



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

ASSOCIATION OF KOSOVO MUNICIPALITIES

# Bulletin

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INTERVIEW WITH THE PRESIDENT OF THE ASSOCIATION OF KOSOVO MUNICIPALITIES, MR. LUTFI HAZIRI, ON THE OCCASION OF THE THIRD ANNIVERSARY OF AMK

## Kosovo progress is based mainly on local government achievements

**Mr. President, by the end of June AMK marks its third anniversary. What can you say about the work of these three years, where did you aim to be and where are you in reality?**

The progress of post-war Kosovo and the possible declaration of Kosovo's status in the near future are achieved thanks to local government achievements in Kosovo, therefore thanks to the work of the Association of Kosovo Municipalities as a national organization of Municipal Assemblies of Kosovo. We always aimed at supporting and promoting the work of local governments. The image we have today is attained thanks to our progress towards fulfilling these aims. On the occasion of this anniversary I would like to thank the Council of Kosovo Municipal Presidents and members of the Board of AMK for their co-operation.

**It is obvious You and AMK have been very busy with international activities. How much experience has AMK gained from other countries and how much has it promoted Kosovo local authorities in the international arena?**

AMK thanks to its large amount of work, seriousness and good-presentation of Kosovo local government achievements in the international arena has attained the observer status in the Council of Europe Congress for Local and Regional Authorities. In addition, the Association is now a Permanent Member of NALAS (Network of Associations for Local Authorities in South-East Europe). The Association has a close co-operation with the Council of Europe Agency for Local Democracy, located in Gjilan, as well as with other Associations and regional local authorities. During several international meetings, municipal presidents learned positively the functioning of local authority in the international arena, especially from places that went through a transitional phase.



**Some days ago AMK held a meeting with KTA regarding the management of municipal property. What is the position of local government regarding this issue, and what are the latest steps taken?**

There is no alternative to the return of management of municipal property to local elected institutions, and this is not only because we like it but because it is the course determined by the economic and social development of Kosovo. No other institution knows the Kosovo citizens' problems better than the municipalities themselves. Thus, in order to overcome economic problems it is necessary that the municipal level has competences to fulfill and provide the pre-conditions for economic development through realizing their municipal projects.

The Municipalities of Kosovo have worked closely and seriously with KTA without any duplicity, and now we are establishing a joint group to work more seriously with this issue and very much in the interest of citizens and institutions of Kosovo - including KTA and the success of the international mission in Kosovo.

**AMK has almost the entire burden of Reform of Local Authority required by internationals. What is your opinion on this matter and what can you say about the situation of Kosovo on these reforms?**

The reforms of local authority are necessary to be accomplished, but it is a very sensitive work that has to go in parallel with the political and economical developments in Kosovo. Thus, there will be reform of local authority in Kosovo, but in no way can there be successful reform that legitimates the establishment of municipal territories based on ethnic differences.

**What is your message to municipal leaders and where do you think AMK will be after three more years?**

We should continue the already started path of municipal government elected by citizens' votes. This path includes the provision of daily services to citizens, establishment of infrastructure and capacity building of municipal institutions. This will remove any doubts on the sustainable municipal stability. Municipal government have started their work almost from zero and therefore we are satisfied (even though it is too early to be satisfied) that we have created a responsible local institutional basis for the citizens needs and the electorate. The scope of municipal government starts and finishes with service to the citizens.

After some years, local government of Kosovo should have the same mission, to serve the citizens and have continuous improvements. In the coming years, local government will undergo reforms according to political and economic developments and our national aims - for which we are creating the basis and have fulfilled most of the preconditions.

Interview: Arsim Osmani

THE ASSOCIATION OF KOSOVO MUNICIPALITIES ORGANIZED A JOINT CONFERENCE WITH KTA REGARDING MUNICIPAL PROPERTY MANAGEMENT

# Municipalities are the only institutions that work closely with KTA for the privatization process

Municipal Presidents of Kosovo and Chief Executives discussed with high representatives of KTA regarding the municipal property management during a meeting organized by the Association of Kosovo Municipalities.

The President of the Association, Mr. Lutfi Haziri, opened the meeting with his welcome note, and then he left the floor to the Chairman of the AMK Commission on Municipal Property, Mr. Adem Salihaj, who informed the participants on the letter sent to him by the UNMIK Legal Advisor, Mr. Alexander Borg Olivier, regarding the management of municipal property. This letter is considered as a very vague and unclear message; although it enables municipalities to regain their properties used for the general public interest, such as schools, hospitals, etc. Mr. Salihaj stressed the fact that all the problems of this kind are related to the procedures and ways of regaining ownership of the property, because despite the fact that ownership is enabled this ownership, there still exist the possibility that KTA will refuse it if there is no compensation.

Vice Director of KTA, Mr. Ahmet Shala, stated that "the Privatization is a specific challenge and it takes much time to fulfill, just like it has happened in other countries. It is known that there is no perfect privatization anywhere in the world, but we aim at having an acceptable privatization process. In this respect, if we still will have the support of municipalities, we will overcome the challenge we are facing and we hope that today's meeting will clear the position we stand in. Socially-owned enterprises are not only an obstacle to fulfilling Kosovo's budget, but are also a baggage from socialist property that we cannot take with us on our way to the European family. These obstacles slow down the development of municipalities, which are the first institutions to deal with daily civil problems. KTA manages socially-owned and public enterprises, and it does not deal with municipal property which is the responsibility of the municipality itself".

