coe.int)



The Parliamentary Assembly is a house of legislative representatives, the members of which are members of the national parliaments of the Council's member states. The number of representatives from each national parliament varies depending upon the size of the member state. Our country is represented by three members and three deputy members. The Committee of Ministers is the Council of Europe's central organ, consisting of the Ministers of Foreign Affairs of all member states. This Committee assembles at least twice a year.

#### **10.4.2. The Congress of Local and Regional Authorities**

The Congress of Local and Regional Authorities is a consultative organ of the Council of Europe established in 1994. The Congress represents the local authorities of member states, with each representative elected from their own country. As per the Parliamentary Assembly, the Congress also is consisted of delegations from each member state. The largest delegation of which is comprised of thirteen members and thirteen deputy members, while the smallest delegation consists of just two members and two deputies. Our country is represented by three members and three deputy members.

The composition of the Macedonian delegation to the Congress of Local and Regional Authorities is determined by the Ministry of Local Self-Government upon the proposal of ZELS, whereupon the Minister of Local Self-Government formally announces the official composition of the Macedonian Delegation and so informs the Council of Europe Secretary General. In determining the composition of the ZELS delegation, the following criteria are considered:

- That the delegates are selected from municipalities of varying levels of development;
- That at least one quarter, and at most one third, of the delegates should belong to the minority communities of the country. In addition, if possible, half of the delegation should be composed of women;
- That there cannot be two delegates from the same municipality, and that one municipality cannot be represented for two consequent mandates;
- That the delegates should speak at least one of the official languages of the Council of Europe - English or French.

The delegation has a secretary who is selected from among the employees of ZELS. The Congress is a body made up of two chambers. The first Chamber represents local authorities, and the second regional authorities. Both Chambers are comprised of 313 members and 313 deputies. The Congress of Local and Regional Authorities has several different bodies:

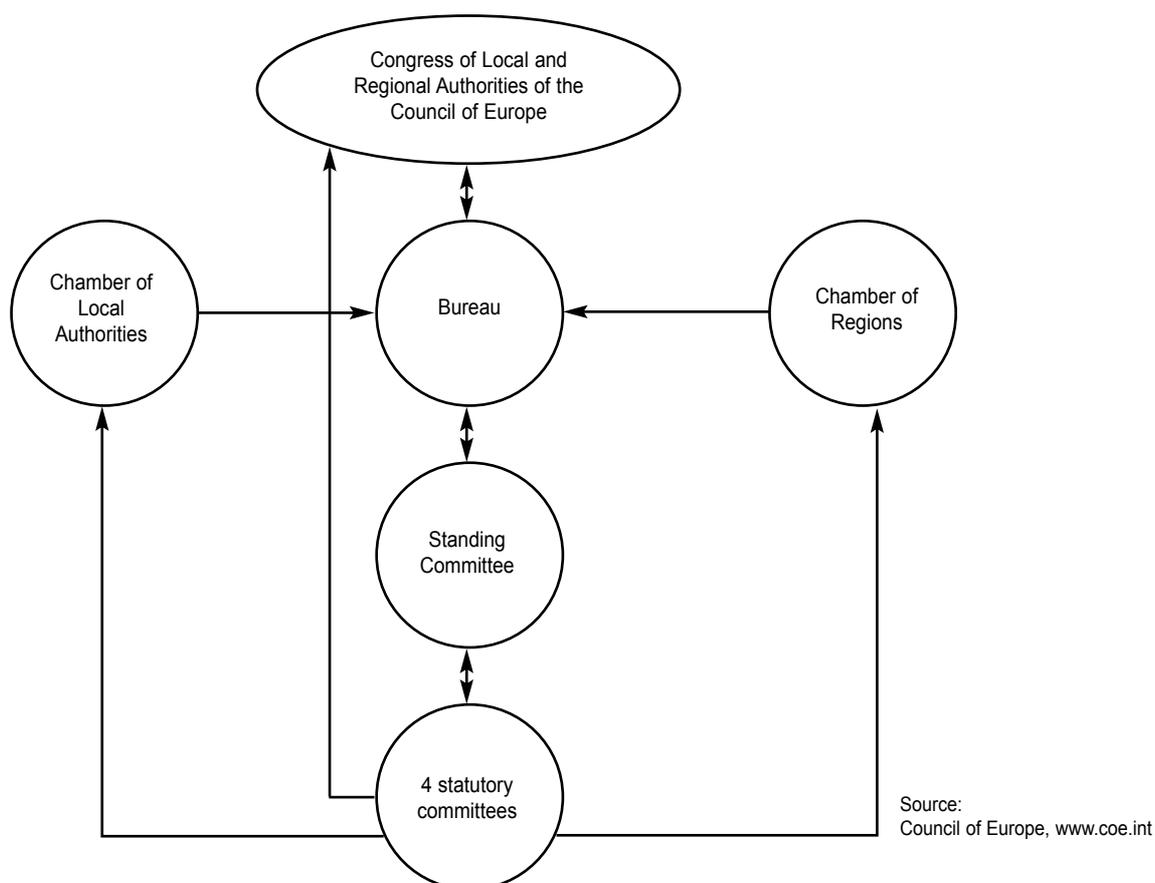
- A Bureau - which consists of the Cameral Presidents, Vice Presidents and Executive Director of the Congress;
- A Permanent Committee - composed of the chiefs of national delegations;
- Standing Committees, such as: the Institutional Committee, the Sustainability and Development Committee, the Culture and Education Committee, and the Social Cohesion Committee.

In addition, a number of statutory working bodies are established in accordance with need. The Working Group for Southeastern Europe, for instance, follows local democracy developments throughout this European region. ZELS is currently compiling a list of participants in this delegation, according to several criteria, including the decisions of the Government. The basic functions of the Congress of Local and Regional Authorities encompass the following:

- Reviewing all issues pertaining to local authorities and levels of decentralisation in the member states, and providing consultative assistance to the Ministerial Committee and Parliamentary Assembly regarding issues related to local and regional Authorities;



- Monitoring changes to the European Declaration for Local Self-Government;
- Preparing documents on the state of local and regional democracy in member states.



### 10.4.3. The Council of European Municipalities and Regions (CEMR)

Established in 1951, the Council of European Municipalities and Regions (CEMR), based in both Brussels and Paris, is an international organisation representing local and regional authorities across Europe. European national associations of local and regional authorities are members of CEMR. At its birth, this organisation was originally named the Council of European Municipalities. In 1984, however, the European regions joined the organisation and its title thereafter changed to its modern variant. From 1980, CEMR has become an integral part of the so-called International Union of Local Authorities. Since 2003, ZELS has been a full member of CEMR, and represents our country under its constitutional name.

