



Association of Kosovo Municipalities

**NARRATIVE
PROGRESS
REPORT
2017**

1. EXECUTIVE SUMMARY

The activities of the Association of Kosovo Municipalities (AKM) in 2017 were based on the AKM Strategic Plan for 2016-2020 in general and on the Annual Plan 2017 in particular, as well as on the legislative agenda and annual priorities set by the governing bodies.

The overall aim continued to be representing and protecting the interests of its member municipalities by providing services to improve their performance, through consolidating and empowering the AKM bodies, and by ensuring a good financial performance of the organization.

2017 saw central and local elections in Kosovo. AKM, in addition to numerous laws and sub-legal acts, decided to prioritize five draft-laws:

- Law on Allocation for Use and Exchange of Immovable Property of the Municipality,
- Law on Local Government Finances [which the government decided not to deal with in 2017],
- Law on Property Tax,
- Law on Public Private Partnership,
- Law on E-procurement.¹

Lobbying and Advocacy: Main success stories of 2017

During 2017, AKM has participated in a large number of meetings of different government working groups and parliamentary committees for the purpose of making remarks, giving suggestions and reviewing draft laws during the legislation review.

Among the large number of lobbying and advocacy activities during 2017, many of them on an ad-hoc and emergency basis and detailed in this report, the following 5 successful lobbying cases merit particular attention as they directly impact on the municipalities' financial and managerial operations:

1. Amendment of the Concept-Document on the Draft-Law on Allocation for Use and Exchange of Immovable Property of the Municipality

The amendment was carried out after intensive lobbying of AKM based on requests of member municipalities. The resulting amended version will provide more opportunities for economic development in the interest of citizens. Based on AKM recommendations, the amendment will facilitate procedures to establish contractual relationships with businesses that focus on youth employment and general economic performance. AKM considers that these amendments make it easier for municipalities to create a more attractive environment for foreign and domestic investment.²

2. Municipal Financial Autonomy

After continuous lobbying activities to revise the Law on Budget 2018, AKM achieved to eliminate the need for permission from the Ministry of Finance to reallocate planned funds from one budget line to

¹ As it is mentioned above, AKM in beginning of each year through its governing bodies sets up priorities for the coming year to deal with. Developments are depending (regarding legislation) on Government and Assembly of Kosovo activities. Some of the laws listed as priorities for AKM, Government during 2017 have no proceeded further.

² More on context, achievements and impact regarding the issue page 6, paragraph 4.3.

another when exceeding 25% of allocated amounts. Also, hiring procedures of new staff in municipalities were revised. So far, the MF and MPA strictly controlled employee numbers in municipalities; new staff could not be hired without consent of the ministries, even when the municipalities had open vacancies and enough budgets to hire additional staff. AKM succeeded in removing this restriction from the employment procedures³.

3. Implementation of the Administrative Instruction no. 14/2015 for penalties and mandatory fines

The Administrative Instruction was approved two years ago; however, it still has not been implemented. Based on a joint initiative by AKM, MESP and Kosovo Police, all necessary activities were developed for the implementation of the instruction for reducing environmental pollution. Consequently, revenues deriving from penalty fines imposed by a municipal inspector will go to municipalities and return to citizens as they will be used for regulation and expansion of green spaces, and environmental activities in general⁴.

4. Academy for Local Self-Government

AKM lobbied against the plan to establish an Academy for Local Self-Government despite it being foreseen in the Strategy for Local Self-Government 2016-2026. The justification was that this plan was considered a duplication of work of existing institutions, such as the Kosovo Institute for Public Administration and the Association of Kosovo Municipalities; both organizations legally mandated to provide capacity building services at the municipal level. Furthermore, the establishment of a new academy would have been an additional burden for the Kosovo budget⁵.

5. The Allocation of a Special Fund for Stray Dogs

As a result of AKM's efforts after a debate involving different stakeholders on overcoming the problem with rampant stray dogs, AKM to lobby with the Ministry of Finance to allocate a special fund of € 1.3 million during the review of the Midterm Expenditure Framework in the approved budget for 2018; the funds will be used to support the action plan for managing and controlling stray dogs⁶.

Organizational performance

AKM has fully adhered to statutory obligations:

The Annual General Assembly was conducted, (ii) the Board approved the annual plan and held 6 formal and several informal meetings and the Council met more than 5 times.

Professional Collegia - remain a strong support in discussing draft-laws and various sub-legal acts in the interest of municipalities, which are highlighted in the legislative strategy. These mechanisms are unifying bodies of the local government in Kosovo. Collegias deal with the review and discussion of various topics of

³ More on context, achievements and impact regarding the issue page 7, paragraph 4.4.

⁴ More on context, achievements and impact regarding the issue page 8, paragraph 4.5.

⁵ More on context, achievements and impact regarding the issue page 8-9, paragraph 4.6.

