

A report prepared for the
USAID Local Government Reform Project
Development Alternatives, Inc.
3330-103
Skopje, Macedonia

In collaboration with
USAID/Macedonia
EEU-I-00-99-00012-00 #801

**REPORT ON THE PUBLIC HEARINGS ON THE DRAFT LAW ON LOCAL
GOVERNMENT FINANCE PROCESS**

During February, March and April 2002, the Association development team has performed the following activities for supporting the strengthening ZELS capacity through grassroots support:

- I. Assisting ZELS in the organization and implementation of regional public hearings to bring issues to the national representatives (Ministries, Government and Parliament).
- II. Assistance to ZELS in effectively representing their members on issues related to policy reform

The process has started at the first meeting of the ZELS standing committee held on February in Holiday Inn Hotel. A working group was formed for organization and implementation of the public hearing, summarizing of the recommendations and the suggestions, establishing a lobbying process (establishing communication channels with the Ministries, the Government and the Parliament), and following of the activities by the Central government regarding the passing of the Amendments to the Law on Local Self-Government.

Third week in March 3.500 brochures with the clear text of the draft Amendments to the Law on Local Self-Government were printed. The brochures were distributed to all 123 municipalities, the City of Skopje and 100 copies to the Local Self-Government Ministry.

The brochures were distributed to the MPs through their municipalities.

ZELS working group held a meeting on 25 February at the ZELS offices on which the following was determined:

- The number of the public hearings
- The municipalities, which will organize the public hearings
- The schedule of the public hearings for all 123 municipalities and the City of Skopje
- The agenda for implementation of the whole policy dialogue process (attachment 1)

(The schedule of the public hearings and the municipalities which will participate is in attachment 2 & 3)

On March 29 a press conference should be organized for promotion of the start of the public hearings

ZELS working group on March 29 held a meeting for preparation of the press conference.

The press conference was held at noon at Holiday Inn Hotel. The media was informed about the start and the policy dialogue process. Materials were distributed (attachment 1,2 and 3) for the ZELS future activities in April and May.

- According to the agenda for process of policy dialogue, in the period between April 2 and April 27, 11 public hearings were held.
- More that 500 participants attended the public hearings, among them Mayors, Chairpersons and Secretaries of Councils, Lawyers, Main City Architects, employees from managing and administrative bodies in the municipalities, NGOs.
- Representatives from the Local Government Ministry participated at the public hearings in Vinica on April 18 and in Struga on April 20, Ms Petkanovska.
- At the public hearings in Veles, Struga, Gevgelija and Prilep, members of the Parliament were also present.
- There was a press coverage of all the public hearings by the local media from the municipalities (TV, radio, newspapers, special programs dedicated to the public hearings), and also by the national media (reports in the dailies, the MTV braking news and the private TV stations A1 and Sitel
- There are minutes from each public hearing; some of them are recorded on a video and audiotape.
- The minutes of the public hearings will be submitted to the members of the ZELS standing committee and to all the municipalities.
- Common characteristics of the public hearings:
 - A lot of discussions
 - Each public hearing lasted approximately 3 hours
 - Clear position for decentralization of the State functions with clearly defined competencies and appropriate finances for the same.
 - Passing a Law on Local Finances together with the Low on Local Self-Government
 - ZELS will be included in all the phases, from the very beginning of the process for adoption of laws connected with the local self-government.

- The last public hearing will be held today in Kumanovo.
- The working group is invited by the Speaker of the Parliament to have a meeting at 11 a.m today. They will discuss the possibility for presence of ZELS representatives at the discussions of the parliamentary commissions regarding the amendments to the Law on Local self-government and the parliamentary procedure for passing the Law.
- During the first two weeks in May the working group, comprising legal experts from the municipalities, Mayors and representatives of Councils, will work according to the agenda for analyzing of the public hearings and preparation of possible draft amendments to the Law on Local Self-Government, as well as for determining ZELS position on the Law and presentation of that position to the parliamentary commissions.

MINUTES ON THE MEETING BETWEEN ZELS WORKING GROUP AND PRESIDENT OF PARLIAMENT

- Introduction to the policy dialogue process by Goran Angelov
- Angelov stressed the role of ZELS as partner of the Central government in the decentralization process and the importance of ZELS participation in the whole process
- The President of the Parliament expressed his understanding of the current position of the local self-government in the Republic of Macedonia. He pointed out that the end of the sixties he was President (Mayor) of municipality of Kavadarci, but at that time the municipality had more competences and financial power.
- The President of the Parliament reiterated that ZELS should participate in the work of the parliamentary commission regarding the Law on Local Self-Government. He also said that he would send letters to the Presidents of the parliamentary commissions to inform them to invite the ZELS representatives at the sessions of their commissions.
- President Andov said that the Law will be passed in two stages and ZELS will be given the opportunity to present its comments and recommendations during the process.
- President Andov asked ZELS working group to submit him the comments and the recommendations from the public hearings and he will after that distribute the materials to all the MPs as recommendations from ZELS.
- During the meeting it was also stated as very important the passing of the Law on Local Finances. This Law is expected to be passed in autumn. Regarding this law, ZELS should direct its activities towards the Finance Ministry, the IMF and the World Bank
- The other two members of the ZELS working group (Asan Ljuma and Ljube Bojkovski) presented the common comments from the public hearings, which are: decentralization of the central government and passing of a law on Local Finances together with this Law on Local Self-Government.