### 10.5. The Network of Associations of Local and Regional Authorities in South-Eastern Europe (NALAS)

The initiative establishing a Network of Associations of Local and Regional Authorities in Southeastern Europe originated in Skopje, in November 2000, at the first 'Forum of Cities and Regions in Southeastern Europe', organised by the Congress of Local and Regional Authorities of Europe. At this conference, it was pointed out that the rationale for associations of local authorities is that they act as a stabilising factor in the development of local democracies in South-Eastern Europe. In its adoption of Resolution 111 (2001), the Congress of Local and Regional Authorities of Europe (CLRAE) elaborated upon the need for the creation of a network which has as its primary objective the development of a union of associations.



The national associations undertook their work in 2001, exchanging experiences and presenting development programmes. In turn, technical and financial assistance was received from numerous donors, in accordance with the Stability Pact of Southeastern Europe, eventually leading to the creation of the Network of National Associations of Local and Regional Authorities in Southeastern Europe (NALAS).

**The Secretariat of NALAS is constituted by representatives from member associations on a rotating basis with a mandate of one year. Once in receipt of a majority of votes from the members of the Committee of Liaison Officers, the association receives a mandate of one year, upon having previously submitted its candidacy and plan of activities related to the execution of the work of the Secretariat, The functions of the NALAS Secretariat, provided for under its mandate, include the execution of the following: reviewing all NALAS activities; preparing meetings, records, information, and internet web pages; and reviewing all future activities that occur as a result of the increased volume of the organisation's work.**

NALAS is politically independent from the domestic governments of member states and domestic and international nongovernmental organisations. It is a multilingual, multiethnic and multicultural organisation which benefits from a close relationship to the Congress on Local and Regional Authorities. NALAS promotes, initiates and supports governmental decentralisation; it cooperates with central authorities, while demanding a higher level of local autonomy as a key objective for the process of transition for Southeastern European countries. Furthermore, it contributes to the stabilisation and improvement of living standards for all citizens in the region in general.

Aside from the generous assistance provided by experts from the Council of Europe, NALAS received significant support from the Stability Pact for Southeastern Europe in support of its activities, including numerous initiatives for mutual cooperation between the associations of regional countries. NALAS exists thanks to the basis of decisions made by the management bodies of member state associations, as supported by the Council of Europe, and due to the technical and financial assistance provided by the Swiss Government, FEDRE and OSI-LGI.

As of the 7th April 2004, a decision of the NALAS Committee of Liaison Officers determined that the one year mandate for executing the functions of the NALAS Secretariat has been passed to the responsibility of the Association of Local Self-Government Units of the Republic of Macedonia (ZELS).

#### Legal Framework:

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.5/2002)
- European Charter on Local Self-Government (Official Gazette of the Republic of Macedonia, No.23/97)
- Statute of the Association of Local Self-Government Units (ZELS) (1999)
- Statute of the Association of Local Self-Government Units (ZELS) (2004)



## 11 THE EUROPEAN UNION AND THE MUNICIPALITIES OF THE REPUBLIC OF MACEDONIA

Prof. d-r. Ilija Todorovski

**Macedonia is progressing along the path toward membership of the European Union. In this context, the following chapter considers the expected impact of the process of accession for municipalities.**

### 11.1. EUROPEAN UNION AS A UNION OF STATES

The European Union is a supranational community established as a result of a process of cooperation and integration between a number of European countries. Its predecessor was the European Community for Coal and Steel, founded back in 1950. The Agreement on Production and Distribution of Coal and Steel Community, the architect of which was French Minister Robert Schuman, was first signed by France and Germany, Belgium, Italy, the Netherlands, and Luxembourg. During its fifty years of existence, the European Union has expanded in size on a number of occasions. Today, there are twenty-five member states. The term "European Union" was assigned to the organisation in the 1993 Maastricht Agreement.

This community of member states is founded upon a pillar structure. Until 2002, the first pillar consisted of three Unions, after which there became two Unions, the European Union for Coal and Steel (until 2002), the European Economic Union, and the European Union for Atomic Energy. The second pillar comprises a Common Foreign and Security Policy, while the third pillar encompasses cooperation in Justice and Home Affairs. The European Union also has a policy of Economic and Monetary Union.

### 11.2. BENEFITS FOR REPUBLIC OF MACEDONIA OUT OF THE INTEGRATION WITH THE EUROPEAN UNION

The movement towards integration with the European Union for developing countries in central and south-eastern Europe is founded upon the existence of mutual interests. Western countries, already integrated into the European Union, have an interest in expanding the open market, providing for a safer Europe, and allowing for the free exchange of goods and services, as well as the unrestricted movement of people.



In turn, the incentives for integration into the European Union are perhaps even more significant for developing countries, including the Republic of Macedonia. Benefits include: the adoption of European legislation into domestic legislation, the utilisation of developed countries' accomplishments in the areas of science, technological development and other societal areas; a unified and open market, allowing for free competition; the opportunity to take advantage of European Funds to speed up the economic and overall development of Macedonian society; a Common Foreign and Security Policy; a judiciary that is able to judge compliance with European Union regulations; and additionally, the opportunity to live within any European country.

### **11.3. INSTITUTIONS AND ORGANS OF THE EUROPEAN UNION**

#### **11.3.1. European Parliament**

The European Parliament is a legislative body of the European Union, whose origins can be found in the agreements accorded between European countries during the 1950s. From 1979, its parliamentary members have been elected by the citizens of each member state of the European Union, every five years. As such, the European Parliament expresses the democratic will of the people. There are a total 732 parliamentary members, known as Members of the European Parliament (MEPs), from the Union's twenty-five member states. Each Country has the right to elect a certain number of MEPs depending upon that country's size. Thus, smaller countries such as Cyprus, Malta, Slovenia, which have up to two million citizens, contribute just six or seven parliamentary representatives, while larger countries, such as the United Kingdom of Great Britain and Northern Ireland, France and Italy, with populations of about 60 million citizens, have around 78 parliamentary members each. The biggest country, Germany, with around 80 million citizens, contributes 99 MEPs. The seat of the European Parliament is situated in Strasbourg, in France, although it also regularly holds sessions in Belgium and Luxembourg.

The most important question to address is, how does the European Parliament function and what are its competencies? The European Parliament has three main roles: Firstly, it has a legislative authority, which involve the right to adopt important regulations of the European Union. The Parliament conducts its legislative authority in partnership with another body of the European Union - the Council of Ministers, which will be referred to later on. These two bodies commonly pass agreements, laws and other regulations of the European Union. Secondly, the Parliament has a right of oversight over European Union institutions, particularly the European Commission. Thirdly, it shares authority with the Council of Ministers over the European Union Budget, with the Parliament choosing whether or not to adopt the budget as a whole.

#### **11.3.2. The Council of the European Union**

The government of each member state of the European Union delegates a Minister to attend meetings of the Council of the European Union. The attendant Minister depends upon the issue to be discussed on the Council's agenda. If the agenda relates to the environment, then the said meeting will be attended by Ministers for the Environment from all member states. The Council of the European Union has nine individual bodies, similar in structure to ministry departments, with respectively deal with economic and financial issues, justice and home affairs, employment, social policy, health and consumption, etc. The Council is based in Brussels, but its sessions are also held in Luxembourg.