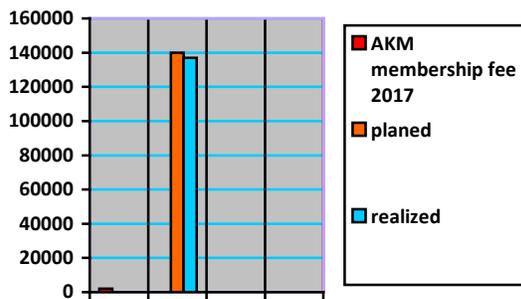
⁶ More on context, achievements and impact regarding the issue page 9-10, paragraph 4.7.

municipal interest resulting in providing of recommendations and requests to the central government aiming in improvement of municipal services.

Each AKM Collegia drafted its annual plan which includes priorities, commitments and targets, based on the legislative agenda of the central government. Despite being an election year, each collegia held at least 6 meetings; collegia chair people held more than 50 meetings. At least 2 policy positions were developed by each collegia⁷.

Financial performance

In 2017, AKM managed to collect € 134,871 in membership fees, which corresponds to 97% of the collection target of € 140,000 set for this year. This can be considered an achievement, as both central and local elections were held in 2017, interrupting the normal course of events; still, AKM managed to maintain continuity in the realization of its financial objective. As main institutional partner, SDC continued to provide its core contribution to AKM. (See the chart below)



Communications and relationship management

Throughout the year, AKM maintained regular contacts and communication with municipalities. Overall, 96 different notifications, reports, replies, draft laws, draft regulations, recommendations, draft positions, etc. were provided to municipalities. The AKM web page was updated on daily basis and all news and activities of the AKM regularly posted on the Facebook page; in addition, the AKM Bulletin was published on a bi-monthly basis. The webpage received more than 47,000 visits in 2017 and over 60 posts in ‘facebook’ were published with 1500 to 2500 'views' per posting.

Cooperation with partners helped AKM in its lobbying and advocacy efforts as well as in implementing projects to the direct benefit of municipalities by receiving either financial support for projects, services, training, workshops, exchange of experiences, etc. Projects were implemented in cooperation with DEMOS, GIZ, NALAS, OSBE, TEAM/USAID, UNDP, UNICEF, GIZ/Open Regional Fund and European Commission. AKM continued to represent positions and interests of municipalities and contribute to donor coordination with

⁷ More on the activities of AKM’s Collegias see heading number (5) paragraph 5.1. pages 10-13

regular participation in the meetings of the Steering Committee of important donor projects in the areas of Local Governance and Municipal Services, such as SDC/DEMOS, SDC/RWSSP, GIZ/SMS etc.

In addition, meetings of “Friends of the AKM” were organized, bringing together the main partners of Kosovo municipalities involved in the field of local government.

Finally, the training campaign for the newly elected Municipal Assembly members was started at the end of 2017; the training will be completed in 2018.

2. AKM's STRATEGIC OBJECTIVES FOR 2017

In 2017, the Association of Kosovo Municipalities pursued its objectives based on the new AKM Strategy 2016/2020 and the AKM Annual Plan. The main objectives for 2017 were:

- Representation and protection of municipal interests through lobbying and advocacy,
- The provision of more advanced services and the improvement of municipal performance,
- The functionalization of all AKM bodies,
- Financial viability,
- Cooperation with partners by keeping AKM as a reference point,
- Communication with municipalities and improved performance of AKM's administration.

3. DEVELOPMENT AND CONSOLIDATION OF POLICIES (POSITIONS)

In the course of the process, the Association of Kosovo Municipalities, through its bodies i.e. the Board, the Council of Mayors, the collegia and the commissions, aimed to consolidate its stand on central institutions in order to develop policies that would help to continuously strengthen the role of municipalities.

This year, AKM lobbying was focused on priority issues for municipalities, such as: (1) The Law on Allocation for Use and Exchange of Immovable Property of the Municipality, (2) the Law on Local Finance Government, (3) the Law on Property Tax, (4) the Law on Public-Private Partnership and (5) the Law on E-Procurement.

At the same time, it worked on the consolidation of municipal positions and on ad-hoc issues such as the approval of the special code on waste, the approval of the budget at the midterm budgetary framework on municipalities (MBF) for the treatment of stray dogs, and the request to postpone the deadline of MBF from municipalities to the Ministry of Finance.

In this regard, the AKM regularly met with the Board and the collegia to discuss annual work plans, priority engagements and objectives based on the legislative agenda of the central government. In the framework of the annual working plans of Collegia, the continuous commitments in the implementation of collegia's strategies were treated seriously. Another important issue worth mentioning is the new AKM Strategy 2016/2020.

4. LOBBYING AND ADVOCACY

4.1. Lobbying

In 2017, the AKM, as the main and most influential pillar for the municipal authorities, continued its lobbying activities.

During this reporting period, the announcement of early parliamentary elections was another challenge for the AKM. The country's state institutions-the government and the parliament haven't implemented the legislative agenda, and other activities, according to the work plan. This influenced the AKM's work plan, as

well, since the implementation of our work plan depended on the proceeding of the laws first from the government and then from the parliament.

However, the line ministries preceded a large number of sub-legal acts, which are interrelated with the implementation of laws related to the competencies of municipality's competences. Therefore, the AKM reviewed all of these sub legal acts and regulations during the meetings of its professional collegia and gave adequate recommendations.