The KTA Director for Agriculture and Forestry, Mr. Daniel Themen, presented the traditional role of municipalities, the KTA mandate, the role of municipalities, the profit of municipalities from privatization (private and international investments, tax income, new job opportunities, property rights and the perspective of economic development), and KTA-Municipality relations. He presented three alternatives for the transfer of socially-owned enterprises property to municipal property to fulfill municipal needs, such as proposals, evaluation and mutual decisions. Municipalities have the right of "exchange of property" with socially-owned enterprises to fulfill municipal plans of development.

The KTA expert on immovable property and cadastral issues, Mr. Sabri Zylfiu, presented the way of registering socially-owned enterprises' property in municipal parcels.

Once again the chairman of this meeting, Mr. Adem Salihaj, referred to the letter of Mr. Borg Olivier, which stated that municipalities without question have the right to municipal property and that there are three possibilities to return municipal property: 1) exchange of property, if the municipality has a property; 2) purchase of property from socially-owned enterprises; 3) lease of property for a certain period.

The IFES Ltd. Team Leader, Mr. Alan Packer, stated that "in relation to the refused right to municipalities on municipal property manage-



ment, the June 1999 situation is considered totally correct, while the same period is not considered for any other sector. This meeting will be successful if we attain concrete achievements for municipalities. I invite you all to have an open mind during this meeting in order to find solutions for municipalities to have the possibility to work on construction of schools, parks, and other civil needs for municipal property".

The AMK President, Mr. Lutfi Haziri, stated that "the municipalities are the only institutions to work closely with KTA for the privatization process and to find ways forward. The municipal approach to this sector is very sincere in order to find a solution to municipal property problems. I wish that our mutual work will contribute to change the title of the AMK Policy Statement from "Expropriation of Municipal Property" to "Re-possession of Municipal



"Turbulent spring water cannot be cleared by the river bed" - this is the work of municipalities during the privatization process. We have tried hard and are still trying to "clear the water" during its flow, but without the property returned for management to municipalities we will not resolve many of the problems of citizens"- stated the AMK President, Mr. Lutfi Haziri".

Property". Municipal Assemblies should immediately identify the land and municipal property in their territory, which is necessary to municipal needs, such as cemeteries, public spaces, reconstruction of infrastructure, strategic urban plans, etc. Another KTA weakness is the existence of Regional Offices, which are very bureaucratic. I would like to quote a KTA regional officer talking to a municipal president: "I have the right to make you to pay while you walk in the streets", and this kind of "cooperation" has frustrated municipalities and citizens". The Municipal President of Prishtina, Mr. Ismet Beqiri, stated that "socially-owned enterprises should be returned to the municipalities and all together we should talk about ways to enable this. This category includes not only properties but also municipal enterprises established with a Municipal Assemblies decision and that are not managed by us. Also, Municipal Assemblies should deal with the change of destination of municipal property, while the municipal property is returned only to the interest of citizens, thus there should be no question if the property should be returned or not. It is unacceptable that municipalities do not even have land for cemeteries."

The Director for Coordination of the five KTA Regions, Mr. Scott Bower, stated that "KTA manages and administers properties until they are returned to the owner, but actually KTA does not have information on the real owner of the SOE property in municipalities".

During this meeting there were discussions from Municipal President of Lipjan, Mr. Xhevat Olluri, Municipal President of Lipjan, Mr. Ramë Manaj, Municipal President of Obiliq, Mr. Ismet Hashani, Municipal President of Kamenicë, Mr. Shaip Surdulli, Chief Executive of Mitrovicë, Mr. Mustafë Pllana, Chief Executive of Skënderaj, Mr. Ahmet Latifiand Legal Officer in Municipality of Theranda, Mr. Sylejman Sopa.

In his closing note, the Chairman of the AMK Commission on Municipal Property, Mr. Adem Salihaj, stated that some achievements were attained during this meeting but still they are not totally clarified. Municipalities do not have enough municipal property to compensate for the land they need to use for their projects, because they are worthless and located in villages or roads that we consider "rubbish". One of the achievements of this meeting was the agreement between KTA and AMK to establish a joint group to analyze the letter of Mr. Borg Olivier and clarify this very important issue for the general development of municipalities.

THREE YEARS OF ESTABLISHMENT OF ASSOCIATION OF KOSOVO MUNICIPALITIES

## The establishment of the Advisory Board of Chief Executive of Kosovo Municipalities

**Members of the Advisory Board of Chief Executive of Kosovo Municipalities: Sami Hamiti from Municipality of Prishtina, Enver Muja from Municipality of Gjilan, Astrit Haraçia from Municipality of Gjakovë, Naim Ismajli from Municipality of Shtime, Mustafë Pllana from Municipality of Mitrovica, Ragip Gajraku from Municipality of Prizren and one position for Serb representative.**

During the meeting between AMK, IFES Ltd. and Chief Executives of Kosovo Municipalities, was established the Advisory Board of Chief Executive of Kosovo Municipalities. This Board was established with the aim of supporting the Association by including skills and experience of Chief Executives and other municipal staff, based on Paragraph 4.21 of the Statute of AMK.