But, what responsibilities do this Council hold? Firstly, it shares authority with the European Parliament in approving legislation in many subject areas. Secondly, it coordinates the economic policies of European Union member states. Thirdly, the Council concludes international agreements with other countries or international organisations. Fourth, it is responsible for approving the Budget of the European Union, in partnership with the European Parliament. Fifth, it also develops the Union's Common Foreign and Security Policy for member states.



### 11.3.3. The European Commission

The European Commission is composed of twenty persons, known as Commissioners, appointed by member countries and the European Parliament. In spite of the fact that these Commissioners have held important political offices in their own countries, on the Commission they are expected to act in accordance with the interests of the Union as a whole; herein they do not receive directions from their own member countries. For their actions, they are responsible to the European Parliament. The Commission is based in Brussels.

But, what are the responsibilities of the European Commission? As an executive body, it has the following authorities: Firstly, it recommends laws and other regulations to the European Parliament and the Council of the European Union. Secondly, it executes both European Union policies and the Budget Thirdly, alongside the European Court of Justice, it enforces the law. Fourthly, it represents the European Union on the international arena. All aforementioned bodies have their own administrative organs.

It is important to mention the European Court of Justice, whose goal is to ensure the equal application of European Union law, known as *acquis communautaire*, in each member state. Other European Union institutions include the European Central Bank, which regulates the Euro currency; the European Investment Bank, which finances European Union projects; various committees; and the European Ombudsman, in addition to several agencies, etc.

As is evident from the institutions previously mentioned, there is a developed infrastructure of organs and bodies within the European Union similar in many respects to the organs and bodies of a developed parliamentary state; independent organs execute their legislative, executive and judicial functions, and are significantly assisted by numerous financial institutions, commissions, and agencies.

## 11.4. EUROPEAN UNION LEGISLATION

Legislation, which encompasses many regulations, is delineated in terms of both primary and secondary legislation. Primary legislation includes those agreements by which the different bodies of the Union are established. An example of this is the Treaty on European Union, also known as the Maastricht Agreement. The legal regulations of secondary legislation comprise all other regulations, directives, decisions, opinions and recommendations. Regulations must obligatorily be obeyed by local and regional authorities. Directives must be implemented in national legislation. In this way, European Union countries are attempting to harmonise, or bring closer, the individual laws of each European Union country, the European Union, and other countries preparing to enter the Union.

## 11.5. EUROPEAN UNION POLICIES OF IMPORTANCE FOR THE LOCAL SELF-GOVERNMENT IN REPUBLIC OF MACEDONIA

The European Union achieves its goals through establishing policies in different areas, to which it provides appropriate funds. Its most significant policy area is that concerning regional affairs, which is focused on the reduction of regional differences and disparities. Other policy areas under the competency of the European Commission include: the Common Agricultural Policy (CAP), transport development, telecommunications and energy, research and development, information technology, and competition policy, among others.

Having in mind the fact that municipalities in Macedonia have now gained significant competencies themselves, the most significant policy areas on which the European Union provides expert and financial assistance include the following:

1. **Economic and Social Development** - Involving the strengthening and development of the business sector, food production, and small enterprises, etc.



2. **Environmental Protection** - Focused towards the improvement of waste management, raising the quality of the air and water, and protection from environmental pollution to both water and land areas.

3. **Trans-Border Cooperation** - Developed in many areas, including communal activities, economic affairs, environmental protection, etc.

Herein, it is pertinent to mention that the organisation known as the Council of Europe is not actually a body of the European Union. While all twenty-five member states of the European Union are in fact member states of the Council of Europe, a total of forty-four European countries are in fact members of the Council of Europe. The Council closely cooperates with European Union bodies.

According to the Framework Convention, the member states of the Council of Europe are obliged to support local authorities in their initiatives to: establish trans-border cooperation; sign bilateral and trilateral agreements to facilitate this cooperation; and, to resolve all administrative and legal obstacles that might obstruct cooperation. Furthermore, member states are committed to make available the same resources and opportunities to local authorities as that which are available for national cooperation initiatives, and to supply other countries with all requested significant information for trans-border cooperation, in order to avoid possible obstacles.

Among the positive examples of trans-border cooperation initiated by European Union resources include the cooperation between Macedonia, Serbia and Montenegro, and Bulgaria (Skopje - Nis - Sofia - Sandanski - Strumica), and the cooperation between Albania, Greece and Macedonia in the Ohrid and Prespa Lake region.

## 11.6. FUNDS AVAILABLE FOR EUROPEAN UNION MEMBERS

European Union member states understand that the Union cannot function effectively if there is a high degree of disparity in levels of development between its different member states. This is why the European Union supports poorer member states, through supplying grants and various types of other financial assistance. Consequently, the European Union is making progress in reducing the differences and disparities that exist in Gross Domestic Product (GDP) levels and rates of employment between its member states and even amongst different regions within individual member states. From 2000 to 2006, the European Union, through its numerous funding schemes, will have granted 216 billion Euros to its fifteen member states and 22 billion Euros to new candidate states until the time of their full membership. The Union has also set aside 22 billion Euros for adjustments between 2004 and 2006. As such, for the period from 2000 to 2006, the European Union has allocated 257 billion Euros for these purposes - 37 percent of the total European Union budget. The allocation of these assets is determined through several funding schemes, out of which the following are the most important:

### The Cohesion Fund

The Cohesion Fund serves to assist the development of those European Union member countries with the lowest levels of prosperity so as to assist the cohesion of economic and population flows throughout the Union. The criterion for receiving assets from this fund is that the National Gross Domestic Product must be under ninety percent of the average European Union level. During the past decade, three member states benefited from this fund - Spain, Portugal and the Republic of Ireland (until 2003) - with the ten new candidate countries accepted in 2004 (Slovenia, Hungary, Poland and others) were also in receipt of these funds. Today thirteen countries benefit from this funding. Recipient countries are obliged to contribute their own national assets to the funding, meaning that the fund is in fact co-funded. It serves several purposes, providing for:

- The Environment;
- Tran-European Transport Networks;
- The Alignment of National Legislation with European Union Legislation in the aforementioned policy areas.



## **Structural Funds**

There are four types of Structural Funds, each of which pertains to a different area of social development. The European Regional Development Fund provides resources for infrastructural development, the creation of new jobs, local development, and assistance for small firms. The European Social Fund allocates funding for unemployed and under-privileged groups to enter the employment market, using trainings and employment searching systems. The Financial Instrument for Fisheries is a fund which provides assets for the adjustment and modernisation of fishing industries. The European Agricultural Guidance and Guarantee Fund finances measures for rural development and supplies farmers with assistance - mainly for those of less developed regions.