In cases where sub-legal acts have improved a specific area of competencies of municipalities, the representatives of line ministries were invited in collegia meetings where municipality representatives were given the opportunity to ask for clarifications on specific articles of laws, while they also had the chance to comment on them.

4.2. Concept-Document on the Law on Allocation for Use and Exchange of Immovable Property of the Municipality

Context

Since last year, the AKM required the amendment of this law so it can provide a more a more reasonable and comprehensive approach. Through a new administrative instruction, the Government amended the procedures for drafting a law, requiring initially a concept document justifying the request for amendment, and three (3) options related to the law that is required to be amended. Therefore, with the initiative of the AKM, the MLGA started the process of drafting the concept document where the AKM is included in the working group, and through our members we presented the viewpoints and requests of the municipalities. This concept document passed all the procedures in the Government, and on 07.04.2017, the Government issued Decision No. 03/141, approving the Concept Document for drafting the Draft Law on Allocation for Use and Exchange of Immovable Property of the Municipality.

After the approval of the Concept Document, the MLGA continued with drafting procedures of the draft law. Furthermore, the AKM submitted its recommendations and despite the resistance of the central government, the AKM managed to successfully argue all recommendations. After accepting all our recommendations, the draft-law was approved by the Government and now it is expected to be proceeded in the Assembly of Kosovo.

Achievements

The very fact that the AKM was able to provide inputs for the concept document is an achievement. In the document, which has been approved by the government, the AKK incorporated multiple requests of municipalities. The biggest achievement is that this law will be amended (after a long-term commitment of the AKM), while the Association also presented concrete recommendations to be taken into account, which, in fact, were the main reason why the law needed to be amended.

It is particularly important to stress that the AKM supported option three (3), which states that a new Law should be drafted and should cover the following key issues: - Private investor selection procedures, - Procedures on negotiation of agreements and the circumstances when they can be negotiated without competitive procedures, -Building an electronic register of municipal immovable property and setting their

destination, - Allocation for use of immovable property for the purpose of building collective living spaces for social purposes.

Hence, the MLGA has issued decision no.168-730, dated on 11.05.2017 and has established a working group, where the AKM is represented by one member, for drafting the Draft Law on Allocation for Use and Exchange of Immovable Property of the Municipality.

The draft law will be fully implemented in practice after all municipal requests were considered following our insistence and great commitment shown to the working group.

Impact

The main objective of the municipality is economic development as a public interest. Therefore, this law will provide greater opportunities for a more advanced economic development, while it will also have a direct impact in reducing the unemployment rate, especially for younger generations. This will be possible through the creation of new jobs from local businesses and also from foreign investments, particularly from the Kosovo diaspora. Taking into account the recommendations of the AKM, the amendment of this law will also facilitate the procedures for municipalities and will enable them to establish more contractual relationships with businesses. This will affect the development of municipalities in areas such as youth employment, and their overall performance. The AKM considers that through these amendments it will be easier for municipalities to create a more attractive environment for foreign and domestic investments. We believe that this year the law will be approved, since the MLGA decided to set up the working group, where the AKM is represented and will give its maximum effort for the municipalities to have a new and more advance law.

Once the law is approved by the government, it will be sent for approval to the Kosovo Assembly. We expect that it will enter into force in 2018 and that it will significantly facilitate the work of municipal officials.

4.3. Municipal Financial Autonomy

Context

The Ministry of Finance (MF) intervened in the financial autonomy of municipalities by imposing a five-digit code requirement for municipalities, according to which municipalities needed initial permission from the MF if they wanted to change the destination of planned allocation from one budget line to another and in cases when these changes exceeded 25% of the allocated amount. Moreover, until this year the MF and the MPA have strictly controlled the number of employees in municipalities, not allowing municipalities to hire new staff without the consent of these two ministries, even in cases when municipalities had enough and open vacancies. Since the beginning of 2017, the AKM started to lobby with the slogan "Do not violate local autonomy" by recommending institutional actors to remove these two articles from the 2018 Kosovo Budget Law. Furthermore, Kosovo municipalities will have complete autonomy in decision-making regarding the allocation of financial resources to municipal budgets. They may hire new staff if they have sufficient financial resources which are foreseen in the municipal budget. However, it should not exceed the total number of civil servants foreseen by the relevant laws that regulate this issue.

Achievement

The AKM continuously discussed key issues for municipal financial autonomy with representatives of municipalities, who demanded greater autonomy for the purpose of increased efficiency. The AKM lobbied at relevant ministries and has expressed the concerns and needs for more autonomy of municipalities in this area. The requests have been taken into account by the MF and the MPA. Thus, municipalities have been allowed to make budget changes according to their ad-hoc needs without going through additional bureaucratic procedures. Moreover, in the future, municipalities will be allowed to decide on their own for any open vacancies that the municipality might have in cases of possible changes in the number of hired staff.

Impact

These two important areas in the financial management of municipalities will have a direct impact on the efficiency of municipalities, increasing the quality of services to their citizens, while the budget will be spent more rationally. Furthermore, the importance of this change in procedures is that by employing new staff, municipalities will advance their performance, while their autonomy related to employment will have a positive impact because it will reduce the need for “contract for specific task and duties” for additional necessary staff.