The Executive Director (designate) of AMK, Mr. Sazan Ibrahim, during his opening note stressed the importance and steps to establish the Advisory Board of Chief Executive of Kosovo Municipalities. The Chief Executive of Municipality of Prishtina, Mr. Sami Hamiti, stated that "we have a consultative body "Collegium of Chiefs" and thus this initiative is very important to our daily work with laws and regulations." The Chief Executive of Prizren, Mr. Ragip Gajraku, stated that "we should start our lobbying work."

The Chief Executive of Shtime, Naim Ismajli, stated that "until now we have worked with AMK programs and projects, but not in this method we are about to."

The Chief Executive of Mitrovica, Mr. Mustafë Pllana, stated that "this Board of Chief Executives will assist AMK in its work and we also should have our own office in the premises of AMK, in order to cooperate closely." During this meeting, there were also discussions by the Chief Executive of Gjilan, Mr. Enver Muja, the Chief Executive of Viti, Mr. Halil Musliu, the Chief Executive of Rahovec, Mr. Ibrahim Kryeziu.

The IFES Ltd. Team Leader, Mr. Alan Packer, stated that "it is my interest to witness the promotion of municipal development. We need good policies and professional work. The organization of meetings between municipal presidents and chief executives, will help to find a balance between the political level and daily action."

According to the Executive Director (designate) of AMK, Mr. Sazan Ibrahim, the objectives of this Advisory Board include the support to AMK by involving skills and experience of Chief Executives and other municipal staff, the assistance for preparation of reports of AMK, raising the multi-municipal co-operation and enforcing the communication between municipalities themselves and between municipalities and AMK.

Members of the Advisory Board of Chief Executive of Kosovo Municipalities: Sami Hamiti from Municipality of Prishtina, Enver Muja from Municipality of Gjilan, Astrit Haraçia from Municipality of Gjakovë, Naim Ismajli from Municipality of Shtime, Mustafë Pllana from Municipality of Mitrovica, Ragip Gajraku from Municipality of Prizren and one position for Serb representative.

In the end of the meeting, the President of AMK, Mr. Lutfi Haziri stated that "AMK decided last year to harmonize the positions and operational policies of local authorities, thus the establishment of this Board is as necessary as the establishment of the AMK Assembly.

## Representatives of AMK, Mr. Haziri and Mr. Beqiri, welcomed a CoE delegation



The President of the Association of Kosovo Municipalities and at the same time the Municipal President of Gjilan, Mr. Lutfi Haziri, and the Municipal President of Prishtina, Mr. Ismet Beqiri - member of AMK Board, met with a Council of Europe delegation, headed by the General Director for Local and Regional Cooperation of CoE, Mr. Philip Blair. During this meeting the parties discussed about reforms in Local Authority in Kosovo and AMK representatives presented their views of local authority in Kosovo. In addition, Mr. Haziri and Mr. Beqiri presented the achievements and challenges of local authorities of Kosovo. Council of Europe representatives promised a greater commitment to support local authorities in Kosovo.

## EU Commissioner for Foreign Policy, Chris Patten, met with AMK representatives

During his visit in Kosovo, the EU Commissioner for Foreign Policy, Chris Patten, met with AMK representatives headed by its President, Mr. Lutfi Haziri. Municipal representatives present in this meeting were the Municipal President of Prishtina, Mr. Ismet Beqiri, Municipal President of Skënderaj, Mr. Ramadan Gashi, Municipal President of Novo Brdo, Mr. Petar Vasic, and Executive Director (designate) of AMK, Mr. Sazan Ibrahim. The Municipal Presidents informed Mr. Patten about the activities of Municipalities of Kosovo, especially with the evaluation and reconstruction of buildings damaged during the March riots. Mr. Chris Patten requested to the Municipal Presidents to commit much more to peace and evaluation of consequences and reconstruction of damages. The Municipal Presidents agreed to fulfill these requests.



**The President of the Association of Kosovo Municipalities, Mr. Lutfi Haziri, visited the U.S. Office in Prishtina, on the occasion of the death of former U.S. President, Ronald Reagan. Mr. Haziri expressed his condolences to the staff of the U.S. Office and also signed the mourning book.**

## AMK delegation participated in the conference of "United Cities and Local Governments" held in France



AMK delegation during the Conference



Presidents Gani Krasniqi, Lutfi Haziri, Ismet Beqiri dhe Fehmi Mujota during the Conference



President Mr.Haziri during his meeting with Mayor of Paris, Mr. Bertrand Delanoë

A delegation of Association of Kosovo Municipalities participated in the Founding Conference of the New World Organization "United Cities and Local Governments", which resulted in the unification of three main world organizations of local governments: IULA, FMCU and Metropolis. The AMK delegation, headed by its President, Mr. Lutfi Haziri, comprised of the following members: Municipal President of Prishtina, Mr. Ismet

Beqiri, Municipal President of Prizren, Mr. Eqrem Kryeziu, Municipal President of Shtime, Mr. Fehmi Mujota, Municipal President of Malishevë, Mr. Gani Krasniqi. The Conference of "United Cities and Local Governments", organized by the Mayor of Paris, Mr. Bertrand Delanoë, was opened by the French President Mr. Jacques Chirac. The Kosovo delegation participated in all plenary sessions of the conference and in separate

working groups with different themes. The President of the Association, Mr. Haziri, met with the Mayor of Paris, Mr. Delanoë, who after receiving a letter by the Municipal President of Prishtina, Mr. Beqiri, promised to visit Prishtina in the future. The AMK delegation also met with the Mayor of Istanbul, the Mayor of Buenos Aires, LGIB representatives, Council of Europe representatives and other local representatives.