## **11.7. THE MACEDONIAN PATH TOWARDS EUROPEAN UNION MEMBERSHIP**

### **11.7.1. Conditions To Be Fulfilled**

At the 1993 meeting of the European Council in Copenhagen, the representatives of the member states of the European Union agreed to allow the countries of Central and Eastern Europe to apply for entry to the European Union provided that they fulfill the following economic and political criteria: (1) that they possess stable democratic institutions, a lawful state, respecting human rights and minorities; (2) the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; (3) the ability to take on the obligations of membership including adherence to the aims of political, economic & monetary union. These criteria are collectively known as Copenhagen Criteria.

The countries of Central and South-Eastern Europe, excluding the Western Balkan countries of Croatia, Serbia and Montenegro, Bosnia and Herzegovina, Albania, and Macedonia, must sign accession agreements in order to enter the European Union. The countries of the Western Balkans must also sign agreements for stabilisation and association. But, what is the difference? Whilst the first groups of member states were requested to fulfill the Copenhagen Criteria, Western Balkan countries are required to fulfill a number of additional criteria. These additional criteria were stipulated due to the tensions and military conflicts previously occurring in this region.

As such, Western Balkan countries are expected to demonstrate their readiness to undertake regional cooperation and undergo peaceful and political stabilisation. For instance, European Union policies demand that the Republic of Macedonia implements the stipulations of the Ohrid Agreement, and that the Republic of Croatia cooperates with the Hague Tribunal and that it ensures the safe return of displaced Serbs. Of these criteria, as contained in the Stability Pact., the most important stipulate that these South-Eastern countries, as members of the international community:

1. Develop a united strategy for the stability and growth of the region, mutually cooperating with one another to resolve matters of contention;
2. Strive for peace, prosperity and stability in Southeastern Europe;
3. Continue with democratic and economic reforms;
4. Prevent and halt tensions and crises as a condition for stability.
5. Undertake demonstrable, democratic reforms based on free and fair elections and the rule of law, respecting national minorities, and possessing a free and independent media and judiciary, etc.
6. Act against organised crime, corruption, terrorism, etc.
7. Halt the forced movement of populations, and end migration induced by poverty.
8. Provide safe and free return to all refugees and displaced persons.



## 11.8. THE PROCESS OF BECOMING A MEMBER OF THE EUROPEAN UNION

The first stage in the process of becoming a Member of European Union begins with a request for membership. The Council of the European Union must unanimously agree upon the start of negotiations. The main role is played by the Directorate-General for Enlargement, which in fact leads the negotiations.

The negotiations refer to separate issues. The country requesting membership is obliged to adjust its development in accordance with the requests of the European Union. In some jurisdictions, the negotiations are relatively simple (for example, involving education and tourism, while in others, they are more complex and oriented to the long-term, such as on internal markets, common agricultural policies, and justice and home affairs. The following represents the conclusion of the association agreement between the members of the European Union and applicant countries.

**In the Treaties establishing the European Union, the law of the EU could be found in several different forms:**

- a) Regulations which are directly applicable and binding for all members of the EU and for them there is no need for adoption of separate member state enforcement legal instruments.**
- b) Directives which are binding for the member states with respect to the objectives that are to be achieved by the Directives, but the member state has the right to determine the appropriate enforcement form. The Directives should be incorporated in the national law in accordance with the laws and regulations of each individual member state.**
- c) Decisions which are binding for those that the decision pertains to. Thus, the decisions do not require existence of national instruments for law enforcement. A decision may address a member state, a company or an individual.**
- d) Recommendations and opinions which are not binding.**

The second stage may begin only once the first stage has been successfully completed, which involves the fulfillment of a part of the conditions for full membership. During this second stage, applicant countries receive candidate status. This decision is made partly at the discretion of the authorities of the European Union, because no specific criterion exists to evaluate whether or not the requesting country has achieved improvement. During the second stage, having fulfilled the conditions subject to negotiations, the country is afforded a better status and more funds are made available for its structural adjustment. This stage is concluded once the candidate country has attained full membership of the European Union.

In this context, we should explain that the Republic of Macedonia is currently in the first stage of this accession process, although it has had a relationship with the European Union for a number of years. The following is a short chronology of the more significant events in Macedonia's relationship with the European Union:

1992: Macedonia appoints a representative in Brussels;

1995: Macedonia establishes diplomatic relations with the European Union;

1996: Macedonia becomes an equal member of the PHARE Programme, by which opportunities are enabled to use assistance for structural changes and enforcement of reforms;

1999: Macedonia submits an official request for associative membership of the European Union;

2000: Macedonia receives a mandate from the European Union. Herein, the European Commission begins negotiations with the Republic of Macedonia to conclude a Stabilisation and Association Agreement;

2001: Macedonia signs the Stabilisation and Association Agreement

2004: The process of ratifying the Stabilisation and Association Agreement in all member countries of the European Union is concluded.

2004: Macedonia submits a request for membership of the European Union.

## 11.9. FUNDS AVAILABLE FOR COUNTRIES ON THE PATH TO EUROPEAN UNION MEMBERSHIP

### 11.9.1. Stabilisation and Association

The acronym, CARDS, stands for Community Assistance for Reconstruction, Development and Stabilisation. The general goal of CARDS is to provide support to Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro while undergoing the process of stabilisation and association. In the period between 2000 the 2006, the Budget of the CARDS Programme, was 4.65 billion Euros. Resources are applied



to the following sectors: justice and home affairs; administrative capacity-building; economic growth and social development ; democratic stabilisation, and environmental and natural resources.

### **The CARDS Programme**

Assets allocated to the Republic of Macedonia by the CARDS Programme in the period from 2002 to 2004 (in million Euros):

<b>Sector</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
Justice and Home Affairs	7.0	12.5	17.0	36.5
Administrative Capacity-Building	14.0	9.0	8.5	31.5
Economic Growth and Social Development	11.5	11.0	14.0	36.5
Environmental and Natural Resources	-	1.0	2.0	3.0
Democratic Stabilisation	3.0	3.0	3.0	9.0
Other	6.0	7.0	6.5	19.5
<b>Total</b>	<b>41.5</b>	<b>43.5</b>	<b>51.0</b>	<b>136.0</b>

In the area of justice and home affairs, assets were allocated to the reform of the police service through the re-organisation of the Ministry of Interior, the establishment of a police academy, and through re-enforcing the fight against crime. Trainings were conducted in the judicial sector and assets supplied to help set up a justice information system, whilst a special border police was introduced to deal with smuggling and illegal migration, in addition to similar projects.

Resources are currently being invested in local self-government to build-up administrative capacities. Concurrently, assets pertaining to economic growth and social development are being targeted towards raising the qualifications of business managers, and providing micro-loans for small firms. One recipient of funding provided for social development is a Skopje-based project by which twenty mothers are appointed to look after one hundred senior citizens.

