



Asociacioni i Komunave të Kosovës
Asocijacija Kosovskih Opština
Association of Kosovo Municipalities

ASSOCIATION OF KOSOVO MUNICIPALITIES

EXECUTIVE SUMMARY OF 2014 PROGRESS REPORT

1. INTRODUCTION

In 2014, the Association of Kosovo Municipalities (AKM) has engaged in representing and protecting municipalities' interests, in providing advanced services to municipalities and improving their performance, in establishing and empowering new AKM structures and in achieving a better financial performance. All AKM's activities were based on AKM's Strategy for 2011-2015 and on strategic objectives that AKM steering bodies have set for 2014.

AKM monitors and reported its activities. Results are reported on semi-annual basis and presented (i) as a narrative executive summary and (ii) in a comprehensive table providing additional details.

2. 2014 HIGHLIGHTS

2014 was a special period for AKM's activities. Local elections were held in the end of 2013, whereby 22 new mayors have emerged out of 36 mayors in total and new people have taken over as municipal directors. In addition to this, we had the general elections in July, when we had a 'setback' in the institutional life in terms of drafting legal acts.

The main activities during the year:

- Training campaigns for new municipal assembly members (with a special budget from the SDC / January –February)
- Constitution of AKM bodies (General Assembly, Council, Board, President and collegia) / March-May
- A 25% salary increase for the political staff in municipalities and in the Cabinet of the Office of the Mayor.
- "AKM's Friends" partners' meeting / April.
- Amendment of the Budget Circular 2015/1 prohibiting the use of municipal own-source revenues for capital investments.
- Health insurance issue – 5.8 million euros not taken from municipalities.
- Building municipal capacities for implementing new legislation.

3. DEVELOPMENT AND CONSOLIDATION OF STRUCTURES AND POLICIES (POSITIONS)

During this half-year, AKM's lobbying has focused on priority issues for the municipalities, such as: Law on Local Government Finance, Law on Salaries of Public Officials, Law on Civil Service, Law on Forest Management, Law on Public Procurement, municipal assets and municipal representation in regional POE boards.

In addition, the AKM has established its own bodies, starting with the General Assembly, and elected its Board and the President as well as its 12 professional collegia. Heads of collegia were elected, and the collegia have drafted their annual operational plans and set

their priorities for 2014. Annual plans also include the commencement of implementation of certain parts of collegium strategies that were developed last year.

4. LOBBYING AND ADVOCACY

Despite municipal elections that were held in the end of 2013 and national elections that were held in June 2014, AKM has constantly lobbied and advocated for municipal interests at the central level.

Major achievements that were made this year were:

- 25% increase of the salaries of the political staff in municipalities and creation of cabinets in offices of the Mayor. The salaries of mayors, deputy mayors, municipal directors and municipal assembly presidents were disproportionate to the scale of obligations and responsibilities that they have had before the law and the citizens. To this end, the Draft Law on Salaries of Public Officials and the administrative instruction regulating mayors' cabinets were successfully adopted.
- Amendment of the Budgetary Circular 2015/1, which prohibited the use of municipal own-source revenues for capital investments. As a result of AKM's lobbying and advocacy – through the Collegium as well – the circular was amended as requested by municipalities and now municipalities have no restrictions in using their own-source revenues for capital projects.
- The issue of health insurance for municipal employees ended positively owing to AKM's lobbying and meetings with and advocacy at the Ministry of Finance, because the municipalities had not planned those financial means and the budget involved damage to municipalities with 8.5 million euros. Now that amount is covered by the central budget.
- However, AKM itself has also benefited from these efforts, as they have had a direct impact on its image, because of its many new constituents (mayors, directors, presidents of assemblies) and showed that, as an organisation, it is capable of lobbying for concrete and palpable improvements at the central government.

Success indicators

4.1. Local finance

Context – Local finance and other issues related to financial decentralisation constitute a priority in AKM's engagements and, at the same time, one of the most sensitive fields of its operation. In 2014, AKM has managed to protect municipalities' interests successfully in terms of retaining their financial autonomy and strengthening their financial autonomy further.

Achievements – AKM's lobbying in protection of municipalities' interests and their financial autonomy during the amendment of legislation and adoption of new laws has resulted in a successful advocacy for the municipalities:

- A 25 % increase in salaries of municipal political staff and permission to the Mayor to hire three additional employees when establishing his/her new cabinet;
- Amendment of Budgetary Circular 2015/1, which prohibited the use of municipal own-source revenues for capital investments;
- Agreement with the central level on paying 8.5 million € for municipalities' contributions to health insurance for municipal employees.