## AMK participated in the Council of Europe Congress of Local and Regional Authorities

A delegation of the Association of Kosovo Municipalities participated in the Council of Europe Congress of Local and Regional Authorities, held on 25-27 May in Strasbourg. During the plenary session of the Council of Europe Congress of the Network of National Association of Local Authorities of South-East Europe, the AMK delegation read a statement:

"The Association of Kosovo Municipalities (AMK) is honored to have the observer status in this Congress in Strasbourg. AMK is thankful for the support and cooperation, mainly taking into consideration the difficulties in our territory. All thirty municipalities of Kosovo are gaining experience and focusing in their own concerns. Anyhow, we are facing strong re-centralization. AMK is promoting the European Charter on Local Self-Government and is trying to maintain and develop our decentralized structures. We will strongly co-operate to fulfill all requests raised by the Congress in order to inform you on the position of our municipalities. AMK has openly denounced the March riots. Municipal Presidents both, individually and together, have appealed for order and peace. AMK has also assisted in the co-ordination of evaluation of March damages in Kosovo. We are also trying to achieve new dialogue in the Municipal and village level. We need open and active participation in all actual structures as well as Government action in civil structure. The Congress has proposed that Recommendations on Reforms on local self-government should be considered a way forward. Mr. Sofianski (Representative of Bulgaria in the Congress) reported that AMK is against recommendations of the Mission of Decentralization in Kosovo. We would like to clarify that we are against territorial exchange which is complex and expensive, and which has been proposed without prior consultation. Anyhow, we are not against decentralization for improving the situation: we request public services and good administration."

### AMK delegation signed in Strasbourg the Statute of the Network of National Association of Local Authorities of South-East Europe (NALAS)

The AMK delegation participated in the signing ceremony of the Statute of the Network of National Association of Local Authorities of South-East Europe (NALAS) in Strasbourg. On this occasion, the Vice President of AMK, Mr. Ramadan Gashi, signed the Statute of NALAS, which gave the Association the status of permanent member with full rights.



## AMK delegation participated in the Conference of "Sustainable Cities and Towns"

AMK delegation participated for the first time in this international conference, comprised of Municipal President of Podujevë, Mr. Agim Veliu, Municipal President of Skënderaj, Mr. Ramadan Gashi, Municipal President of Kamenica, Mr. Shqip Surdulli, and Municipal President of Lipjan, Mr. Xhevat Olluri.

The AMK delegation participated for the first time in the Fourth European Conference on "Sustainable Cities and Towns" held in Aalborg, Denmark. This conference marked its tenth anniversary of the first conference during which 80 local authorities signed the document of "Aalborg Charter" document. This number has now grown to 2000 local authorities,

including also the four participant municipalities of Kosovo. The conference held its plenary session and workshops, and on the third day the participants signed the new finalised document of "Aalborg Commitments". The document that includes ten main commitments was signed by more than 110 local authorities, including also the four participants from

Kosovo. The European Commissioner for Environment, Mrs. Margot Wallstrom, greeted the Conference of "Aalborg+10" through a video-connection.

This Conference was a great opportunity to create contacts between representatives of different countries, to exchange ideas and experiences on important issues of local authorities.

COUNCIL OF KOSOVO MUNICIPAL PRESIDENT MET WITH MINISTER OF ECONOMY, ALI SADRIU, FOR THE ALLOCATION OF BUDGET SURPLUS.

# Municipal projects have always been a priority to Kosovo Government, but...

**The decision on the budget surplus should be revised because the municipalities are the only institutions to deal directly with daily problems of Kosovo citizens - agreed the Kosovo Municipal Presidents during their meeting with Mr. Ali Sadriu.**

The Kosovo Municipal President met with the Minister of Economy and Finance, Mr. Ali Sadriu, to discuss about the allocation of the budget surplus. It is well known that the recommendations of the Kosovo Government on this issue prioritize the Capital Projects of Municipalities in the total amount of €21 million.

Minister Sadriu stated that the Government's position was not supported during the meeting with the Economic Fiscal Council. He added that the Commission for Budget had three meetings during recent weeks and during the final meeting held on 25 May 2004, discussed about the surplus of 2003 budget, in the amount of €37.2 million, and also analyzed the request list of the total amount of €235 million, presented by budgetary organizations for the use of this surplus. Afterwards, the meeting determined the most important priorities in Kosovo from the request list of €235 million, which reach up to the amount of €100 million, and also identified the potential resources of the amount €63 million to additional necessary funds (between the available surplus and the total recommended amount), and finally started the technical work with the office of the legal advisor to undertake necessary steps to secure funds.