4.4. The Administrative Instruction (AI) no. 14/2015 for Penalties and Mandatory Fines

Context

Even though this instruction has been approved two years ago, it still hasn't been implemented on the ground. Therefore, the AKM, in cooperation with the MESP and the Kosovo Police, has organized several activities aiming to promote the implementation of this instruction which deals with the purification of the environment.

The aim of this instruction is to prevent citizens to throw waste beyond the specified waste containers, eliminate and reduce pollution, protect the environment, protect human health and all public areas through proper waste management.

Municipalities are responsible for waste management which is carried out in cooperation with public enterprises. In cases where specified rules in this area are not respected by either legal persons or entities, those are penalized with mandatory fines. Thus, this instruction will regulate the procedures and set the amount of fines for each violation.

Achievement

One characteristic of this instruction is that it gives competencies for the imposition of penalties to three institutions, namely the Ministry of Environment and Spatial Planning (through the environmental inspector), the municipality (through the environmental inspector or the inspector authorized by the mayor of the municipality) and the Kosovo Police. The imposition of a penalty will be done at the location where the violation of the instruction happens. In order to achieve the purpose of this instruction there need to be more frequent controls. All penalties are imposed with a fine, which ranks from 5 € to 100 €, while the payment orders are issued with a deadline of 7 days.

Impact

The implementation of this legal act, among other things, will enable the prevention of environmental pollution, better waste management, raising citizens' awareness, and creating a cleaner living environment. Moreover, the revenues collected from imposed fines will go to the municipalities in cases where the penalties are imposed from municipal inspectors. This means that the collected revenues will return to the citizens and will be used to regulate green spaces, expand these spaces and to purify the environment. Citizens need to be aware of the importance of waste management and other issues that damage our health and the environment we live in. Prior to imposing fines as the last measure, there will be public awareness raising activities to inform citizens about the importance of maintaining a clean environment.

4.5. Academy for Local Self-Government**Context**

In 2017, the Ministry of Local Government Administration (MLGA) started drafting the Concept Paper for the Academy for Local Self Government, which is foreseen in the Strategy for Local Self-Government 2016-2026, as an objective incorporated in the Work Plan of the Government of the Republic of Kosovo for 2017.

Achievement

Since the working group started to work on this concept paper, the AKM reacted to such an initiative considering it unnecessary and a duplication of work with all existing relevant institutions in this area, such as the Kosovo Institute for Public Administration and Association of Kosovo Municipalities. Both KIPA and the AKM, by law, are considered to be the main institutions that provide capacity building services at the municipal level. Furthermore, the establishment of a new academy would be an additional burden for the Kosovo budget. Based on studies conducted on who should provide capacity building services at the local level in Kosovo (developed by SDC), this issue has also been raised in front of donors involved in the issue. As a result, the recommendations of the AKM were accepted leading to the termination of plans to establish such an academy.

Impact

The timely reaction of the AKM to this initiative and its role as a preventative guardian of developments that are inconsistent with the goals of advancing local government in Kosovo has attracted the attention of relevant institutions responsible for capacity building in Kosovo. These reactions have enabled the donor community for local governance to be aware of initiatives that would duplicate existing activities in this area and be an unnecessary burden for the budget in general. The AKM's preventive reaction has come to the attention of relevant institutions and donors, and, as a result the establishment of this Academy could be halted. Moreover, the proposal for the establishment is such an academy intended to diminish the role of the AKM in the area of capacity building for Kosovo municipalities.

4.6. Stray Dogs Issue

Context

Having in mind the constant problem of managing the risks caused by stray dogs across Kosovo municipalities, this issue is becoming an increased concern from day to day. Since responsible local and central authorities don't have any effective solution for overcoming this situation and due to financial constraints for taking care of these animals, stray dogs continue scare, hurt and even take the lives of several citizens. The Association of Kosovo Municipalities encouraged a debate with the central government in finding a sustainable and long-term solution regarding the constant problem of stray dogs. It organized a series of meetings with representatives of various institutions continuously demanding concrete action in finding a long-term solution that would be acceptable for all parties.

Achievements

As a result of ongoing activities and requests for concrete measures put forward by the Association of Municipalities, the AKM together with the Kosovo Food and Veterinary Agency (KFVA) developed a feasibility study for resolving this issue on the ground. The study includes a four-year action plan and a budget plan, which has a financial implication of over 1 million Euros, to address the problem of stray dogs.

The AKM supported the preparation of an action plan and pledged to cooperate with all municipal structures in meeting the requirements that will emerge from this action plan. In addition, the AKM sent a request to the Office of the Prime Minister of Kosovo and to the Ministry of Finance demanding financial support for the management and control of stray dogs. In order to minimize and eliminate the problem of stray dogs, the Action Plan foresees an implementation period of four year. We believe that this timeframe can be used to create a significant impact towards solving this problem. A comprehensive strategy for the control of stray dogs would include: education, the reduction of the number of stray dogs, the registration of dogs and their owners, and the licensing of dog breeders and private shelters (dog holders). To conclude, the Parliamentary Committee on Budget and Finance approved the request of the AKM following a proposal of the Ministry of Finance made during its meeting held on December 19, 2017. As a result, 1.3 million Euros were allocated to start resolving the issue of stray dogs.