Impact – The impact of achievements made in 2014 is obvious and will be reflected directly in municipalities' budget and financial autonomy. A major impact will consist in municipalities' autonomy to spend their own-source revenues in capital investments, which will contribute to a further improvement of the quality of the lives of the people. Moreover, 8.5 million euros from municipal budgets will be spend for other projects, as this sum, allocated for health insurance, will be covered by the central government.

It is also expected that these changes will have a direct impact on the performance of municipal authorities, because the increase of salaries of the political staff and the creation of Mayor's cabinet will boost motivation and commitment and indirectly improve efficacy and efficiency in the provision of services.

4.2. Health Insurance

Context – Law on Health Insurance will enter into force in 2015. According to the Law, as of 2015, each employer and employee in Kosovo will pay 3.5% of the salary as a contribution to the health insurance fund. Due to budgetary cuts, municipalities were not able to pay their part of contribution to the health insurance fund for municipal employees.

Achievements – After AKM's lobbying for this issue, the central government decided to cover Kosovo municipalities' contribution to the health insurance fund for municipal employees.

Impact – The write-off of municipal employees' contribution to the health insurance fund and investment of that money in other municipal projects of public interest.

4.3. Building municipalities' capacities for implementing adopted laws

Context – There is a series of municipal obligations that derive from the legislation in force at the local level. In this regard, AKM has endeavoured and carried out endless activities to make sure that municipalities have as much knowledge and mechanisms as possible to discharge their legal obligations in different fields.

Achievements – Since we had local elections this year, it is considered that most municipal assembly members were young. Apart from the training package provided in the beginning of the year, trainings were also organised in November, in cooperation with DEMOS. The AKM has provided new members of municipal assemblies and municipal officials that have

joined the assembly with printed copies of main published laws and some documents that the Collegium of Legal Officers has drafted with the aim of building their capacities. We are talking about 24 model municipal regulations and a guideline on allocation for use of municipal immovable property, drafted as commentary, and a Model Regulation on Dogs and Cats, all this with the aim of supporting the municipalities in the local development processes.

The AKM has also forwarded all legal and sublegal acts that were drafted by line ministries and that were related to municipal competencies to the municipal officers for further discussion. We are talking about 3 draft strategies, 8 draft laws and 23 draft administrative instructions, which were reviewed by AKM bodies and recommendations on which were given on time.

Handbook on Municipal Education Governance was also reviewed. Chairmanships of almost half of collegia were trained on e-governance. Courses and trainings on calculation of waste fee – which constitutes a municipal obligation in the field of public services – were organised.

Moreover, the concept-handbook on the procedure and content of drafting of the regulatory plans in the field of spatial planning is distributed.

In the same vein, AKM has introduced municipalities with approved laws by way of meetings, trainings and seminars on best ways to implement them.

Impact – Municipalities were regularly updated on legal and sublegal acts that were being drafted and discussed and this has helped the municipalities to be informed and to plan their activities around the timeframe for the adoption of an act regulating a given issue. In addition, most acts have made the daily work of municipal officers easier. In particular, AKM has lobbied a lot for the Ministry of Finance to disseminate budgetary circulars on time, as opposed to previous years, when they were sent just before the deadline and when the municipalities were not able to plan the budget properly because of time restrictions.

Municipalities were provided with knowledge of creating a system for treating dogs and cats in accordance with international standards, in order to provide more security to the citizens. Municipalities have a set of models for drafting various municipal acts to exercise their municipal competencies responsibly. It will be much easier for municipalities to support local development initiatives now, because they have a clear procedure for allocation for use of municipal property has at hand. Municipalities were empowered in terms of pre-university education system management, of which they are also responsible according to the law on force. In terms of public services, municipalities can build a sustainable mechanism for waste services.

5. THE WORK OF THE COLLEGIA FOR MUNICIPAL SERVICES

Through its twelve professional collegia, AKM aims to strengthen cooperation between municipalities and analyse issues of interest to the local government, with a special focus on improving municipal services.