The Commission for Budget held an open voting, with 4 votes pro, 2 against, and one abstention, for the surplus and cutback commitments carried forward from the previous year to be financed as follows: first group - €21.0 million to investments for municipal capital projects, €10.0 million to pensions, €7.0 million to KEK, €11.0 million to fund reconstruction of Kosovo (€6.7 from budgetary cutbacks, and €4.3 million from BB), €5.0 million to compensate losses because of fee reductions, €8.5 million to reconstruction of roads, €3.0 million to schools, and €1.0 million to free movement train.

During the regular Government meeting held on 26.05.2004 most of the proposals of the Commission for Budget were fully supported with only a small change to the first group, reducing the amount of reconstruction for roads by €2.5 million and fund the first group of TMK with same amount of €2.5 million. The minister Sadriu added that municipalities are the main priority to Kosovo Government for the expenditures of the budget surplus. This enables us to

directly influence on the citizens life through provision of infrastructure in Kosovo municipalities.

The President of the Association of Kosovo Association, Mr. Lutfi Haziri, stated that "central Kosovo institutions should understand that municipalities have prepared the environment to realize these municipal capital projects, therefore the municipal presidents request for the revision of budget allocations. The Board of AMK will request from Mr. Brayshaw and Prime Minister Rexhepi to respect recommendations of Kosovo Government for the allocation of budget surplus with priority to Kosovo municipalities."

The Municipal President of Ferizaj, Mr. Adem Salihaj, stated the "the misallocation of budget surplus for municipal capital projects is sad. The great need of municipalities is not taken into consideration if they give more priority to KEK. Revision of the allocation of budget surplus is very difficult and this is shown by the recent practices. But still, the revisions should be concentrated on the decisions taken, because

municipalities are the only institutions to directly deal with daily problems of Kosovo citizens."

The Municipal President of Theranda, Mr. Sali Asllanaj, stated that "municipalities should take joint positions and be determined to find means for fulfilling citizens' needs." The Municipal President, Ali Lajçi, stated that "we should seek municipal rights even by legal means, and we should know who is breaking the rules in Kosovo and file a joint complain. The Municipal President, Aqif Shehu, asked the participants "what should we say to citizens now that we have done most of the preparations for the realization of capital projects?" Meanwhile, the Municipal President of Novo Brdo, Mr. Petar Vasic, stated the "this municipality has nothing against KEK or PTK, but we are against the possibility that the budget surplus be allocated to enterprises that could just as well be self-financed."

The Council of Kosovo Municipal President took the decision to address the issue of revision of budget surplus allocation to the Deputy SRSG of Kosovo, Mr. Brayshaw.

THE LETTER OF THE ASSOCIATION OF KOSOVO MUNICIPALITIES SENT TO VICE ADMINISTRATOR OF KOSOVO, MR. CHARLES BRAYSHAW, REGARDING THE ALLOCATION OF BUDGET SURPLUS

## **The misallocation of funds from budget surplus for municipal capital projects will hinder the development of daily needs of citizens**

*"Due to the misallocation of budget surplus, where capital projects of Kosovo municipalities in an amount of €21 million were totally ignored, the representatives of Municipal Assemblies of Kosovo request the revision of this decision by the Fiscal Economic Council. The Association of Kosovo Municipalities, which is the representative of municipalities of Kosovo, has organized a meeting on this issue between the Minister of Economy and Finance, Mr. Ali Sadriu, and Municipal President of Kosovo. Minister Sadriu elaborated on the process of allocation of budget surplus and mainly on priorities of Kosovo Government for the allocation of €21 million for capital projects of municipalities, and stated that municipal income are not in the level to fulfill citizens needs. Therefore, the misallocation of €21 million from the budget surplus will hinder the development of daily needs of citizens. The municipalities believe that they are left aside on this issue and require by UNMIK to not sign the decision taken days ago by FEC. Taking into consideration the importance of municipal development the realization of projects in the total amount of €21 million should be fully supported. Municipalities request fair treatment of public enterprises and expenditures of Kosovo budget, since this is the second time that doors are closed to municipalities even though we are the ones closer to the citizens. Unanimously, municipal presidents of Kosovo have requested the urgent revision of allocation of budget surplus".*

**President of Association of Kosovo Municipalities, Lutfi Haziri**

## Policy Statement on Finance - Budget of Municipalities

This document provides an overview of the municipal public finance system, especially of the level of financial independence of municipalities and their role in central Government relations on budget matters. It states that:

Local finances in Kosovo lack the general public resources and all municipalities are financially dependent on the state budget. A revision of central and local government relations on financial matters is necessary, and the financing of duties and obligations of municipalities should be prepared in close co-operation with AMK in compliance with the European Charter of Local Self-Government.

Municipalities should have the right to prepare their budget based on resources that could be planned and distributed

according to needs, while fulfilling their legal responsibilities at the same time.

All Municipalities receive grants from the state budget without a clear policy for proper allocation of financial resources. Financial grants are received by all municipalities, not only those located in remote regions or in less developed areas. Only a thorough study will help us determine if the financial resources correspond to the duties of municipalities based on the law.