As to environmental funding, assets are being provided for trans-border cooperation with Greece to assist with the joint management and protection of shared water resources. The Ministry of Environment and Physical Planning is provided with resources to promulgate the necessary legislation and provide equipment for improving the quality of water and air, etc. In the area of democratic stabilisation, finances are allocated to support informative campaigns about tolerance and to provide out-of-school activities for ethnically-mixed groups of students, etc.

### **The TEMPUS Programme**

The TEMPUS Programme is a trans-European secondary school education programme which, in combination with assets provided by the PHARE Programme, is providing for the development of an instruction programme, and has established a course in Interdisciplinary Studies in Public Administration in Bitola. Appropriate equipment and literature is provided therein.

#### **11.9.2. The Stage Prior to Accession to the European Union**

The European Union's assistance programmes, which until 2004 were granted to the ten new accession countries (Slovenia, Slovakia, Hungary, Poland, Cyprus, and others) is currently granted to the remaining can-



didate candidates - Bulgaria and Romania. These assistance programmes include the following:

**PHARE** - to strengthen the institutions of the aforementioned countries, to develop regulations aligned to those of the European Union, and to provide investments in a number of different areas - for instance, infrastructure, small and medium enterprises, social measures, and trans-border cooperation.

**SAPARD** - for agricultural and rural development, and the protection of the environment.

**ISPA** - for financing important projects which aim to protect the environment and to support trans-European transportation networks.

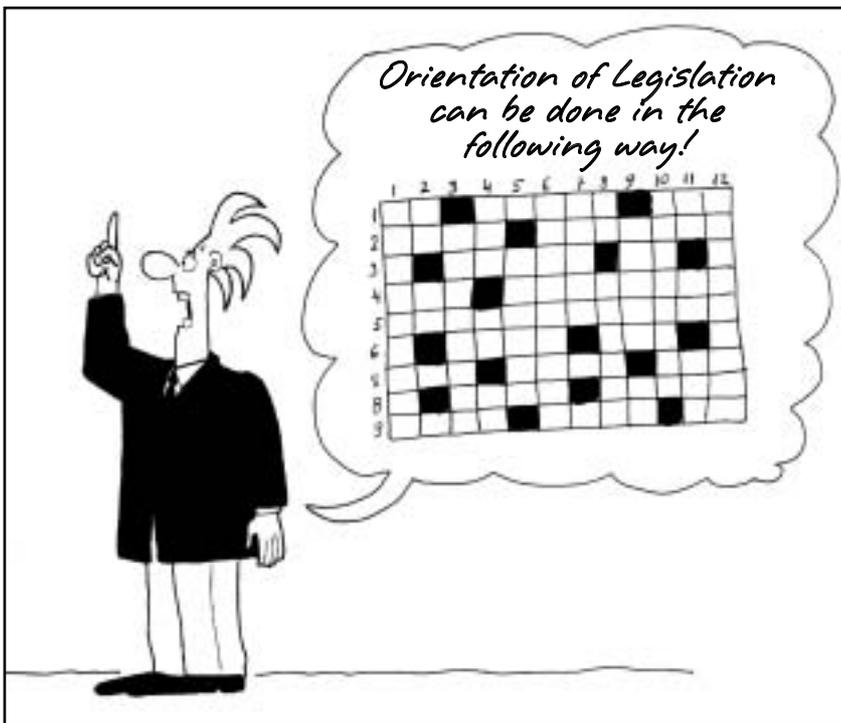
## 11.10. CONCLUSION

As we can conclude from this overview of European Union institutions, the EU is a well-integrated and well-structured community of nations. Its level of integration derives from the fact that its member states have numerous common interests - economic, social, and other. Their development is a consequence of the establishment of a network of institutions very similar to national institutions which possess legal, executive and judicial competencies, and through the creation of a legal system which regulates many policy areas. The overriding principles pertaining to the functioning of the European Union is that of cooperation and solidarity, reflected in the functioning of numerous funds, dedicated to help develop countries.

In understanding the priorities of the European Union in terms of the development of municipalities, citizens, non-governmental organisations, and industrial subjects, the municipalities of the Republic of Macedonia should make use of the possibilities provided by the European Union, especially in light of European knowledge, experience and good will.

### Legal Framework:

- The Single European Act, signed in Luxembourg on 17th February, 1986, and in The Hague on February 28, 1986.
- The Greenland Agreement, 1984 (Official Journal L 29 of 1st February 1985).
- Amsterdam Treaty (Official Journal C 340 of 10th November 1997).
- The Nice Agreement (Official Journal C 80 of 10th March 2001 (2001/C 80/01)
- Treaty Establishing the European Community for Coal and Steel, signed in Paris in 1951.
- Treaty Establishing the Council and Committee of the European Communities, signed in Brussels on April 8, 1965.
- Treaty Establishing the European Community, signed with the Maastricht Agreement in 1992 (Official Journal 92/C 224/01).
- Final Act and Declarations Adopted at the Inter-Governmental Conference in Maastricht, on 7th February, 1992 (Official Journal of the European Communities, C 224/31.08.1992, Vol. 35, 92/C 224/01) (Final texts of these documents published in Official Journal C 325 of 24th December, 2002).



## 12 | LEGISLATION

Kire Kitevski

**Decentralisation involves the transfer of responsibilities for the management and execution of governmental competencies to local self-government units. In order to understand the regulations pertaining to decentralisation, it is necessary to remind ourselves of what these regulations are, their legal effects, and which individuals are charged with their promulgation.**

Decentralisation is a process by which the management and execution of governmental competencies is transferred to municipalities. In order to understand the regulations in this area, it is necessary that we first remind ourselves of what these regulations are, their legal effects, and just whom are charged with their promulgation. Why is this deemed necessary? Decentralisation is characterised by the adoption, amendment and revocation of legislation, with some laws referring to by-law regulations to be passed by municipal representatives.

The Law on Local Self-Government details the list of competencies transferred to municipalities; however, the precise scope of municipality responsibilities is regulated by other legislation. While municipalities, for instance, are tasked with developing Urban and Spatial Plans, managing construction sites and issuing construction permits for buildings of local significance, their jurisdiction is defined only generally by the law. Specific responsibilities are elaborated by other laws and the by-laws and regulations of municipalities.

As such, the Law on Spatial and Urban Planning explains in greater depth those Urban and Spatial Plans for which the municipality is now responsible, and defines the procedures and persons tasked with their implementation, in addition to other specific issues. Similarly, the Law on Construction defines the procedures for issuing construction permits and the means by which the implementation should be supervised. The Law on Construction defines the terms of construction land, its management and other matters. These aforementioned laws also proscribe further by-laws and municipal regulations which relate to the management of other certain matters.

In the following text, the competencies of the municipalities and their scope of responsibilities are outlined:

Urban and Spatial Planning - Municipal competencies in the area of urban and spatial planning are regulated by three specific laws and several by-laws.