AKM's main objective for the reporting period was to establish and consolidate the collegia following the elections. Once they were consolidated, the twelve collegia have set their operational priorities for the year, prepared and adopted their operational plans for 2014 and set operational objectives and activities in accordance with the annual meeting schedule. This year, each collegium has held 6 meetings in average. On the other hand, 14 presidency and 59 collegium meetings were held. In addition, 11 meetings of different commissions for legislation review were held. As a result, each collegium has drafted and approved two positions at least, which were then presented to and discussed by respective central bodies or mechanisms.

In compliance with AKM's strategic plan and given the need to strengthen the role of the collegia, and municipalities consequently, in exercising their authorities and performing their duties, strategic plans of the Collegium for Spatial Planning, Collegium for Municipal Inspection and Collegium for Budget and Finance were approved.

Representatives of AKM collegia have participated in various working groups and committees at the central level, presenting and defending the positions of local authorities in Kosovo.

AKM has in general provided the collegia with the necessary lessons and trainings on implementation of adopted laws and on those for which it has lobbied, with the aim of providing the citizens with best services and strengthening the belief among the central institutions that legal acts that the AKM lobbies for are implemented by the municipalities in concrete terms and that the rationale behind and need for them were real.

The following presents a list of major achievements made in improving AKM's services to municipalities as a result of the work of the collegia.

Collegium for Public Services – Work in the field of public services remains a constant challenge for the municipalities, especially when it comes to waste management, publicly owned enterprises and energy efficiency. Municipalities face constant problems and interference in their competencies for public service management and this has also contributed to a poor management among municipalities and respective companies that were involved in the provision of these services.

Association of Kosovo Municipalities has, in cooperation with the GIZ-MMS, considered that it was very important to discuss the Law on Waste Management and the Law on Publicly Owned Enterprises, in order to explain the competencies and harmonise the legislation on

this field. Finding a viable solution in this field is expected to contribute to the strengthening of municipalities and to an increase in the revenue collection from waste collection and to a better administration in this regard, as a constant promise that was made to the citizens.

The Association of Kosovo Municipalities has, in agreement with its partners, GIZ dhe DEMOS, managed to lay a sound foundation and is still engaging in achieving concrete results in involving all the municipalities in the municipal waste management and especially in determining operator models for an Integrated Waste Management System and operational costs (fees) for waste collection and transport.

Association of Kosovo Municipalities, in cooperation with Konrad Adenauer Stiftung (KAS), German Development Bank (KFW), Renewable Energy Association (REA) and Kosovo Renewable Energy and Efficient Energy Association (KREEEA), intends to provide information about and technical assistance in preparing and adopting municipal sustainable development and energy efficiency plans in accordance with the European Directive 2012/27/EU on Energy Efficiency, where municipalities will have an important role to play in saving energy and budgetary expenditures, such as public lighting or municipal, school and health facility heating.

AKM has organised meetings with KEDS to foster close cooperation between the municipal level and the Energy Corporation in the field of supply with electricity and installation of electricity meters.

Collegium on Education – has, in cooperation with the MEST and GIZ-CDBE, started to work on and discuss drafting a “Handbook on Municipal Education Governance” with the aim of improving education governance and building the capacities for it at the municipal level. The handbook will guide the municipalities in carrying out program activities and in building capacities by providing training programs for teachers, by developing procedures and documents for staff recruitment and modes of promotion and by adjusting the remuneration formula to the performance evaluation.

Collegium for Health and Social Welfare – As member of working groups with the Ministry of Labour and Social Welfare and European Commission, the AKM has worked on supporting municipalities for a full decentralisation of public services in their favour. Decentralisation will be done for three main social categories: a) Family shelter for people with special needs and the elderly, b) renewal of licences of social workers who provide social and family services in all the municipalities of Kosovo, and c) support for municipalities, namely for the Directorate of Health and Social Welfare and Centres for Social Work in the preparation of the budget for the social categories.

Collegium for European Integration - The AKM has, in cooperation with the GIZ, assessed the process of European integration at the local level. The assessment has involved several aspects, such as capacities and coordination between municipalities, with institutions of the central level and cooperation with the civil society. The assessment helps improve the current situation of the process of European integration at the local level and services to

the citizens and strengthen the government and the role of municipal European integration officers and harmonise municipal policies on the process of European integration. Also, as per assessments and requirements stemming from the process of European integration at the municipal level, the AKM has asked all the mayors of Kosovo to make sure that municipal European integration officers participate in the meetings of municipal executives and play a special role in coordinating integration processes and in harmonising the legislation, what has meet a positive reaction on the part of the mayors.