Impact

After a long debate on overcoming this situation towards a final solution for this problem and through continuous lobbying, the AKM managed to convince the Ministry of Finance and the Parliamentary Committee on Budget and Finance to allocate a special fund in support of the action plan for managing and controlling stray dogs. This was done to support the first phase of a process designed to resolve this issue through an effective and comprehensive program for the management and control of the increasing risks for the public posed by stray dogs. This risk has to be eliminated because it has taken a child's life and injured many women and elderly people across Kosovo. We expect that after implementing this initiative in the next four years this problem could be eliminated.

5. THE WORK OF THE COLLEGIA FOR SERVICES TO THE MUNICIPALITIES

5.1. Professional Collegia

Remain a strong support in discussing draft-laws and various sub-legal acts in the interest of municipalities, which are highlighted in the legislative strategy. These mechanisms are unifying bodies of the local government in Kosovo and are unique to all countries of South East Europe. As such, the AKM some 16 professional associations are also part of its structure- an unimaginable structure for other similar associations. These specific collegia deal with the review and discussion of various topics of municipal interest including the issuance of recommendations to the central government to consider requests made by municipal authorities on the protection of their competences and the improvement of municipal services.

The AKM Collegia set priorities in their work plans aiming to coordinate and develop their activities. It will also assess the legislation of 2017 by identifying important topics, which are in the interest of the work of the Collegia in their respective field.

During this year, approximately 6 meetings from each Collegia (depending of the need) and 50 meetings by collegia presidencies were held. During their work, the Collegia have developed and strengthened their positions in meeting with partners and collaborators for aiming to make remarks and provide suggestions in reviewing different legal and non-legal acts in careful analysis of the legislation.

Also, given that there are increased training needs in municipalities which are not fully addressed by relevant institutions responsible for providing trainings and workshops, the Association of Kosovo Municipalities decided to assist municipalities in covering the training provisions by identifying needs at the local level and potential areas to assist through organizing- in cooperation with their various partners- trainings for representatives of municipalities.

After discussing various topics and problems in the municipalities and supporting the current collegia, the interest of parties and different representatives in establishing new collegia grew. It should be worth mentioning that the decision to establish two new collegia such as the one for Transparency, and the one dealing with Public Procurement, was approved raising the total number of professional collegia represented by the Association of Kosovo Municipalities to fifteen.

In addition, during this year the Collegia reviewed a number of sub-legal acts, which are related to the implementation of laws that clarify municipal competences. The collegia treated sub-legal acts in the legal, financial, professional and administrative aspect, depending on the area covered by the them. Moreover, through their professional Collegia, Kosovo municipalities were able to do build their capacities. At the beginning of the year, many topics were identified from collegia themselves, while the AKM organized trainings and workshops for some of the identified topics such as: The role of municipalities in meeting the obligations of the European Agenda, - Integrated Health Care, - Electronic Procurement, - Local Finances, - Public services etc. It is important to highlight that the AKM does not dictate the topics of trainings; the latter are organized by the AKM following requests made by municipalities.

The work of Collegia is related to the implementation of legislation in various fields and it is understandable that the municipal officials are more familiar with the respective legislation for municipalities. This provides

the AKM with a better understating and enables it to properly argue its viewpoints before the central government during the process of drafting primary or secondary legislation. Furthermore, after the adoption of laws and other sub legal acts, AKM held meetings with collegia on how municipalities should implement these laws and sub-legal acts in the easiest way possible. In addition to lobbying, advocating and capacity building of municipalities, the AKM also supports municipalities in facilitating the implementation of legal acts by organizing meetings between representatives of various ministries and the AKM Collegia where outstanding issues of the implementation of specific legislation are discussed. It is important to mention that through the AKM Collegia, municipalities exchange good and bad experiences at work, while municipal sessions are organized in the "peer to peer learning" version.

Collegium of Legal Officers: Having in mind the year-long experience of this Collegium and the importance that legal offices have in municipalities, this Collegium organizes many activities. Its main area of action is the implementation of laws and sub-legal acts and the drafting of juridical acts of the municipality. According to the work plan for this year, apart from reviewing all draft-laws in the field of interest of the AKM, this Collegium also drafted some municipal model regulations.

During this year, the Collegium drafted a model regulation on cemeteries and their maintenance. Since such a law does not exist in Kosovo, this issue is remained to be regulated through a municipal regulation.

Hence, the Chairmanship of the Collegium along with the AKM representative participated in a workshop organized by the MLGA, with the support of OSCE, for reviewing the "Administrative Instruction on Procedures for Drafting and Publication of Municipal Acts".

This Collegium cooperates with other Collegia, as well, regarding provision of legal advice, or the drafting of various documents necessary for municipalities.

The Collegium already started cooperation with the OSCE in the financial aspect. A two-day workshop was organized at the end of the year to review the works that was done during the year. The 2018 work plan of the collegium was also drafted during this workshop.

