



Good governance for
openness and accountability
in politics and governance

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Analysis of openness of local self-government in Macedonia and the region

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Analysis of openness of local self-government in Montenegro and region

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UVOD

In cooperation with partners from a regional network “ActionSEE”, CDT has prepared the analysis of a level of transparency, openness and accountability of local self-governments in the region of Western Balkans. A general conclusion is that the openness of local self-government is at a very low level in Montenegro and in region. In the period from October to December 2016 members of the network “ActionSEE” worked on detailed research, based on scientific methodology, including sample of 144 municipalities from 6 countries and over 60 indicators per municipality.

The aim of this document is to determine a real state in the area of openness and accountability, to show readiness of municipalities to act as a service of citizens. The openness of local self-government for us includes transparency and efficiency of institutions as well as developed communication with citizens.

In comparison with results of openness of parliaments and bodies of executive power, these results are the worst and at the same time worrying. It is expectable that openness increases as we move towards lower state bodies since they are in direct contact with citizens. However, the research has shown opposite. Regional powers should take much more effort in order to engage citizens in decision-making, which directly reflects on their life quality.

Taking into account that there are many problematic areas, municipalities from the region must be committed to improvement of existing state as soon as possible.

The openness of powers represents one of the fundamental postulates of good and fair governance as well as a significant characteristic of each democratic society. It is a general i.e. public value of developed societies and a significant instrument for controlling work of powers by institutions and citizens. Also, it represents a significant instrument for prevention of corruption. Unfortunately, this topic is not discussed enough in the region while specific steps towards achieving standards of openness are rarely undertaken.

This document is addressed to decision-makers in local self-governments in the region and state bodies dealing with problems of local self-government. It may also be useful for representatives of international institutions and colleagues from NGO sector dealing with these issues.

We are at your disposal for all suggestions, benevolent critics and discussions regarding our proposal.

Openness of Local Self-Government Units (Municipalities) in the Republic of Macedonia

1) Standards on transparency, accountability and civic participation on local level have been established in several documents: Law on Local Self-Government, Law on Free Access to Public Information, Code of Conduct for Local Officials, Code of Conduct for Civil Servants; Law on Prevention of Corruption, Law on Conflict of Interests, etc.

2) IRM Report, available at: https://www.opengovpartnership.org/sites/default/files/Macedonia_Final_2014-15_0.pdf

3) EC's 2016 Country Report for the Republic of Macedonia, pg.9, available at: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/2016_1109_report_the_former_yugoslav_republic_of_macedonia.pdf

Citizens of the Republic of Macedonia are guaranteed the right to local self-government, whereby local self-government units are defined at the level of municipalities. The decentralization process includes transfer of competences from central/state level to municipal level and is closely related to democratic principles and values to which the state committed in 1997, by ratifying the Council of Europe's European Charter on Local Self-Government and demonstrating its willingness to align the national legislation with the EU acquis. The essence behind the existence of municipalities is to serve the citizens, and base their transparency on open data and information, clear procedures on participatory decision-making, as well as being held accountable for spending public funds at their disposal for the purpose of improving community life¹.

In 2012 when the first National Action Plan under the Open Government Partnership (OGP) was developed, the state demonstrated preparedness to enhance efforts for promotion of transparency, fight against corruption, strengthened civic participation and use of new technologies in order to ensure more efficient and more accountable local governance, under the priority defined as "Open Data on Local Level". For that purpose, measures were designed towards opening data held by municipalities and developing joint criteria on open data by means of unified approach on the part of all municipalities. The practice on defining priority "Open Local Governments" continued under the second (2014-2016) and the third (2016-2018) OGP National Action Plan, by expanding anticipated measures and introducing new forms of proactive communication between municipalities and citizens; establishing institutional forms of cooperation between local authorities and citizens; establishing e-services; establishing standards on transparency and open data that would be useful for citizens; improving functionality of mechanisms for institutional consultation on local level; improving delivery of social services at local level, in cooperation with civil society organizations. In general, the assessment on sustainability of OGP initiatives taken on local level is under risk due to lack of funds at municipalities². Moreover, in its last Country Report, the European Commission³ noted that local authorities demonstrate continuous lack of capacity for cooperation with civil society organizations.

Municipalities have a score of 34% under the index on openness. As regards the principles of transparency, accessibility, integrity and effectiveness, which provide the baseline for this research, municipalities demonstrated the lowest performance under indicators on accessibility, i.e. they have a score of only 27% under indicators related to provision of and adherence to procedures regarding free access to information and strengthened interaction with citizens. This piece of information raises concerns, taking into account that the measuring was performed on enabling access to information that should be available on municipalities' official websites without being requested, such as, for example, decisions taken by Municipal Councils, decisions taken by Mayors, minutes from sessions held by Municipal Councils, Statute of the Municipality, Rules of Procedures of the Municipal Council. Municipalities' low score under the index on accessibility is also affected by their insufficient interaction with citizens via social networks, non-publication of monthly newsletters for citizens about the municipality's work, as well as lack of public debates for citizens on issues of local importance, non-publication of plans for public consultations with citizens about municipal policies and minutes from meetings held with citizens.