Financial resources - municipal income - are limited. The Law does not provide an elaborated system of agreement or judgment in cases when the central authority (government) takes decisions on issues related to donations for the implementation of their duties.

The procedure to determine the funding level from the state budget is inadequate since it does not foresee the possibility for the local communities to make remarks on the estimation of grant level for a certain year.

A law on municipal financing systems should immediately be drafted (it does not exist), in order to consider primarily the provisions of the European Charter on Local Self-Government.

Additional expenditures or duties of specific municipalities should be determined in conformity with the law, in order to secure additional funds (grants).

## Policy Statement on Licensing

The actual situation in the licensing area is very unclear. In addition to this, there is total lack of co-operation between different stakeholders of central and local government. In fact, all areas of business registration are centralized. Municipalities have no possibility to survey businesses in their territory because the central government re-centralized this competency in 2002. There have been a number of disadvantages from this re-centralization. This document provides an analysis of the licensing sector, and states that:

- AMK reaffirms the importance of regulation in licensing;
- AMK requires consultations with the PISG regarding the policy and proposed legislation that will impact municipal level;

- AMK requires clear directives in every new law related to responsibilities of central government and municipalities;

- Municipalities should have greater competencies since they know better the situation in their territory and can apply the law accordingly;

- Municipalities should deal with business registration;

- Information sharing between municipalities themselves and municipalities and central government should be more effective;

- New law infrastructure and municipal regulations are necessary;

- Capacity building of professional staff;

- Clear registration and licensing definition.

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AMK AND CARE CONTINUE DEBATE ON LOCAL LEADERS OF GJILAN.

## Majority of people in Kosovo have a positive reaction to municipalities

**During this debate, representatives of different locations of Gjilan, stated that Albanians in general show their willingness to build good relations with minorities in Kosovo, but this willingness is lacking in other communities.**

AMK in cooperation with CARE International continued the series of debates with village leaders of different locations of Gjilan.

The Vice President of Municipality of Gjilan stated that "the municipality of Gjilan has invested a lot in the integration of communities and excelled in this direction until March 17-18 riots. The municipality is committed to provide the highest functional integration of communities in the society and local institutions." Mr. Hyseni talked about the theme "inter-ethnic relations - facing and overcoming tensions" and stated that "after the war, Kosovo has a new

political reality and thus it is important to build new relations with the majority population and communities." He added that "the determination of our institutions, from the central to the municipal level, to evaluate the consequences and the situation after the March riots, helped in managing and overcoming the situation."

The Vice President of Municipality of Gjilan added that "the Municipality aims at providing a sustainable integration of communities by enabling them to develop their real capacities in the Kosovar society and local and central institutions." During this debate, representa-

tives of different locations of Gjilan, stated that Albanians in general show their willingness to build good relations with minorities in Kosovo, but this willingness is lacking in other communities. There were also opinions that internationals care about Serbs more than it's acceptable. On the other hand, Serbia keeps telling these minorities that it will gain control over Kosovo again. Not believing what Serbia tells them, the Serbs are trying to accept co-operation with institutions. If minorities are afraid, than it is up to the majority to help them overcome this feeling and feel free, safe and equal.

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## Talking an economic language to ease the inter-ethnic relations

The debate for the promotion of local dialogue was opened by the executive director (designate) of AMK, Mr. Sazan Ibrahim. During this debate there were arguments from the Advisor the Prime Minister, Mr. Ilir Dugolli, the Municipal President of Lipjan, Mr. Xhevat Olluri, the representative of communities of "Lagjja e Re" in Lipjan, representatives of "Obiliq i Vjetër" in Obiliq, Godancë - Shtime, Livadicë - Podujevë, and "Lagjja Dodona".

The Association of Kosovo Municipalities in co-operation with CARE and village leaders of Lagjja e Re - Lipjan, Obiliq i Vjetër - Obiliq, Godancë - Shtime, Livadicë - Podujevë, organized the debate with the theme "Stability through the realization of rights and tolerance". In his opening note, the Executive Director (designate) of AMK, Mr. Sazan Ibrahim stated that "this meeting is organized as a joint project of AMK and NGO "CARE International". The purpose of this debate is to help communities in capacity building in order to manage independently their conflicts, and to enable dialogue and constructive interaction for the sustainable and successful ethnic integration. Kosovo has proved before that it has the power to face these challenges and to protect its interest and integrity by continuing the political dialogue. We will not give up our commitment to discuss every open issue and solve these issues within Kosovo institutions. AMK together with Kosovo Municipalities and Institutions will try to eliminate all reasons for inter-ethnic tensions, without damaging the integration process of all citizens in the Kosovo society. Our purpose is to establish a democratic country. Taking into consideration that the village is one of the closest locations to the citizen, AMK believes that some of the issues may be resolved within this level. This is very necessary and we are trying our best to find institutional mechanisms to resolve some problems that concern the Kosovo citizens".