Collegium for Personnel Managers: In order to harmonize its views on new draft- administrative regulations related to: 1) recruitment procedures in civil service, 2) disciplinary procedures in the civil service, 3) procedures for resolving disputes and complaints, this Collegium discussed and came forward with its stand on the necessary amendments related to several issues. These issues have mainly been the definition of unique recruitment rules and procedures, the setting and classification of violations of duties, disciplinary procedures and measures that need to be imposed, as well as the set-up of measures in resolving disputes and complains related to work contracts of civil servants as a necessary measure to establish an efficient system of administrative management. A better administrative management system is important to maintain a sustainable, efficient and professional civil service.

Collegium for Local Economic Development and Public Services: Following many requests made by municipalities because of current challenges municipal enterprises face, and due to the lack of functionality of local companies responsible for waste management, the AKM initiated the amendment of the Law on Public Enterprises. In order to meet its objectives, the respective Collegia and the Secretary General of the Ministry of Economic Development discussed the proposed amendments to the concept document on Public

Enterprises, harmonized their views, provided necessary information offered by municipal officers on recent issues, and increased the quality of services of municipal public enterprises.

Collegium for Education: Along with the Parliamentary Committee for Education, Science, Technology, Culture, Youth and Sports of the Kosovo Assembly, the Collegium discussed the main challenges municipal authorities face in the field of education. Moreover, in front of members of the Committee, Collegium members expressed their concerns about the clash of decisions taken by various institutions on issues such as labor, and education inspectors, maternity leave, salaries of retired teachers, health related problems of teachers as well as instructions and decisions on the programs of private colleges. The members of the Committee expressed their willingness to further strengthen the cooperation with the AKM and the Collegium for Education in order to overcome the problems and find sustainable solutions in the field of education. The AKM also expressed its commitment to advocate for these issues to be discussed at the Kosovo Assembly.

Collegium for Public Services: The Association of Kosovo Municipalities in cooperation with Helvetas Swiss Intercooperation, the Project for the Decentralization and Municipal Support – DEMOS organized the Traffic Safety Forum: what municipalities should do in Kosovo? Representatives of municipalities, the Ministry of Infrastructure, the Kosovo Police, different experts in the field of communication took part in this forum. This collegium also reached an agreement with GIZ for supporting the establishment of a working group of Municipal Waste Management Officers (MWMO) as a subgroup in the framework of the Collegium for Public Services.

In collaboration with DEMOS, the Association of Kosovo Municipalities held a roundtable on the topic “Municipal challenges on law enforcement/establishment of municipal order in the field of public services”. The main aim of this meeting was the presentation of municipalities who use the best practices in different areas of public services such as: 1. the implementation of municipal order-waste management; 2. public awareness campaign as part of the project for law implementation; and 3. a plan for the purification of public spaces in municipalities.

Collegium of Chairpersons of Municipal Assemblies: In order its objectives, the Collegium of Chairpersons, in cooperation with AKM structures, was engaged in identifying the most important topics, and assessing the necessary training for capacity building of future members of Municipal Assemblies. These trainings are necessary to inform them about their task in managing and identifying priorities in different areas, and overseeing the work of municipalities.

Collegium for Budget and Finance: It organized debates with relevant Collegia such as the one for Education, Health and Social Welfare where the concept document on local government finances was discussed. This concept document is very important as it enables municipalities to exercise their competences and carry out their activities efficiently and effectively. Based on discussions with municipal representatives and their requests related to the functions of municipalities in practice, it was necessary to intervene in the legislation on finances of local governments. This was done in order to specify functions and activities that enable higher efficiency in the field of local finances. In addition, this Collegium, in cooperation with the Ministry of Finance

and with the support of the OSCE mission in Kosovo, organized a Forum with Municipal Authorities on the Municipal Budget Development Process for 2018-2020. Having in mind the importance of budget planning at the local level, the comments and recommendations identified by the municipal representatives in this consultative process were focused on: 1. Flexibility in municipal spending; 2. Flexibility in allocation fund; 3. Five-digit code; 4. Respect of deadlines imposed by the MF at ahead of closing a fiscal year.

Collegium for Spatial Planning: In cooperation with the Collegium for Inspection, the Collegium for Spatial Planning discussed the following new draft-administrative instructions: 1) Draft administrative Instruction for setting the procedures for submitting and reviewing the requirements for construction conditions as well as for construction permits for the I-st and II-nd category of constructions, and 2) Draft- administrative instruction for inspection, supervision and procedure for issuing the certificate of use; which has a direct impact on the work of the municipalities regarding the inspection and issuance of construction permits. The aim of these administrative instructions is to set up procedures for preparing and reviewing the requests for construction conditions, construction permits and demolition permits in line with general reforms in facilitating the business environment, including reforms in issuing construction permits.

Collegium for Health and Special Welfare: It continued to be engaged in discussing and harmonizing positions in the new draft-administrative instructions. The Administrative Instruction on Organization, Setting of Services and Activities of Primary Health Care Institutions (PHC) was also discussed with the minister of health, Mr. Rrahmani. The supplement-amendment of the sub-legal act of the Statute of the Main Family Medicine Center was considered as a priority by Mr. Rrahmani. All suggestions were focused on respecting municipal competencies, capacity building in the primary public health care system, and on assessing the health situation of citizens in their territory.