Improvement of Municipalities' Financial Transparency

The Law on Budgets⁴ establishes the principle of transparency, which implies access of the public to all stages of budget planning and execution. This means that all budget beneficiaries, including the municipalities, must be transparent before the public in terms of the budgeting process. Only a small number of municipalities have established practice on organizing Budget Forums with citizens.⁵ Municipalities have a score of 49% under the index on transparency, subcategory on budget transparency. High share of municipalities publish adopted budgets and final budget accounts, but in protected .pdf format, which makes them difficult for browsing. Moreover, the score under this index is affected by non-publication of Civic Budgets on the part of municipalities, as well as semi-annual reports on budget spending. Civic Budget is document aimed to transparently present information contained in the municipality's annual budget and inform citizens in simple manner, with use of charts and budget illustrations, so they would more easily understand planning and allocation of municipal budget funds. Also, it helps citizens to understand revenue sources in the municipality's budget, as well as priorities on which their money is spent.

- 4) Article 3 of the Law on Budgets ("Official Gazette of the Republic of Macedonia" no. 64/2005; 4/2008; 103/2008; 156/2009; 95/2010; 180/2011; 171/2012; 192/2015 and 167/2016)
- 5) Overall goal of the Budget Forums is to increase participation of citizens in the process on municipal budget adoption and increased transparency on the part of the municipality.

- 6) <http://www.zelenikovo.gov.mk/>
[; http://daily.mk/vesti/pres-vmro-dpmne-realizirani-proekti-opshтина-zelenikovo;](http://daily.mk/vesti/pres-vmro-dpmne-realizirani-proekti-opshтина-zelenikovo)
<http://opstinavasilevo.gov.mk/?p=4294>

Open Data

Despite the fact that open data have been prioritized on local level by the state under the Open Government Partnership, this research showed that municipalities have a score of only 8% under indicators on open data.

Awareness

Municipalities have a score of 42% under indicators on awareness. This category is comprised of several areas, those being: 1) monitoring and evaluation; 2) reports; and 3) strategic planning. Municipalities demonstrated highest performance in terms of reporting (79%), as public enterprises and mayors are obliged by law to account for their operation before the Municipal Council. Furthermore, they have a score of 33% under indicators on strategic planning, because only one-third of municipalities have adopted developmental strategies with clearly defined development goals. In this segment, municipalities have the lowest performance (21%) in the field of monitoring and evaluation. These scores are low because the municipalities have not adopted management frameworks and indicators to be used for assessing the municipalities in terms of attainment of goals, obligations and tasks.

Taking into consideration the major differences observed among municipalities in terms of performance under indicators on transparency, there is obvious need for coordination and establishment of certain benchmarks for all municipalities that would represent minimum standards on openness. These standards should not imply uniformed municipalities, yet establishing guarantees for providing the minimum conditions for openness. Attainment of that goal necessitates the Association of Local Self-Government Units to increase its role and take initiative. The research showed that certain municipalities have demonstrated greater efforts around the concept of openness, while others have neglected their basic competences and obligations, so instead of focusing on performance of their competences they account for implemented “projects” from election programmes of their mayor or even of the executive branch of government.⁶

REGION

A regional result of openness of local self-government is disappointing and amounts to only 34%. Municipalities resemble black boxes more than key institutions of citizens' service. All problems recorded in Montenegro provide a credible picture of situation at a local level in the region, where the situation is worse than in our country. The policy of openness must be a policy of all municipalities and find its place among other significant state policies. It is high time to start with solving this issue.

Research methodology

The openness is a key condition of democracy since it allows citizens to receive information and knowledge about an equal participation in a political life, effective decision-making and holding institutions responsible for policies they conduct.

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The Regional index of openness measures to which extent institutions of the Western Balkans are open for citizens and society, based on the following four principles: 1. transparency, 2. accessibility 3. integrity and 4. awareness

The principle of **transparency** includes that organizational information, budget and public procurement procedure are publicly available and published. **Accessibility** is related to ensuring and respecting procedures for a free access to information, improving accessibility of information through a mechanism of public debates and strengthening interaction with citizens. **Integrity** includes mechanisms for the prevention of corruption. The last principle, **effectiveness**, is related to monitoring and evaluation of policies which are conducted by institutions.

Following the international standards, recommendations and examples of good practice, these principles are further developed through specific, quantitative and qualitative indicators, which are evaluated on the basis of: information accessibility on official websites of institutions, legal framework's quality for specific questions, other sources of public informing and questionnaires delivered to institutions.

The set of recommendations and guidelines, directed towards institutions, was developed on the basis of research results.