Local Economic Development - Local economic development competencies are defined in numerous laws, including: the Law on Trade, the Law on Tourism, the Law on Trade Associations, the Law on Handcrafts, and the Law on Public Enterprises. These laws elaborate upon the rights of state representatives to adopt by-laws and regulations. The Law on Catering Services, for example, stipulates that a municipality's registry of catering activities is prescribed by the relevant Minister.

Communal Affairs - There is an even larger body of legislation pertaining to the transfer of communal competencies to municipalities.

It is necessary to outline the differing types of legal regulations which have effect in this country; these include the Constitution, parliamentary laws, by-laws, and the regulations adopted by municipal representatives. The Constitution is the highest source of law to which all other legal acts must be compatible. Next in the legal framework hierarchy are parliamentary laws, and then by-laws, then municipal decisions or motions and, lastly, what is known as collective bargaining.

As mentioned previously, all legal regulations should be compatible with the Constitution. By-laws, municipal regulations, and collective bargaining should not only be compatible with the Constitution, but also to other corresponding legislation. As you will no doubt be aware, the only legal body with legal authority to assess the compatibility of a piece of legislation is the Constitutional Court of the Republic of Macedonia. Thus, if found to be incompatible with the Constitution or to other laws, only the Constitutional Court is entitled to revoke or declare invalid a particular legal regulation.

Under which circumstances might the Constitutional Court determine whether a municipality has developed an Urban Plan contrary to the law? The Constitutional Court should initiate a procedure to assess the legality of a regulation upon the initiative of a certain party, whom might be a Mayor, exercising one of his or her legally determined competencies; the Ministry of Local Self-Government, under its right to supervise the legality of regulations passed by municipal representatives; or, an ordinary citizen. After completing this procedure, the Constitutional Court may either void or revoke the Urban Plan in question.

## 12.1. LEGISLATION

**Example: Should a Municipal Council approve an Urban Plan contrary to the competencies outlined in the Law on Spatial and Urban Planning, or should an Urban Plan be contrary to the planning procedures laid out by the Law, the Plan would be enforced until revoked or declared void by the Constitutional Court.**

Since decentralisation is sanctioned by legislation, it is essential to explain just who approves laws and by which majority voting systems this legislation is promulgated. In addition, it is useful to specify which kinds of laws exist, the location of their publication, and the issue of whom is tasked with their interpretation.

Laws are promulgated by the Parliament of the Republic of Macedonia and so approved by parliamentary representatives. The particular voting majority required depends upon the nature of the law and whether the law is known as a Special Law (*lex specialis*) or a General Law (*lex generalis*). *Lex generalis* are adopted if approved by a two-thirds majority of parliamentary votes, while *lex specialis* are approved by a simple, or absolute, majority. Absolute means that a majority of the total number of parliamentary representatives must approve the law, while a simple, or a relative, majority allows a law to be passed if only a majority of attendant parliamentarians approve that law - with the caveat that the amount of votes should not number less than one third of the total number of parliamentary representatives.

To approve legislation which directly impacts upon culture, the use of languages, education, personal identification documentation, the use of symbols, and laws which concern local self-government (i.e. the Law on Local Self-Government, the Law on the City of Skopje, the Law on the Territorial Organisation of Local Self-Government, and the Law on Local Elections), a majority of the votes of parliamentary representatives of non-majority communities must also be attained, in addition to the absolute or simple majority vote.



There are two kinds of laws - those that are General and those that are Specific. General Laws regulate matters with broader scope and call upon further regulations in the form of Specific Laws.

Furthermore, we should inquire as to what is the legal effect of these laws. Since Specific Laws regulate legal matters in detail, they supercede General Laws. The date by which a law comes into effect is of special importance to its implementation. According to the Constitution, all laws and legal regulations must be published in the Official Gazette of the Republic of Macedonia. By rule, a piece of legislation comes into effect eight days after its publication in the Official Gazette; however, under certain circumstances determined by Parliament, a law may come into effect on the day of publication. No law may come into effect without having first been published in the Official Gazette.

In its implementation, certain provisions of a law may be ambiguous and thus open to multiple interpretations. So as to avoid this eventuality, only the Parliament is authorised to genuinely interpret laws. A law may be amended if it is established that the effects of its implementation are deemed to be not contiguous with Parliament's original intentions. Amendments to laws are adopted by a separate piece of legislation; the proclamation and publication of which is conducted in accordance with the procedures prescribed for approving laws.

If a number of amendments made to an existing law have been published in different Official Gazettes, the implementation of that law made be very difficult. In this eventuality, a procedure to make a new, clear version of the law is initiated. This consolidated version of the law is published anew in the Official Gazette. The publication of this consolidated law, complete with all alternations and amendments, should facilitate its implementation.

It is also worthwhile to mention that international agreements occupy a special position within our legal system. International agreements should become an integral part of our own domestic legislation, ratified by the Parliament and in accordance with the Constitution. The ratification of international agreements is concluded by approving a law on ratification. International agreements may not be altered or amended by domestic law.

## 12.2. BY-LAWS

For the purposes of executing and implementing laws, or in order to provide detailed elaboration of certain matters, our legal system provides for by-laws. The promulgation of by-laws must be prescribed in the law or statute to which a by-law refers. There are several types of by-laws: decrees, orders, and book of rules, etc. The decree is the most significant type of by-law, approved by the executive bodies of the country - i.e. the Ministries and Government. A decree elaborates regulations of the law and refers to specific provisions of a given law so as to assure its practical implementation. There are two types of decrees: decrees on the execution of laws, and decrees which have the effect of a law.

Decrees on the execution of a law are promulgated in order to effectuate a particular law. The legal grounds under which a decree is approved derive from the law referred to by the decree; thus, this law must contain a provision that authorises the government to pass the said decree. A decree of this type produces a legal effect provided that the law also produces a legal effect. Decrees which have an effect of law are adopted by the Government only in extraordinary circumstances or during times of war. Legal provisions may be regulated under this type of decree, producing a legal effect until the war or extraordinary circumstance ceases.

An order is a by-law which has general effect and is adopted by the state administration for the purposes of executing laws and other provisions. Orders regulate situations of general significance. The legal basis by which an order is issued is constituted in the law referred to by that order. An order regulates or clarifies certain parts of a legal norm which has a more significant legal effect; it may not confer rights and responsibilities on legal subjects if these are not consistent with the law.

**Example: The Law on Local Self-Government, which is a General Law, allows for municipalities to obtain their own sources of municipal financing. Herein, each municipality is entitled to determine its own financial resources, and to offer and receive loans, etc. Furthermore, the Law on Local Self-Government instructs that the financing of municipalities should be regulated by a Specific Law, namely the Law on the Financing Local Self-Government Units.**



Similarly, the book of rules is also a general by-law adopted by the state administration. It does not confer rights and responsibilities on legal subjects if those rights and responsibilities are not in accordance with a law. Books of rule are adopted for the execution and further elaboration of laws and other regulations of the Parliament and Government. A Book of rules is approved on the basis of legal provisions contained in the law to which it refers.