Collegium of Legal Officers – The Collegium has coordinated its activities with all other collegia, offering them cooperation in legal matters in particular. It has drafted a guide on implementation of the Law on Allocation for Use and Exchange of Immovable Property of the Municipality (and published and disseminated the document among all the municipalities in Albanian and Serbian). It has also drafted the Model Regulation on Dogs and Cats and reviewed some administrative instructions from the legal standpoint and given recommendations to make sure that these legal acts are in compliance with the legislation in force.

In cooperation with the OSCE, its request for publishing a document with 24 model regulations was granted. The Collegium has prepared the document two years ago, but it was only published by the OSCE and distributed to all the municipalities in Albanian, Serbian and Turkish this year.

6. AKM's FINANCIAL VIABILITY

Background - The Association of Kosovo Municipalities constantly aims at building a system of financial viability that guarantees retention of its functional and statutory independence. Even though AKM has come across multiple difficulties and challenges that have had a direct bearing on its financial viability ever since its inception, the AKM has not only managed to foster a positive trend in building a financial liability, but it has also changed municipalities' perception of it, which has resulted in establishing contractual bilateral relations based on good trust.

This was demonstrated by the massive participation of municipalities in AKM's General Assembly held in March 2014 and the affiliation of Serbian majority municipalities and other minorities to it.

Achievements in 2014 – The primary objective in AKM's budget for 2014 is 120.000 €. During the reporting period, the AKM has accomplished more than 100% of the foreseen objective, collecting 136.564€. AKM membership meeting agreed that this was AKM's most successful year since its inception, because it has not only accomplished its objective, but it has surpassed it significantly. The reason for this success lies in the good work kept up by the administration and in the consolidation and functionalization of new AKM structures after the local elections of 2013. Another reason is establishment of an excellent

cooperation with the donors and coordination of activities with the municipalities, empowering thus the municipalities and the AKM at the same time.

SDC – As the main partner in developing and advancing the AKM, plays a dominant role in AKM's activities and budget. The program financed by the SDC provides more leeway for covering AKM's activities, depending on the time and the need for lobbying, in contrast to the projects of other organisations. The SDC finance support program is all-inclusive in terms of AKM's activities and integrated in the base budget.

Another success within the framework of this objective is considered to be AKM's continued lobbying with different stakeholders – including AKM leadership meetings with and visits to municipalities, its professional collegia, and especially that of Budget and Finance – to incorporate the membership fee into municipal budgetary planning. As a result, more than 20 municipalities have created a special budgetary line for AKM's membership fee, a line that has been placed under the category of “goods and services”, (Economic code: “membership costs”).

Third party funding – Third party funding implies grants that the AKM has obtained in addition to those that were obtained from the SDC funded program. (the cooperation has started in 2009, and now SDC's contribution amounts to 200,000€). In this regard, the AKM has for 2014 foreseen a total budget of €130,060 from various funding organisations, such as BB SAFE, NALAS, COUNCIL OF EUROPE, DEMOS, GIZ, dhe AMICI DEI BAMBINI. During the reporting period, the AKM has managed to implement a part of foreseen grants, namely, during the reporting period, the AKM has signed contracts with NALAS at an amount of € 10,884, with AMICI DEI BAMBINI at an amount of €2,192, and with GIZ at an amount of € 6,000. During the 2014, the AKM has maintained regular contacts with various organisations and managed to talk them into implementing three major projects that will begin in 2015 and that reach an amount of around € 103,000.

7. COOPERATION WITH PARTNERS

The Association of Kosovo Municipalities maintains partnership with many different organisations, with which it coordinates activities, as its field of engagement is interrelated with theirs. Cooperation with partners has helped AKM implement many projects from which municipalities have received funds, financial support for projects, services, trainings, workshops, exchange of experiences, etc. Likewise, such partnership has also contributed to an increase in municipalities' performance, capacity building, facilitation of provision of various services, bridging the gaps in terms of required documents, cooperation between municipalities and cooperation between municipalities and various organisations, etc.

AKM Friends / annual meeting – with main partners of Kosovo's municipalities that deal with and are involved in the local government. “AKM's friends” is functioning as a very important mechanism for the coordination of activities between local institutions and their

partner organisations. A major role that AKM plays in coordinating their meetings and activities is worth emphasising.