The Advisor of the Prime Minister, Mr. Ilir Dugolli, "thanked AMK and CARE for this debate and for the work they are doing in the fulfillment of standards. We are obliged to fulfill these standards since they are the criteria to improve one-self and we should not be frightened but instead should work to fulfill them. Comments and suggestions from these meetings are necessary for the Government of Kosovo and all of us that are involved in the process of fulfillment of standards. The Government encourages these meetings and not just the promotion, advertisement or lip-service regarding standards".

UNHCR representative, Mrs. Ariana Zherka,

stated that "the standards are the only way out of hardship and towards the European family. The return issue is a very complex and many faceted issue. The economic problems take us back to the return process of these standards. Every return process or construction of houses should be balanced to 50 - 50, where the second part is a profit to municipalities for the infrastructure in that neighborhood. It is important how needs are identified in that specific area. Our procedures are the same for displaced Albanians as for displaced Serbs. We follow the principle that each person should return to his neighborhood and his house. We are working for a sustainable return and there is great tolerance in this aspect."

The Municipal President of Lipjan, Mr. Xhevat Olluri, stated that "we have achieved significant progress after the war even though there have not been a great number of returns since March riots disturbed the municipal relations. We are trying to convince them to continue trusting the institutions and we have also attained some progress in evaluating the damages."

The representative of neighborhood "Lagjja e Vjetër" (Old Neighborhood) in Lipjan, Mr. Ibrahim Bilalli, stated that "we are willing to cooperate for the fulfillment of standards but the other party is not willing to meet with us and to fulfill these standards. We should identify the obstacle for the fulfillment of standards and should know what standards are fulfilled by those people that get 3-4 salaries a month."

Agim Pacolli from Neighborhood Dodona stated that "in this neighborhood there is dialogue and good communication between communities. There are remarks on the return process

because only one community profits from construction of houses for returns. This will break the balance and communication between communities and returnees".

Rexhep Bunjaku from Neighborhood Dodona stated that "there have been 7 visits to communities after the March riots, and we have started the reconstruction of damaged houses. There are going to be returns of Roma in our neighborhood in their own property, even though some of them are occupied, they will be released because the property is uncontested and there are property documents".

Fadil Bllaca - Subotiq from the Municipality of Obiliq stated that "if the house of a returnee is reconstructed then also the house of the neighbor of the returnee should be reconstructed, in order to have balance and fair economic development". Adem Bajcinca from Mazgit of Obiliq stated that "without infrastructure there should be no house construction for returnees."

Ibrahim Buredini from Municipality of Shtime asked "how to convince families of murdered persons and missing persons for the return of Serbs? We all are in favor of the return of those Serbs that used to live in our village and that still want to live in Kosovo. How can we achieve the dialogue with Serbs when they do not want it." On the fourth session of the Conference, the Municipal President of Lipjan, Mr. Xhevat Olluri, stated that "the integration of other communities is part of these standards, which requires inter-ethnic dialogue even at the communities' level. Each dialogue regarding the Status is a very difficult one; that is why the dialogue on daily aspects of life is easier to conduct". places.

### Recommendations from the Debate:

- The return process should be transparent
- Inform citizens for standards and practical implementation of standards for the return of displaced persons.
- Inter-municipal communication should be more effective.
- Exchange of experience of returns in specific
- Conditions offered by the international community for the balance of life and inter-ethnic relations.

DEBATE AT OSCE BETWEEN MUNICIPAL PRESIDENTS WITH THE THEME:

## "What can municipal leaders of Kosovo do to create a stable environment and prevent violence?"

The Municipal Presidents of Kosovo, with the initiative of AMK in co-operation with Council of Europe, UNDP and OSCE, debated on the theme "What can municipal leaders of Kosovo do to create a stable environment and prevent violence?" The meeting was opened by Mr. Hartmut Purner, who is the leader of the support group to Local Self-Government and Deputy Director for Democratization at OSCE. The Head of UNDP, Mr. Robert Piper, during the opening of this meeting, stated that he would like mostly to hear debates from municipal presidents on this theme. The chairman of this meeting, Mr. Owen Masters from the Council of Europe added that "the importance of Local Self-Government is great because it plays a major role in the life of simple citizens. We are trying to alleviate the consequences of the March riots and work hard so that they do not hap-

pen again." The Municipal President of Obiliq stated that "inter-ethnic relations in Obiliq are pretty stable. Other communities participate in the Commission for Policy and Finance; they respect UNMIK Regulation 2000/45, and the Municipal Assembly of Obiliq decided to establish the Youth Center in Plemetin following the proposal of Serb representatives. We believe that the integration of Serbs in institutional area is in the best interest of all".

The Municipal President of Novo Brdo, Mr. Petar Vasiq, stated that "this municipality is undeveloped and many parties participated in the local elections. We take Municipal Assembly decisions unanimously, that is why we do not have problems with these decisions. We all need to commit to this dialogue in order for Kosovo to make progress". The Municipal President of Fushë-Kosovë, Mr.

Skënder Zogaj, stated that "this municipality is one of the most stable municipalities of Kosovo, and there is multi-ethnicity since 1999, thus there has been no conflict. There is mixed administration which works very well. Establishment of institutions should definitely be done through elective mechanisms. Parallel structures in this municipality have slowed down the work of the Municipal Assembly and very rightly I have considered them illegal structures. March riots had their impact on the community relations, but we are still working for the evaluation and reconstruction of damages." Vice President of Municipality of Mitrovicë asked "how can we have two administrations and two different sets of Standards in Mitrovicë. Laws and regulations are applied only in one part of the city."