**If the provisions of an amended law need to be applied, then all of the reference numbers of the Official Gazettes in which the amendments were published are quoted. Thereby, it is possible to refer to the Official Gazette in which the consolidated version of the law was published. In regard to a decision to assume the rights to establish cultural institutions of local significance, for instance, this right has been transferred to municipalities by the Law on Culture - which has had many alternations and amendments made to it and that has a consolidated version of it published in the Official Gazette of the Republic of Macedonia. When quoting the legal justification for this decision, one should not refer to the Official Gazette in which the consolidated version was published. Rather, you should refer to the specific article of the law which provides you that right and all Official Gazettes which contain the amendments made to the law - for example: "In accordance with article \_\_\_ of the Law on Culture, published in the Official Gazette of the Republic of Macedonia, No. \_\_/\_\_; \_\_/\_\_; \_\_/\_\_; etc".**

The Law on Budgetary Accounting and Budgetary Users, for instance, compels municipalities to produce an inventory of their resources, liquid assets, and municipal payables and receivables. This law determines the ways in which an inventory may be produced, the number and composition of inventory commissions, the timeframe under which an inventory should be constructed, and the deadline by which the inventory report must be delivered and regulated by the book of rules. Herein, the Book of rules on Budgetary Accounting and Budgetary Users, as a by-law, regulates the provisions of the law so as to facilitate its implementation.

### 12.3. THE REGISTRY

As has already been mentioned, legal acts must be published in the Official Gazette of the Republic of Macedonia. So as to determine in which Official Gazette a particular law or by-law is published, a registry of all legal acts is collated at the end of each calendar year. This registry contains a list of all laws and by-laws passed during the preceding year, detailing the specific issue and page number of the Official Gazette in which the law or by-law may be found. The registry should certainly help you to locate any laws or by-laws that you wish to refer to.

### 12.4. THE LEGAL ACTS OF MUNICIPALITIES

#### AND THEIR PREPARATION

#### Types of Legal Acts

In the performance of their duties and responsibilities, municipalities are tasked with issuing general and individual legal acts. General Acts regulate the relations, rights and responsibilities of citizens and legal entities under municipal competencies in the most general and genuine way. General Acts contain those legal norms which refer to an indefinite number of cases. Municipal representatives adopt Individual Acts when delineating an administrative procedure, deciding upon a nomination to a particular public position, or on other occasions determined by law or legal regulation.

Municipal Councils may approve the following types of General Acts:

- Municipal Statute;
- Programmes & Plans;
- A variety of Decisions;
- Other Acts determined by Law.



The Municipal Statute, as the core legal document of the municipality, regulates the following: the organisation and work activities of municipal organs, the organisation and work of Council Commissions; the provision of services of public interest and local significance which are not otherwise excluded from municipal competencies or under the jurisdiction of state public organs; the ways in which citizens may be informed about municipal activities; the occasions on which the public may be excluded during Council sessions; the means by which citizens may submit complaints and suggestions on the work of the municipality, and the procedures for responding to these complaints and suggestions; the ways in which public forums are organised; the means by which public surveys are conducted; the procedures for performing defence duties during times of war; and, many other matters relevant to local self-government.

In drafting Plans and Programmes, municipalities elaborate in detail those matters relevant to the execution of laws, especially those laws which transfer a competency to the municipality. Usually, a schedule of activities, complete with deadline dates, is foreseen in the implementation plan - for a communal hygiene programme or water supply programme, for instance. Decisions regulate a particular issue within the framework of municipal competencies - for instance, a decision on establishing a public service or on adopting an Urban Plan, etc.

## 12.5. THE PROCEDURE

The procedure to promulgate a General Act is begun upon the submission of a Proposal.

### The Proposal

The Mayor, Municipal Council members, the working bodies of the Council or ten percent of the municipality's electorate, are tasked with submitting a Proposal for a General Act to be approved. Detailing the content of the proposed Act, the Proposal lists the justifications for its approval. As such, the Proposal should outline the principles on which the Act's promulgation is founded.

As a municipal representative authorised to issue a Proposal, you might propose a regulation which determines a certain area to be declared a shopping district. Herein, you might issue a Proposal to adopt a regulation which allows for sales to take place in areas outside of business premises.

In addition to containing an annex on the proposed regulations, your Proposal should also explain the legal grounds for the regulation, the financial resources needed for its implementation, and the ways in which those finances will be provided.

The President of the Council submits the Proposal for issuing an Individual Act to the appropriate working body within a time period determined by the book of rules of the Council. The Proposal is submitted to the Mayor, whom should, provided that he or she did not issue the Proposal, offer an opinion on it to the Council and the appropriate working body. Upon receipt of the Proposal, the working body is obliged to form an opinion on the legal grounds for the Proposal and the justification for issuing an Individual Act, to which it then informs the Municipal Council.

The Municipal Council should review the Proposal and the opinions of the working body and the Mayor, and therein determine whether or not the Proposal is legally justified. If it is declared to be legally justified, then the proposed Individual Act may be issued, and the organ that will prepare the Act determined. At this stage, it should also be established whether an Individual Act will be promulgated in its draft form or in the form of a Proposal. If along with the Proposal, a form for the required regulation is attached, the initial Proposal is discussed, after having confirmed the legal justification and the basis for the Act being approved.

**Example: A Proposal might be issued by businesses which conduct sales outside their trading premises - for instance, on the pavement in front of these premises. Your regulation should regulate how much space is needed, the content of the permit to be issued, and the persons whom would supervise the execution of the regulation.**

The subsequent regulation proposed by you should not be adopted over two phases. Upon determining the justification and the necessity for the regulation, the Council should assign a body to prepare the regulation. This body is tasked with preparing the regulation, so ensuring that it contains the aforementioned legal



grounds, a title, and an explanation. Lastly, the body must submit the draft Proposal for adoption by the Council.

### **The Draft**

The draft General Act is then discussed in the competent working bodies of the Council and placed upon the Council session agenda. During the session at which the draft is deliberated upon, the Council discusses it both generally and in detail. The issue of whether the draft fully reflects the principles on which its proposal is justified is considered. If the draft is not adopted in principle, then it is offered back to the individual who issued the initial Proposal for amendments or further elaboration.

If the draft is adopted in principle, then discussions follow, focusing on the separate chapters and articles of the Proposal. All opinions and comments that arise from this detailed discussion, alongside the minutes of meetings are submitted to the proposing subject so it can have these in mind when preparing the draft of the General Act.

### **Adopting Proposals**

Proposals put forward for General Acts are adopted through a process of voting by Councillors. Different types of General Acts require differing voting majorities in order to be approved by the municipality. As such, some General Acts must be approved by a majority of the total number of Councillors in the municipality, while others simply require a majority of votes from those Councillors present at the session at which the vote occurs. Once approved, the General Act is submitted to the Mayor for publication. The Mayor passes his conclusion, declares the General Act adopted and then publishes it in the municipality's Official Gazette.