Collegium for Administration/Budget and Finance: The Association of Kosovo Municipalities co-organized a workshop with the Decentralization and Municipal Support project-DEMOS focused on the presentation of the process of allocation of subsidies in municipal assemblies from the phase of drafting the regulation up to the process of implementing it. Different experiences and practices for using subsidies to the benefit of marginalized groups, and improving policy transparency and accountability in spending public money, were discussed.

5.2. The Establishment of New Collegia

Based on article 4.3, 4.4 and 4.5 of the AKM Strategy, following the request of municipalities, and other developments in the area of local government, the AKM established the Collegium for Procurement and Collegium for Municipal Transparency.

Collegium for Procurement – This collegium was established because of the increasing importance of Public Procurement in municipalities, an increasingly significant role procurement officers have in municipalities, and in line with AKM's objectives to advance e-government in Municipalities. This Collegium was established with the support of the USAID Project - Transparent, Effective and Accountable Municipalities (TEAM). The

main purpose of the Collegium for Procurement will be understanding the challenges that the procurement system faces when addressing the issues from day-to-day work in the field. The Collegium for Procurement will start to coordinate new capacity building activities in the area of effective and transparent monitoring of procurement procedures as well as in offering new alternatives that will serve the good governance in municipalities. An important process of this collegium is the need to offer trainings which would further improve the capacities of its members for enhancement of the functionality of the procurement system as well their ability to train municipal procurement officers, thus leading to increased transparency and efficiency in the municipal procurement process. Moreover, the impact of the collegium will be to increase transparency and competition in the procurement process, to influence price reduction and saving public money, as well as to increase the quality of projects financed with public money through monitoring and guidance on improving public spending. This will be important for them to be more productive and efficient in carrying out the work, and consequently, leading to transparency and regaining citizens' trust towards public procurement institutions.

Collegium for Transparency - this Collegium has been established with the support of the OSCE and has already drafted the Annual Work Plan and the framework for possible activities for the upcoming years. This year, in collaboration with the OSCE and DEMOS, the Collegium has conducted a new analysis in the area of municipal transparency and, as a result of that, a new legal act is expected from the MLGA to re-regulate the issue of transparency in municipalities.

6. COMMUNICATION

6.1. Communication with Municipalities

The Association of Kosovo Municipalities has maintained regular contacts and communication with municipalities over this year as well. More than 96 different letters, notifications, reports, replies, draft laws, draft regulations, recommendations, draft positions, etc. were sent to the municipalities during the reporting period.

To improve transparency, all publications and brochures that were drafted by the AKM and by some of our partners and associates were posted on AKM's website on regular basis, and the IT Officer has maintained the organization's webpage on daily basis. Webpage statistics during 2017 show: 47,165 visits in total, with a monthly average of 2,143 visits.

In addition, in terms of periodicals, the AKM compiles prints and disseminates its own bulletin, the only one on local government, on bimonthly basis, which is published in three languages (Albanian, Serbian and English). Accordingly, six bulletins were prepared, published and disseminated during this period. The AKM was also engaged in improving its image by publishing identity products. In this regard, the AKM has its own 'Facebook' page, where it posts all news about its activities. In 2001, there are over 60 posts with 1500 to 2500 'views' per posting. The AKM played a major role in this regard, especially in the course of activities that were carried out during the "Week of Municipalities" in June.

6.2. Functioning of AKM's bodies

Over the past six months, the Association of Kosovo Municipalities fulfilled its statutory obligations related to the functionality of its own bodies. Several meetings were held by the Council of Mayors, who we have continued to empower further. The meeting of the General Assembly was also held, which, besides the review of annual reports, has also discussed lobbying issues in the interest of municipalities of the Republic of Kosovo.

6.3 AKM as a Mechanism Assisting the Central Level

Having in mind that we are quite familiar with developments at the central level, the AKM was perceived and considered as a mechanism that does not only represent local authorities, but also assists the central government in certain issues. During this year, we have received several requests from different ministries and institutions of the central government to assist in organising their meetings with the municipalities.

6.4 Training of New Municipal Assembly Members

As of December 11, 2017, the Association of Kosovo Municipalities (AKM) started implementing the project on "Training of Elected Municipal Assembly Members", funded by the Swiss Agency for Development and Cooperation (SDC). This program is being implemented in close collaboration with the Ministry of Local Government Administration (MLGA). Trainings will be organized in the regional centres of Kosovo (Prishtina, Prizren, Peja, Mitrovica and Gjilan) and there will be 5 meetings for each of the nine topics. In December, trainings for the first and second topics were held, whereas for the other seven topics, the training will continue throughout January and February 2018.

7. COOPERATION WITH PARTNERS

The cooperation of the AKM with a number of organizations in the local government in Kosovo determines and encourages the Association to strive for a partnership with these organizations, with which it coordinates its activities, because they relate to its own operations. This is interrelated with the article 5 of the AKM Strategy. Cooperation with partners has helped the AKM to lobby, advocate for, and implement many projects from which municipalities have received funds, financial support for projects, services, trainings, workshops, exchange of experiences, etc. These partnerships also contributed to improved performance of municipalities, capacity building, facilitation of provision of various services, bridging gaps in terms of absence of required documentation, cooperation between municipalities with various organisations, etc.

SDC - As the main partner in developing and advancing the AKM, it provides a substantial contribution to the financial support for the AKM and plays a dominant role in AKM's activities and budget. The program financed by the SDC provides more flexibility for covering AKM's activities, depending on the time and the

need for lobbying, unlike projects of other organisations. The SDC finance support program is all-inclusive in terms of AKM's activities and integrated in the base budget.

AKM's Friends- Annual meetings with main partners of Kosovo's municipalities involved in the area of local government were held. AKM's Friends is functioning as a very important mechanism in the coordination of activities between the local institutions and their partner organisations. The major role that the AKM plays in coordinating their meetings and activities is worth emphasising.

So, the AKM partnership with different projects relates to the following activities:

- The Association of Kosovo Municipalities (AKM) in cooperation with the organization HELVETAS Swiss Intercooperation / DEMOS project has supported the organization of trainings in all municipalities on the topic "Strengthening the role of women in politics - Supporting women before and during the election campaign for the local elections that will be held this year";
- The AKM is cooperating with UNDP and Emergency Management Agency for the SEE URBAN project (Establish a network for strengthening urban regeneration capabilities from disasters in South East Europe), where the AKM has presented the model for networking of Kosovo.
- The Association of Kosovo Municipalities in cooperation with the Ministry of Foreign Affairs as a continuation of last year's Conference of Ambassadors, organized the thematic Conference on "Diplomacy of Cities: Governance, Local Development and External Relations";
- The AKM collaboration with partner organizations also includes the cooperation with USAID - Transparent, Effective and Accountable Municipalities (TEAM) in the activities of the Collegium for Procurement, whereas in cooperation with DEMOS and the OSCE, we work on activities of the Collegium for Transparency.
- The AKM has collaborated with the German organization GIZ in the field of efficiency and waste management and has reached agreement on two projects in 2018 in these two areas.

8. AKM'S FINANCIAL VIABILITY

8.1. Background

Following the active engagement of AKM structures (administration and political level), and with the support of our international partners- especially the SDC- the AKM managed to enter in a new phase, which reflects a considerable financial viability.

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 the AKM came across multiple difficulties and challenges that have had a direct impact on its financial viability ever since its inception, it managed not only to foster a positive trend in building a financial liability, but to also change municipalities' perception of the AKM. This resulted in establishing contractual bilateral relations based on mutual good trust.

This was also proved by the massive participation of municipalities in the AKM's General Assembly that was held in March 2016 and by the membership of the Serb majority municipalities and other minorities. In addition, the AKM's work performance and municipal satisfaction is being evaluated independently by surveys prepared by the German organization- GIZ. The inputs from these surveys are showing an increased satisfaction from municipalities and other stakeholders involved in the work of the AKM.

8.2. Achievements in 2017

The foreseen objective planned for the AKM budget for the 2017 was 140,000 €. Within the referring period the AKM has realized 97 % of the planned budget objective by collecting 137,871€. The year of 2017 in Kosovo was an electoral year. During this year, central and local elections were held, in June and October respectively. These new circumstances have had a negative impact on the non- fulfilment of the budget objective in general. However, in this referring period the AKM has managed to maintain the optimal continuity in the realization of this objective.

Another achievement of this year, is the active participation and regular membership fee payment from five of six Kosovo municipalities with a Serb majority (Graçanica/Gracanica, Ranillugu/Ranilug, Partesh/Partes, Novobërda/Novo Brdo and Klllokoti/Klokot).

Continued lobbying activities that were aimed at urging the municipalities to fulfil their financial obligations to the AKM have bared fruits leading to complete payments of membership fees by the abovementioned municipalities. The lobbying was done through AKM mechanisms, such as professional collegia and the Council of Mayors, which brings together all the mayors.

In this reporting period, the AKM Board – namely the President and the Executive Director – have continued their regular visits to municipalities and took note of their concerns about the problems that they are facing. The President and the Executive Director of the AKM have expressed the organization's readiness to convey the concerns of all municipalities to the respective institutions. These visits have served as a good opportunity to explain the AKM's financial position and the need for a continuous financial viability.

8.3. Funding from Third Parties

Funding from third parties implies grants received by the AKM in addition to those received from the program funded by the SDC. In this regard, the AKM foresaw a total budget of €76,000 for 2017 from different funding organisations, such as NALAS, GIZ, SCI (Save the Children), DEMOS, UNICEF.

In the reporting period, the AKM has managed to receive a number of planned grants. Specifically, the AKM has signed a € 7,355 contract with NALAS. In addition, during the reporting period, the AKM has also signed a Memorandum of Understanding with UNDP, OSCE and OFAP, with whom the implementation of these activities within the joined objectives and with direct financing by these organizations is foreseen.

Furthermore, in 2017 AKM has negotiated and signed an agreement (Memorandum of Understanding) with the German organization GIZ at the amount of € 73,365, which is expected to be implemented in 2018.