## Each Law is going to be better than UNMIK Regulations

The public debate on Reforms of Local Authority in Kosovo with the theme "The Law on Local Self-Government in Kosovo", organized by the Association of Kosovo Municipalities, outlined the organization of local authority in Kosovo and the function based on UNMIK Regulation No. 2000/45.

The Executive Director (designate) of AMK, Mr. Sazan Ibrahim, during his opening session of the debate welcomed and informed the participant on the drafting of the draft Law on Local Self-Government in Kosovo by MPS, and stated that his draft Law is being publicly debated in Municipal Assemblies of Kosovo, which are giving their comments and suggestions. He added that "debates on the Law on Local Self-Government of Kosovo in Municipal Assemblies and central level are necessary since there is willingness to draft the most functional Law on Local Self-Government in Kosovo. This legislative regulation is important since municipalities face everyday different problems."

The Director for Local Administration of MPS, Mr. Hysni Bajrami, stated that "we are working for a long time on the draft law for local administration, since actual processes show that UNMIK Regulation No. 2000/45 is ignored. The municipal status is the same for all municipalities and due to this we came to the conclusion to reform the local authority. This law will define relations between local and central authority in Kosovo. Local Authority in Kosovo should be reformed because the UNMIK regulation No. 2000/45 is ignored. Territorial spacing is inherited by the old authority and there should be new municipal territorial spacing, because a municipality like Prishtina of 300,000 - 400,000 habitants cannot be equal to a municipality of 3,000 habitants. The law is designed for the initiation of a reform process of local authority in Kosovo, which will last 3-5 years. The most suitable methods of reformation of local authority are those of Former Yugoslavia countries, such as Slovenia and FYROM." Municipal president of Drenas, Mr. Gani Sylja, stated that this municipality has submitted its comments in writing. We agree that this law should treat differently the capital of Kosovo and we welcome this law that will regulate many issues of local authorities in relation to the central level.

**Alan Packer Team Leader IFES Ltd** - "the draft states that responsibility for water supply is with the municipality; if this is to be the case then how that responsibility is transferred from KTA should be made precise ... My greatest concern is that the drafting should cover as many details and clarifications as possible".



The Chief Executive of Municipality of Shtime, Mr. Naim Ismajli, stated that the municipalities should have a clear scope of competences and responsibilities. This should be a basic consultative law related to other laws regarding municipalities. There should be no further competences problems after this law is enforced. After a debate between Municipal Assemblies and experts, this Law will cover all shortcomings in this area and will help in the establishment of the administration based on this law."

The Chief Executive of Municipality of Mitrovice, Mr. Mustafë Pllana,



stated that it is better to have a bad law than no law at all on Local Authority, and we believe that this Law will be much better the UNMIK Regulation No. 2000/45 and other UNMIK Regulations regarding local authorities in Kosovo.

The IFES Ltd. team leader, Mr. Alan Packer, stated that "there will always be difficulties in fulfilling some competences provided by the law, but it is important that there are still discussions to finding the right solution for competences in all municipalities. For example the draft states that responsibility for water supply is with the municipality if this is to be the case then how that responsibility is transferred from KTA should be made precise. My greatest concern is that on the drafting should cover as many details and clarifications as possible. We should also be careful to clearly identify responsibilities and competencies with the secondary legislation. In the end, I like to propose a follow-up to this debate".

The Director of Local Administration of MPS, Mr. Hysni Bajrami, stated that "we will specify every municipal responsibility through administrative directives and we also plan another set of 21 laws in this area. Thus, the Law will define and clarify each municipal competency. If the municipality allocates funds for a specific purpose, then it has the right to take credits and debits for its development."

The Municipal President of Vushtrri, Mr. Muharrem Shabani, stated that "the reformation of local authority is being considered by the Council of Europe, Security Council, European Union and U.S. Administration. This draft law has also political aspects, but we need to focus on the principles of the European Charter on Local Self-Government. UNMIK Regulation 2000/45 was an unsuitable regulation for the well-functioning of local authorities in Kosovo; therefore municipalities do not now the ability to offer proper conditions for sustainable economic development."

USAID representative, Mr. Thomas Potocki, stated that "we are also interested in this draft-law because USAID had a long-term pilot program for the good-functioning of local authority. There should be close co-operation between the working group for the drafting of this Framework on Local Authority and MPS, where USAID is involved as well, including also representatives from local authority in Kosovo."

The OSCE representative, Mrs. Virginie Wyait, stated that "our office has been closely involved in the Municipal Assembly debates during the analysis of this draft-law, and if we are asked to we are willing to provide our comments on these debates."

Mr. Michael Palenbach from USAID/RTI congratulated the Association, municipalities and MPS for "this great work you are doing, the sincere approach, and the awareness on facing daily problems."

ASSOCIATION OF KOSOVO MUNICIPALITIES  
**NEWSLETTER**

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Observer Status



Asociacioni i Komunave të Kosovës  
Association of Kosovo Municipalities  
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Permanent Member