- GIZ has helped in the field of education by providing different trainings to the staff of municipal directorates of education and by organising workshops on compilation of necessary documentation for municipal directorates of education, etc.
- GIZ and DEMOS are important partners in the field of public services, with a special emphasis on determining waste management operator models and waste collection and transports costs (fees).
- GIZ has started a regional energy efficiency project, a part of which AKM is. Main effects of AKM's involvement in the project remain to be seen in 2015.
- Child Labour Prevention Awareness Conference – where this category was also recognised as a sensitive category in the Strategic Plan 2014-2016 (ILO IPEC).
- Initiation of adoption of five municipal regulations on health (strengthening the concept of family health care) – WHO.
- Cooperation between AKM and UNICEF in conferences, meetings and trainings against domestic or gender-based violence has focused on three pilot municipalities: Dragash, Gjakova dhe Gjilan (provision of international expertise by UNICEF).
- Amici Dei Bambini – Provision of expertise in drafting the Strategic Plan of the Collegium for Health and Social Welfare; support to family shelter category (identification of shelter families per municipality); sensitisation by means of campaigns in each municipality; trainings in family health centres, centres for social work, municipal directorates of HSW; and training to psychologists on the provision of assistance to municipalities in dealing with social cases.
- OSCE – is supporting the AKM by organising jointly the meetings of several collegia and is coordinating activities related to the work of municipal assemblies, legal offices, property and cadastre offices, etc. It has published a document that was drafted by the Collegium of Legal Officers and that contains 23 model municipal regulations in three languages: Albanian, Serbian and Turkish.
- In cooperation with the Helvetas DEMOS Project, a training for municipal assembly members was organised for 17 DEMOS non-partner municipalities.
- With DEMOS, the AKM has organised a study visit to Bulgaria for presidents of municipal assemblies and leaders of informal women groups of DEMOS partner municipalities to draw from the best practices of Bulgarian municipalities.
- KS Kosova NGO – Municipalities, namely the municipal staff from the departments of administration, education, health and information technology, were assisted with trainings and workshops, increasing thus their capacities to provide advanced trainings in the field of information technology. The "Status and Future of E-Local Governance in Kosovo" Conference is worth noting here.

8. OTHER ACTIVITIES AND SERVICES

Trainings for MA members - The AKM has, for the third time, organised trainings for all municipal assemblies of Kosovo (including municipalities with Serbian and Turkish majorities) that have emerged from the elections of November 2013. Trainings were held in accordance with the plan and the dynamics that were foreseen in the project, starting with the first workshop on 13 January 2014 and ending with the cycle of training seminars on 14 February 2014. Trainings were organised in the Kosovo regional centres of Pristina, Prizren, Peja, Mitrovica and Gjilan. 5 seminars were held for each training module. Around 150 Municipal Assembly Members have participated in all trainings in average. This means that the total number of participants in all meetings was about 6750.

Functioning of AKM's structures - Over the past six months, the AKM has engaged in meeting its statutory requirements with regard to the operation of its structures. In the wake of municipal elections, we have held the meeting of the Council of Mayors on the preparation of the Assembly (23 January 2014). Then the meeting of the General Assembly was held, which has elected the Board and the President of the AKM, who has embarked on his work immediately and has held six meetings so far aimed at determining the positions on specific issues.

Communication - The Association of Kosovo Municipalities has maintained regular contacts and communication with municipalities over the year. More than 120 different letters, notifications, reports, replies, draft laws, draft regulations, recommendations, etc. were sent to municipalities during the reporting period.

This year, the AKM has also opened its Facebook page, where all the news about its activities is posted and where each post is getting hundreds of 'likes'.

To improve the transparency, all publications and brochures that were drafted by the AKM and by some of our partners and associates were posted in AKM's website on regular basis, and an IT Officer is maintaining the web page himself on daily basis.

On the other side, during this year, AKM website (up to 8th of December 2014) is clicked by 4938 computers, of which 60.6% are new visitors and 39.4% are regulars visitors. During this year, 27.663 pages have been browsed and the average of a person viewing or staying on the website for a click is 3 minutes and 8 seconds.

In addition, in terms of periodicals, the AKM prepares, prints and disseminates, on bimonthly basis, its own bulletin, the only one on the local government. Six bulletins were printed during the reporting period. The AKM has also engaged in strengthening its image by publishing identity products.