In exceptional circumstances, a General Act may be adopted by a summary procedure. This summary procedure is applied whenever it necessary for an issue to be very promptly regulated, wherein delaying the regulation would have significant consequences and be of detriment to the municipality. Those individuals whom put forward a Proposal for the issuance of a General Act should also submit an annex which details the specifics of the Act and offers an explanation as to why the Act is needed. If the Proposal is accepted, then the Act is placed on the agenda of the Council that same day.

Alterations to a Proposal may be made by putting forth an Amendment. By rule, this Amendment can be placed on the Council agenda no later than three days prior to the Council session at which the Proposal is to be discussed. Only in exceptional circumstances may an Amendment be proposed during the session at which the Proposal is discussed. In both cases, however, the Amendment must be submitted in writing and be so elaborated upon. A special discussion then takes place on the Amendment and, prior to voting on the original Proposal, the Councillors are obliged to vote on the suggested Amendment. If adopted, the Amendment is considered an integral part of the regulation.

## **12.6. THE COLLECTION OF PUBLISHED LEGAL ACTS**

The Municipal Administration retains a collection of all published Acts approved by its organs, which are ordered according to their subject area. Herein, the collection contains all Plans, Programmes, and Decisions passed by the municipality, in addition to other adopted regulations. In this collection, the integral texts of all Acts are presented, alongside the date that they were adopted, and the reference number of the municipal Official Gazette in which they were published. The collection also contains the consolidated texts of all Amendments to these Acts. Interested citizens should be able to view the collection at any time and obtain from it any information that they require.



# 13 | WOMEN AND LOCAL POLICY

Violeta Alarova

**You are a Mayor or a Councillor. Even though in our language these words are of the masculine gender, if you perform your Mayoral or Councillor duties to the best of your abilities, you will receive recognition for your efforts first as human beings, and only secondly as men or women.**

The municipality stands in front of you and every citizen and inhabitant. It enforces a feeling of belonging. But, notwithstanding, the most responsible and most beautiful feeling is possessed by the front man, the Mayor. If the Mayor is a woman, she deserves special respect, since gender equality, while participating in all segments of the public and private affairs, seeks for equal accountability.

## 13.1. THE ELECTORAL RIGHTS OF WOMEN

In democratic countries, electoral rights are general, equal, direct, and enshrined by secret ballot. In the past, many citizens were deprived of their electoral right simply on the basis of the gender to which they belonged. Let us remind ourselves that women first achieved their electoral rights at local level in 1867 in Sweden, and in 1869 in the US state of Wyoming - at which time the active participation of women in public life began. The last country to annul the gender census was Lichtenstein in 1984. By that act, we can say that the historical injustices perpetrated against women were finally ended.

The rights of women derive from the Universal Declaration on Human Rights, which was adopted by the General Assembly of the United Nations on 10th December 1948. This Declaration reads:

**The Universal Declaration became the basis of the United Nations Convention that eliminates all forms of discrimination against women in politics and public life in all countries.**

**"Each individual has the right to participate in the governance of the country, directly, or by freely elected representatives. Each individual has the right to equal access to the public services of the country".**

**The Preamble to the Declaration reads:**

**"...the recognition of the equal and genuine rights of all members of society is grounded in freedom, justice and world peace".**

**This Preamble also contains the message:**

**"...respect for dignity, recognition of genuine human rights, and confidence in the value of the human person, as well as in the equal rights between men and women".**



## 13.2. WOMEN IN MACEDONIA

**The 2000 local elections opened the doors of only three municipalities to female Mayors. Of the three women elected as Mayors, Viloeta Alarova was elected to Skopje's Centar municipality; Sanije Sadiku was elected as Mayor of the municipality of Oslomej; while Suncica Petkovska was elected to the municipality of Miravci.**

**Only three women out of 124 were elected. The same goes for the number of Councillors. In this light, we should monitor the result of the 2005 elections.**

**In 2004, the Law on Local Elections was amended by Article 22, which provides for a 30 percent gender quota. The Article stipulates that in the proposed list of candidates for a Municipal Council, including the city of Skopje, each gender should be represented by at least 30 percent - in both the upper and lower parts of that list.**

**Entering local self-government allows for a major obstacle to be overcome for the benefit of one's municipality and citizens.**

During the first local elections held in Macedonia in 1990, of a total of seventy Councillors elected to the Council of the city of Skopje, just four were women. Of 1,510 Councillors elected in various municipality Councils, only 74 were women. In the local elections held in 1996, there were a total of 124 elected Mayors, of whom all were men; no women were among their number. As for Municipal Councils, of the 1,710 elected Councillors, just 105 were women. In the local elections of 2000, three women were successfully elected as Mayors. Similarly poor, of 1,906 Councillors elected that year, only 161 were women.

Notwithstanding, the experiences of many other countries shows us that many female politicians take their first steps in public life in local self-government. Thus, we can consider local self-government to be probably the most acceptable political engagement for women; most likely due to the fact that with women are able to work very closely to their homes and because they especially are able to recognise local problems.

### 13.3. THE MACEDONIAN WOMEN'S LOBBY IN 2000

The year two-thousand should be remembered as the start of women's entrance into politics. That hot summer, women of all political parties and other organisations gathered together to establish the women's lobby. This lobby approached the leaders of all political parties and signed with them declarations committing each party to include at least 30 percent of its local election candidate lists as women.

A National Action Plan for Gender Equality has begun to be implemented. One project, entitled, "The Higher Representation of Women in Local Self-Government", has launched, entailing the organization of a series of seminars for female Mayors, Councillors and local administrators. The aim is to achieve interactive cooperation between women on the issue of gender equality.

### 13.4. WOMEN IN MACEDONIA - TOWARDS BETTER REPRESENTATION

Legal regulations provide for the improved representation of women in local self-government.

Gender mainstreaming at the local level is already happening. The Association of Women's Organisations of the Republic of Macedonia, in cooperation with the Ministry of Labour and Social Policy's Unit for the Promotion of Gender Equality, began implementing the project, "Promoting Gender Equality at the Local Level". Under this project, Gender Equality Commissions were established within ten municipalities - Veles, Kavadarci, Krivogastani, Bitola, Struga, Tetovo, Delcevo, Probistip, Kocani and Prilep. These Commissions will receive trainings to enable them to improve their capacities in the community and throughout the state as a whole. The project is implemented in three separate phases:

- The first phase focuses on the institutional base of Commissions, establishing them as permanent bodies of the municipality.



- The second phase is dedicated to increasing gender awareness, involving the organisation of seminars, workshops and public campaigns.
- The third phase involves the establishment and functioning of a national network of Commissions for Gender Equality.

**Legal Framework:**

- Law on Local Self-Government (Official Gazette of the Republic of Macedonia, No.05/2002).
- Law on Local Elections (Official Gazette of the Republic of Macedonia, No.35/2004).



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Note:





