

**Macedonia Municipal Capacity Index (MMCI)
(2005 – 2007)
Baseline Data Summary Report**

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Task Order #804

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1. Macedonia Municipal Capacity Index (MMCI)

1.1 Background

The Make Decentralization Work Project (MDW), funded by the U.S. Agency for International Development (USAID) and implemented by Development Alternatives, Inc. (DAI) is helping Macedonia develop more effective, responsive and accountable local government. A significant focus of the project is to strengthen the capacity of local governments to assume new competencies under decentralization.

For the purposes of measuring the changes in institutional capacity and performance of municipal governments in the major areas of training and technical assistance, MDW program teams have developed a Macedonia Municipal Capacity Index (MMCI) as a part of the MDW overall project Performance Monitoring and Evaluation Plan (PMEP). It will serve a variety of purposes, including:

- As a monitoring and evaluation tool that helps to assess impact objectively;
- To help project staff identify municipalities with good performance as potential mentors for other municipalities; and
- To assist project staff build capacity within municipalities by helping them identify strengths and weaknesses rapidly.

The index is applied and the data are gathered from program participating municipalities. The scoring is the result of on-site interviews and data confirmation in each of the participating municipalities. The degree of data integrity will be reported along with the index results. The indicators in each category (below) are tied to specific outputs. This data can be used to evaluate project success by region, by category and over time. And the data from project municipalities will be evaluated against data from control municipalities to identify reforms that may be occurring unrelated to project activity.

The MMCI measures MDW impact in the major areas of MDW training and technical assistance. There are twenty municipal performance indicators under five general elements:

1. Municipal Management and Financial Management Capacity
 - a. Training to meet GoM standards in major competencies
 - b. Improved budgeting practices
 - c. Established capital asset planning and debt management
 - d. Integrated financial system
2. Municipal Tax Administration Capacity
 - a. Incorporation of property tax department into municipal finance office
 - b. Development of valid property register
 - c. Adoption of revenue forecasting
 - d. Improved billing, accounting, and enforcement
3. Transparency and Citizen Participation in Decision Making
 - a. Establishment and utilization of citizen advisory or review boards
 - b. Adoption of legal requirements for public participation
 - c. Use of budget public hearings or meetings
 - d. Participation in public-private local economic initiatives
4. Public Records, Urban Planning, and Regulatory Management Capacity
 - a. Establishment of e-Governance and IT for citizen use
 - b. Establishment of departmental IT integration
 - c. Establishment of updated land use records
 - d. Improved urban planning and regulations
5. Provision of More Accessible, Convenient and Customer-Oriented Services
 - a. Establishment of IT local and regional networks
 - b. Enhancement of citizen information about evaluation of public services

- c. Establishment and improvement of citizen information centers
- d. Improved responsiveness and convenience of permitting functions.

1.2 Index Scale and Weighting

As noted above, the MMCI consists of five categories, in this case -- Municipal Management and Financial Management Capacity; Municipal Tax Administration Capacity; Transparency and Citizen Participation in Decision Making; Public Records, Urban Planning, and Regulatory Management Capacity; and, Provision of More Accessible, Convenient, and Customer-Oriented Services. Each category contains four sub-categories. The MMCI employs a scale of 100 points and weighs all five categories equally (up to a maximum of 20 points each, 5 points maximum for each sub-category). Most of the questions, follow the same scoring progression: zero points—municipality is not in compliance with the law or ideas espoused by the program; one point—municipality is compliant with laws or has reached a minimum standard; two points—some additional steps have been taken to improve; three points—further steps have been taken, or are better integrated, or were taken with a view toward longer term planning; four points—citizen feedback is incorporated into the change and/or more formal and comprehensive procedures have been adopted; five points—municipality has reached the ideal level, impact is clearly recognized and institutionalization is assured. Scores are progressive. That is, a municipality must meet all the criteria assigned to points 1, 2, and 3 before it can be considered for 4.

1.3 MMCI Data Collection and Reporting

The MMCI baseline and progress data collection will be carried out by a contracted independent evaluator company which was previously trained by MDW on MCI methodology, data collection and reporting.

MMCI data will be reported on a semi-annual¹ and annual basis.

2. MMCI Baseline Assessment

2.1 Selection of Six Representative Municipalities for Baseline Assessment

Before the inception of intensive program activities, the MMCI baseline data for the municipalities was collected by a contracted independent evaluator company. For the purposes of baseline survey against the MDW MMCI, six (6) representative municipalities were selected: Gostivar, Resen, Stip, Suto Orizari, Strumica and Kratovo (see the map below).

¹ For MDW Project Year 1, in consultation with USAID, it was decided that there will be no semi-annual progress data collection.



The selection was made by the MDW selection committee on the basis of the following criteria: geographic balance/distribution, population size, ethnic diversity, with/without LGRP assistance and mayor's political affiliation.

2.2 Independent Evaluator for MMCI Baseline Data Collection

In accordance with the Task Order requirement and on the basis of a competitive bidding process carried out in October 2004, MDW selected and contracted STRATUM Research as the independent evaluator company for the purposes of MMCI data collection to determine the baseline and consequently the progress data that will be collected and reported on a semi-annual and annual basis.

2.3 Baseline Assessment Interviews

In consultation with MDW Program Analyst, STRATUM Research developed a schedule for conducting the baseline survey. The surveys were conducted as on-site interviews with five to six key municipal officials in each of the six selected representative municipalities. STRATUM Research made separate visits to municipalities in the period between 16 and 24 November, 2004, as outlined in Table 1 below:

REPRESENTATIVE MUNICIPALITY	DATE
Kratovo	16 November 2004
Stip	17 November 2004
Suto Orizari	18 November 2004
Gostivar	19 November 2004
Resen	22 November 2004
Strumica	24 November 2004

Table 1: Schedule of visits conducted in six representative municipalities in the period between 16 and 24 November, 2004

During their visits to the municipalities mentioned above, STRATUM Research enumerators had direct face-to-face interviews with key municipal officials (for specific information on officials who were interviewed in each municipality, please see separate *Reports on MMCI Baseline Assessment* in Annex 1 - 6).

3. MMCI Baseline Assessment Key Findings

STRATUM Research conducted interviews with key municipal officials and was able to grade each of the 20 indicators with an appropriate score. These interviews were based upon an additional questionnaire, training and instructions developed in consultation with MDW Program Analyst and technical teams prior to the baseline assessment. Where necessary, STRATUM Research enumerators were provided with appropriate documents for review and validation of certain replies to questions raised. (For more information on score justification and supporting documents for some of the indicators, please see separate *Reports on MMCI Baseline Assessment* in *Annex 1 - 6*)

3.1 Key Findings by MDW MMCI Areas

Municipal Management and Financial Management Capacity

The evaluated municipalities comply with the standards set by the Government of Macedonia regarding budget preparation. They have been preparing line item budgets by organizational units/programs. However, analysis of the functional performance of budget units during budget planning is a less used practice, primarily because it is not possible to make a thorough analysis of the projected revenues from local taxes (i.e. property tax). The property taxes administration is still under the authority of the State Revenue Office (except in four LGRP pilot regions); therefore, the municipalities are still not able either to update the tax bases or to make any projections. The one exception is the municipality of Strumica which takes into consideration the achieved realization of property tax revenues in the current year when planning the budget for the next year.

Capital investment and debt management are among the weakest points detected in the work of the municipalities regarding their municipal and financial management capacity. Namely, only two out of the six visited municipalities have completed their capital investment inventory and none of them have developed a debt management strategy. Within the financial management training that the MDW will provide to all 84 municipalities, debt management and development of a capital investment inventory will be included as crucial parts of the training. MDW is currently providing technical assistance to the Ministry of Finance in designing a municipal debt work-out plan the implementation of which is a precondition for fiscal decentralization phase 1 as per the Law on Local Government Finance.

As for the use of an integrated financial management system, it was found out that most of the visited municipalities used Excel spreadsheets for budget planning and realization and not accounting software.

Municipal Tax Administration Capacity

Municipalities achieved the lowest score in this area. It was expected and projected by MDW program teams since the tax administration is still not devolved to the local level except in four pilot regions (Veles, Sveti Nikole, Gostivar and Struga). Consequently, only the municipality of Gostivar received points for establishing a property tax office. Although all the visited municipalities were interested in improving their tax base and thus increasing their revenues, in this phase it is impossible.

Transparency and Citizen Participation in Decision Making

In the area of transparency and citizen participation, the evaluated municipalities have demonstrated the expected level of competency (ranging from 2 to 7 points) due to various reasons, including cooperation with different donor organizations that have been working at the local level and that have tied the implementation of their activities with an obligatory transparency and citizen participation aspect, as well as the legal obligation of municipalities to inform the citizens about the budget prior to its adoption. All the municipalities organize budget public hearings where citizens can present their opinions and raise questions regarding the budget. However, none of the municipalities has included a section in their budget discussing the funding of citizen initiatives in order for budget final approval.

As for establishment and utilization of citizen advisory and other similar boards, it is mainly on an ad hoc basis without provisions by the municipal councils. None of the evaluated municipalities has included financing of such boards in their budgets.

None of the municipalities has appointed a contact person for facilitating citizen participation. In some of the visited municipalities where there is a Citizen Information Center or Citizen Service Center, its employees perform this function. Some of these municipal employees will be officially appointed as contact persons according to the planned new systematization of jobs in the municipalities.

As for the public-private partnerships, some of the evaluated municipalities have begun such initiatives mainly through the assistance of international organizations. Collaborations with UNDP, GTZ, World Bank etc., in different municipalities result in various forms of public-private partnerships.

Public Records, Urban Planning and Regulatory Management Capacity

Because of the weak financial situation, investment in IT systems is at a very low level among the evaluated municipalities. Even the municipalities that are relatively automated only have Local Area Network (LAN) connections only within the separate departments, while the overall integration of computer systems was not found anywhere.

However, some of the municipalities have integrated IT systems within departments (i.e. department for urbanism, finance department) from where one can get information. All of the visited municipalities have their own web sites except Kratovo, but their functionality is at different levels. Some of them are still under construction (Strumica, some of them have not been updated for years (Stip), while some of them serve only for providing general information about the municipality, without providing information for getting specific documents (Shuto Orizari). Web sites of Gostivar and Resen are the only ones that provide basic registry instructions.

As a result of USAID/LGRP technical assistance, integrating, managing and exchanging information across departments and institutions related to local urbanism (i.e. connecting the municipal department of urbanism and the Regional Ministry of Transport and Communications) has been realized in two of the visited municipalities, in Gostivar and Strumica.

Although these two municipalities have the above-mentioned departments computer connected, still the non-existence of an appointed system administrator has limited their capacity regarding this indicator. However, an outside contractor is used to assist the departments. Namely, none of these two municipalities have appointed such a person (i.e. system administrator), but they are using outside persons to do this job.

Gostivar and Strumica also have a GIS database, but in Gostivar the General Urban Plan has not been adopted yet, so they could not digitize the Plan.

The municipality of Strumica is the only one that, with the assistance of USAID/LGRP project, has completed a survey on the human and technical resources of the Regional Ministry of Transport and Communications and has a list of all detailed urban plans in force and provided a portion of them for digitization.

Provision of More Accessible, Convenient and Customer-Oriented Services

This is the MMCI technical area that has the highest average score (5 points). Collaboration with international organizations in this segment has enabled the municipalities to significantly improve their capacity, particularly through the operation of Citizen Information/Service Centers and/or One-stop Permitting Centers. In addition, all mayors interviewed recognized the relevance and importance of e-governance, although none has yet to initiate any such program.

While some of the municipalities have been developing printed materials, such as brochures and flyers in order to inform the citizens on how the budget was spent, none of the municipalities organize neighborhood meetings to receive citizen feedback on services.

Five out of six visited municipalities have a center for easier communication with citizens (Citizen Information Center in Gostivar, Shuto Orizari and Stip and Citizen Service Centers in Resen and Strumica). These centers provide easier access to certain types of information to citizens as well as

services on-site. However, these centers could not provide formal evidence and/or records of the number of citizens that visited and for which issues.

One-Stop Permitting Centers (OSPC) have been opened in Gostivar (within the CIC) and in Strumica (in the Regional Ministry of Transport and Communications). At the time of the visit, the OSPC in Gostivar was not functional yet because of the lack of coordination between the municipality and the Regional Ministry of Transport and Communications. For this reason, citizens still had to go to the Regional Ministry if they wished to obtain a building permit.

3.2 MMCI Baseline Data

According to the baseline assessment conducted in the field and scoring done by the independent evaluator enumerators on the basis of the answers of the interviewed key municipal officials, Table 2 shows that the MMCI range is between 6 and 25² points which corresponds with the MDW program teams' projections for this assessment. The Table also contains individual scores of each of the six municipalities by the five MDW MMCI areas.

	Municipal Management and Financial Management Capacity	Municipal Tax Administration Capacity	Transparency and Citizen Participation in Decision Making	Public Records, Urban Planning, and Regulatory Capacity	Provision of More Accessible, Convenient, and Customer-Oriented Services	Total MMCI score
Strumica	6	0	7	6	6	25
Gostivar	3	2	4	3	9	21
Shuto Orizari	1	0	3	2	6	12
Shtip	2	1	4	0	4	11
Resen	4	0	4	0	3	11
Kratovo	2	0	2	0	2	6

Table 2: MMCI scores of six representative municipalities by MDW MMCI areas

Or presented in a chart form:

² These total MMCI scores resulted from individual grading of 20 indicators which can be seen in separate *Reports on MMCI Baseline Assessment* in *Annex 1 – 6*

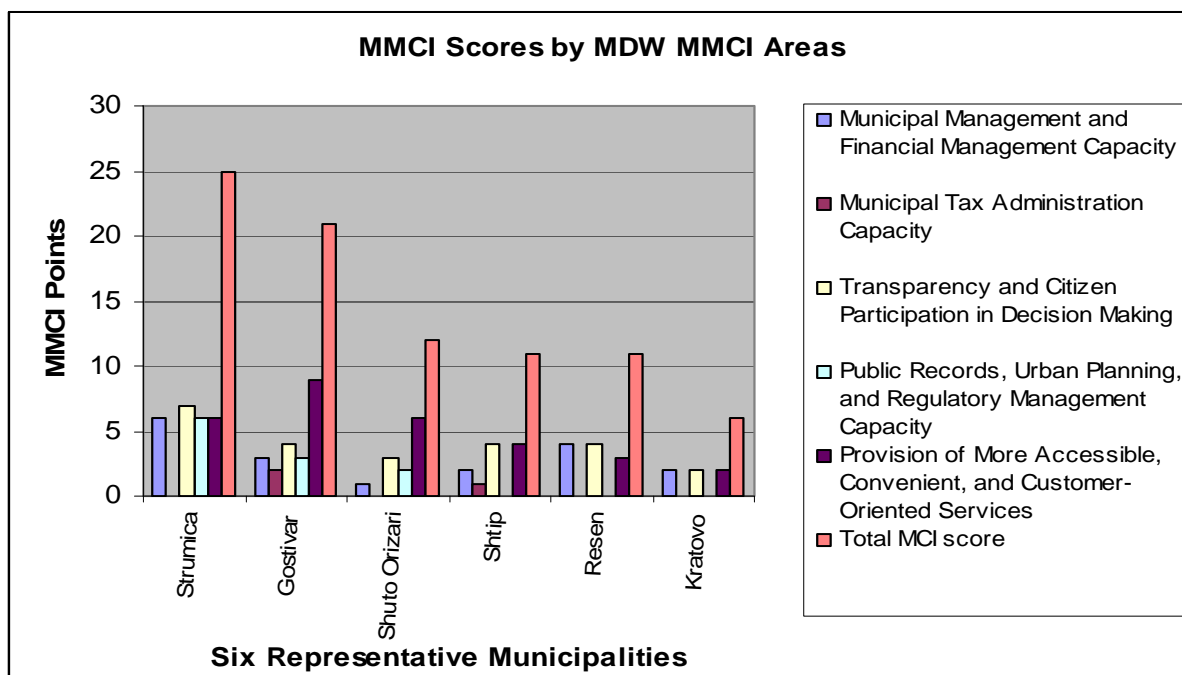


Chart 2: MMCI scores of six representative municipalities by MDW MMCI areas

Based on the final total scores per each municipality, the total average MMCI score is 14.33 points. Table 3 as well as Chart 3 (see below) shows the average scores per each of the five MDW MMCI areas.

	Municipal Management and Financial Management Capacity	Municipal Tax Administration Capacity	Transparency and Citizen Participation in Decision Making	Public Records, Urban Planning, and Regulatory Management Capacity	Provision of More Accessible, Convenient, and Customer-Oriented Services	Total MMCI score
Strumica	6	0	7	6	6	25
Gostivar	3	2	4	3	9	21
Shuto Orizari	1	0	3	2	6	12
Shtip	2	1	4	0	4	11
Resen	4	0	4	0	3	11
Kratovo	2	0	2	0	2	6
Average score	3.00	0.50	4.00	1.83	5.00	14.33

Table 3: MMCI average scores - MMCI Baseline Data by MDW Technical Areas

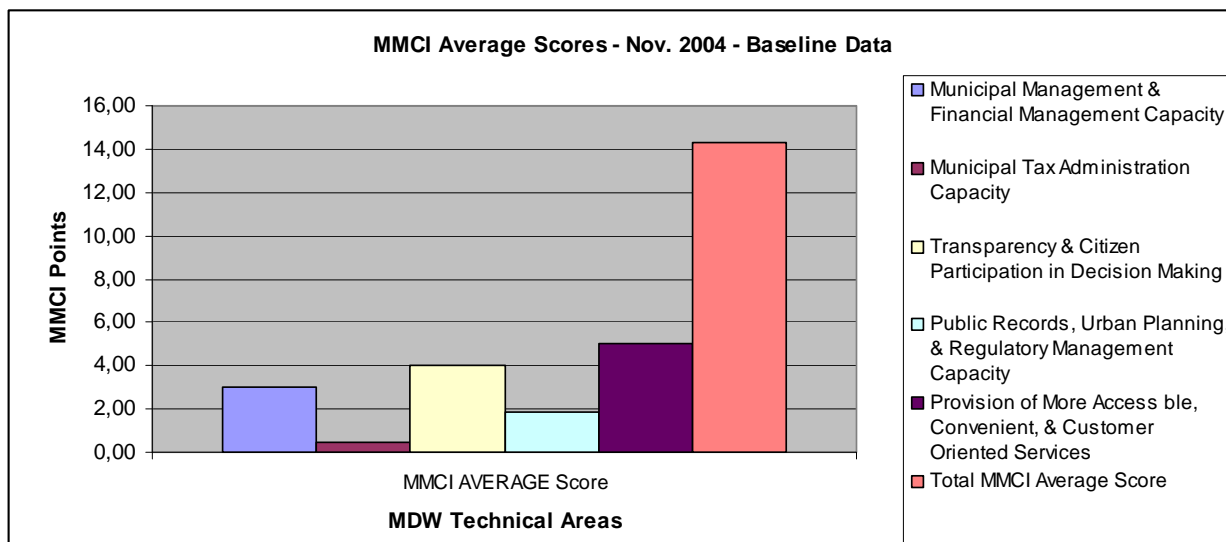


Chart 3: MMCI Baseline Data by MDW Technical Areas

Regarding the MDW five technical areas which were evaluated through 20 MMCI indicators, the highest average score is in the area of Provision of More Accessible, Convenient and Customer-Oriented Services - 5 points and the lowest average score is in the area of Municipal Tax Administration Capacity - 0.50 points. These scores which correspond to the MDW program team projections made for this assessment can be explained by the fact that the provision of more accessible, convenient and customer-oriented services to citizens has been the focus of most of the donor organizations working at the local level, including the assistance provided through USAID/LGRP. On the other hand, tax administration is one of the functions that are to be devolved to the local level and will be affected by comprehensive systemic reforms.

These scores will be used as MDW MMCI baseline data and the program progress data will be compared against them.

REPORT ON MCI BASELINE ASSESSMENT

MUNICIPALITY OF STRUMICA

DATE of the ASSESSMENT: 24.11.2004

TIME of the ASSESSMENT:11:00 TO 15:00

Municipal Management and Financial Management Capacity	
1	<p>Municipal staff uses received training in the following key disciplines according to the minimum standards established by the GoM's decentralization program.</p> <p>Training Modules:</p> <ol style="list-style-type: none">1. Budget Planning and Preparation2. Human Resources Management3. Organizational Structure and Operations4. Billing and Tax Collection Management5. Internal Audit and Control Function
2	<p>Municipality improved budgeting practices, in compliance with the GoM standards.</p>
3	<p>Municipality improved capital investment planning and debt management</p>
4	<p>Municipality has implemented an integrated financial management system that supports the prescribed chart of accounts, allows for future integration of additional functions and helps streamline reporting</p>

Municipal Tax Administration Capacity

5 Municipality successfully incorporates a property tax office into its municipal finance department

6 Municipality completes verification and validation of existing property register

7 Municipality establishes revenue forecasting as a means of improving planning and managing resources

8 Municipality improves tax billing, accounting, and enforcement

Transparency and Citizen Participation in Decision Making

9 Municipality establishes and utilizes citizen advisory and other similar boards for community-based participation in decision making and/or operations

10	Municipality has reorganized according to the law on local self-government and formally adopted administrative procedures for meeting the public participation requirements of the law
11	Municipality conducts special public meetings, hearings, or other such events to actively inform and involve citizens in developing the municipal budget
12	Municipality has initiated or participated in public-private partnership to help generate local economic development
Public Records, Urban Planning, and Regulatory Management Capac	
13	Municipality uses IT systems to provide services to citizens and incorporates E-government functionality in its procedures

14	Municipality uses IT systems to integrate, manage, and exchange information across departments and institutions related to local urbanism
15	Municipality has updated relevant records that clearly reflect present zoning and land use
16	Municipality incorporates strategic regulatory management into urban and spatial planning and regulation to promote highest and best use of real property
Provision of More Accessible, Convenient, and Customer-Oriented S	
17	Information networks established to facilitate local and regional information sharing through e-Government Web interface
18	Municipality has established information and feedback mechanisms for evaluating the quality of public services

19 Municipality has a citizen information center (CIC) to provide comprehensive interface for information and feedback from citizens

20 Municipality has improved the convenience of obtaining building permits by establishing a "one-stop permitting center" or otherwise streamlining or coordinating compliance requirements

Annex 1

NAMES and FUNCTIONS OF MUNICIPAL OFFICIALS INTERVIEWED:

Score: 25

- Pande Stavrov (Chief of Mayor's Cabinet)
- Emilija Gramatikova (Finance Department)
- Gjorgji Dimitrievski (City Architect)
- Irinka Koseva (Urbanism Department)
- Kostadinka Sarlamanova (Citizen Service Center)

<i>Macedonia Municipal Capacity Index</i>	
	Score
0 points if there is no implementation of any module 1 point for implementing 1 module 2 points for implementing 2 modules 3 points for implementing 3 modules 4 points for implementing 4 modules 5 points for implementing 5 modules	0
0 points if no effort was made to improve the existing budget modeling above the bare legal minimum 1 point if municipality uses line item budget by organizational unit/program 2 points if municipality uses line item budget by organizational unit/program that includes setting of priorities 3 points if municipality also analyzes performance of functions of budget units during budget planning 4 points if the municipality is using budget management IT systems and software 5 points if the municipality has an IT maintenance plan and budgets for equipment upgrades	3
0 points if no capital investment management strategy exists 1 point if a capital investment inventory is completed 2 points if a debt management strategy is completed 3 points if a prioritized, multi-year capital improvement and capital investment management programs exist 4 points if capital improvement and capital investment programs are implemented 5 points if the municipality demonstrates increased credit worthiness for capital investment management and/or improvements	1
0 points if the municipality has not adopted a computer-based accounting system 1 point for any computer-based accounting system functionality 2 points if MDW software is used where general ledger and budget systems are integrated 3 points if core modules are used (cash receipts, accounts receivable, accounts payable, payroll) 4 points if the new tax administration software can easily "communicate" with financial management system	2

5 points if advanced modules are used (such as fixed assets, procurement, purchase orders)	
<p>0 points if the municipality has not established a property tax office</p> <p>1 point if the municipality established a property tax office in compliance with the law on property tax</p> <p>2 point if the municipality amended its organizational structure to accommodate a property tax office that incorporates the functions of valuation, billing, and collection, and hires qualified staff</p> <p>3 points if the municipality uses and updates the database</p> <p>4 points if the municipality established procedures for billing, collection, and enforcement of fees</p> <p>5 points if the municipality implements new tax policy</p>	0
<p>0 points if no tax base verification and validation process is initiated</p> <p>1 points if municipality initiates tax base verification and validation process</p> <p>2 point if the Ministry of Finance standards for property valuation are formally adopted by the municipality</p> <p>3 points if the municipality initiates a verification and validation process for the property register</p> <p>4 points if the municipality has identified tax anomalies and issues new or amended billing</p> <p>5 points if the municipality has established a valuation appeals process</p>	0
<p>0 points if no capacity exists for revenue forecasting</p> <p>1 point if informal efforts to forecast revenue are used by the property tax office</p> <p>2 points if the property tax office demonstrates specific methods of forecasting revenue</p> <p>3 points if the property tax office produces an annual revenue forecast analysis and report</p> <p>4 points if the property tax department produces quarterly revenue forecasting reports to inform municipal leaders</p> <p>5 points if the city council commission for budgeting and finance uses revenue forecasting for budget development</p>	0
<p>0 points if no capacity exists for revenue enhancement</p> <p>1 point if tax rolls are improved</p> <p>2 points if the municipality has improved property valuations in all categories</p> <p>3 points if the municipality's finance and tax administration officers master and properly use the tax administration software</p> <p>4 points if billings and revenues increase over the previous year</p> <p>5 points if tax enforcement increases and results in additional revenues over the previous year</p>	0
<p>0 points if the municipality has no citizen advisory functions</p> <p>1 point if the municipality has provisions for appointing citizen advisory boards or commissions focused on special projects</p> <p>2 points if the municipality establishes standing citizen advisory functions</p> <p>3 points if funding for citizen boards or commissions is included in the budget and special funds are allocated to encourage the participation of minority groups and women</p>	1

<p>4 points if elected bodies or review authorities routinely solicit citizen advisory or other similar board opinions before final decisions</p> <p>5 points if the municipality makes decisions on the basis of citizen input</p>	
<p>0 points if the municipality has only informal procedures that comply with the law</p> <p>1 point if the municipality has an appointed staff contact for facilitating citizen participation mechanisms</p> <p>2 points if the municipality issues public notice of council session meetings and the key agenda items at least 48 hours in advance and makes formal provisions for public comment on session agendas</p> <p>3 points if the municipality has some written procedures available to the public for facilitating provisions of the law</p> <p>4 points if the municipality has detailed written procedures for requesting, planning, scheduling, and facilitating methods of citizen participation</p> <p>5 points if the municipality amended its charter or other instruments to require citizen input before key municipal decisions (for example, adoption of budget, land use plans, key regulatory changes)</p>	1
<p>0 points if no special meetings, hearings, or other such events are held to inform and involve citizens in developing the budget</p> <p>1 point if meetings or hearings are conducted, but involve only one-way communication</p> <p>2 points if meetings or hearings are conducted and involve two-way communication</p> <p>3 points if the municipal budget requires a section discussing citizen initiatives in order for final approval</p> <p>4 points for providing evidence of budget prioritization based on citizen input, particularly of those who are typically underrepresented groups, such as women and minorities</p> <p>5 points if the local ordinance has been adopted to require scheduling special meetings, hearings, or other such events to involve citizens in developing the budget</p>	2
<p>0 points if no public-private economic development partnerships have been established</p> <p>1 point if public-private development economic partnerships have been established</p> <p>2 points if funding or in-kind services are made available by the municipality for public-private development partnerships</p> <p>3 points if additional initiatives (e.g. joint marketing campaigns, tourism promotions, LED strategy) are instituted</p> <p>4 points if other specialized economic development partnership has been officially established</p> <p>5 points if the municipality can demonstrate a material change (e.g. and increase in revenues and/or jobs) in economic activity and new physical improvements in a targeted area (as measured, perhaps, by business volume)</p>	3
ity	
<p>0 points if no IT system is in place</p> <p>1 point if an IT system is in place that provides any information for the registry office</p> <p>2 points if at least two key registry functions use IT systems</p> <p>3 points if the municipality has an updated Web site providing basic registry instructions</p> <p>4 points if municipality provides terminal access for citizens to search registry information directly and materials to citizens</p> <p>5 points for information distribution mechanism among municipal departments</p>	2

<p>0 points if the municipal urbanism sector or permitting authority from the municipality does not have a networked IT system</p> <p>1 point if a municipality appoints a system administrator</p> <p>2 points if the permitting authority from the municipality and regional ministry of transport and communication are connected in a local area network (LAN) or wide area network (WAN)</p> <p>3 points if back-up procedures are employed within the municipal urbanism sector or permitting authority from the municipality</p> <p>4 points if the municipality appoints a digitizer</p> <p>5 points if the municipality appoints a GIS database officer</p>	0
<p>0 points if no comprehensive zoning and/or land use registry is employed by the municipality</p> <p>1 point if a municipality creates GIS database related to land use</p> <p>2 points if a municipality creates GIS database related to zoning</p> <p>3 points if a municipality has estimated a justified communal fee for construction</p> <p>4 points if a municipality organizes public hearing for getting citizen input on new zoning and land use plans</p> <p>5 points if a municipality establishes Urban and Spatial Planning Department</p>	2
<p>0 points if no comprehensive urban planning mechanisms are employed</p> <p>1 point if a municipality completes a survey on the human and technical resources of the regional ministry of transport and communications</p> <p>2 points if a municipality prepares a list of all detail urban plans (DUPs) in force and provides a portion of them for digitization</p> <p>3 points if a municipality designs a plan for establishing municipal urbanism sector</p> <p>4 points if a municipality establishes local permitting advisory board (LPAB)</p> <p>5 points if the institutions related to local urbanism use methods for employee performance appraisal</p>	2
services	
<p>0 points if no e-Government coordination programs exist</p> <p>1 point for initiating an IT-based e-Government program</p> <p>2 points for publishing the information on e-Government web</p> <p>3 points for establishing two-way communication between governments and government/businesses/citizens</p> <p>4 points for establishing requests procedures on-line</p> <p>5 points for fully integrated e-Government interface</p>	0
<p>0 points if the municipality is not transparent and has no feedback mechanisms to evaluate services</p> <p>1 point if the municipality has established a participatory planning process for land use plans, public service improvements, etc.</p> <p>2 points if the municipality publicizes how local revenues are spent on service improvements</p> <p>3 points if municipality institutes town meetings and neighborhood meetings to receive citizen feedback on services</p> <p>4 points if the municipality holds public hearings on a regular basis to provide information to citizens and solicit citizens' opinions and ideas</p>	2

5 points if the municipality publicizes how it funded service improvements according to citizen feedback	
0 points if the municipality has no mechanism for informing the citizens 1 point if the municipality has an appointed person responsible for informing the citizens	2
2 points if the municipality has a CIC that provides services on-site 3 points if the CIC collects, analyzes data, and adjusts CIC operations and services according to citizen input, including that from minority groups and women 4 points if the CIC data is used by local officials to improve municipal services 5 points if the CIC is able to provide assistance and services to citizens directly in outlying areas (for example, in neighborhood units)	
0 points if the municipality has not taken any efforts to improve the permitting process 1 point if any other steps are in place to streamline the permitting process 2 points if municipal and regional ministry of transport and communications officials use the local government permitting software 3 points if a municipality conducts a promotional campaign on establishing one-stop permitting center 4 points if one-stop permitting center is established 5 points if the one-stop permitting center or other entity provides regulatory consultation and assistance	2

Score Justification		Supporting Documents	
<p>There is no training module implemented or training received</p>			
<p>Municipality uses budget by organizational unit including set priorities. While planning the revenues in the budget for the next year there has been analysis undertaken and projection is based on realization in the previous year/s</p>		<ol style="list-style-type: none"> 1. Budget for 2004 2. Realization of the budget October 2004 	
<p>There is a capital investment strategy, which could be seen in the proportion of the capital investments in the budget (more than 70% of the budget is for capital investments). There is a capital investment inventory. No strategy for debt management has been completed mainly because the municipality cannot forecast debts originating from the land expropriation</p>		<ol style="list-style-type: none"> 1. Capital Investment Inventory 	
<p>Computer-based accounting system provided by LGRP/MDW is used by the finance department</p>			

The property tax office does not function within the municipality, but it operates in the Public Revenues Office. All the interviewed officials agreed that integrating this office in the municipal organization structure was necessary in order to increase revenues from local taxes.

The process of the property tax base verification and validation has not been initiated because the municipality is not authorized to do this.

There are citizen advisory boards appointed for specific projects, but they are not financed by the municipality. According to the Chief of the Mayor's Cabinet these boards are formed at mayor's initiative. There is provision of municipal council for appointing CIP board.

<p>There is a contact person for facilitating citizen participation mechanisms</p>	<ol style="list-style-type: none"> 1. Brochure: We are Citizen Service Center 2. Brochure: For the citizens 3. Brochure: You and municipality
<p>In accordance with legal provisions, there are consultations with citizens in developing the budget. Suggestions of citizens are taken into consideration. Budget does not require section discussing citizen initiatives in order for final approval.</p>	
<p>There are projects which include private-public partnerships. UNDP has granted 25,000 USD to 3 companies and they are obliged to employ workers (Memorandum of Understanding has been signed between three parties). Business Incubator is also opened in collaboration with the World Bank and the Agency of Privatization. The reconstruction of a kindergarden (3 mil MKD) has been done with participation of the municipality with 10% of the amount. The municipality has developed its LED strategy</p>	<ol style="list-style-type: none"> 1. LED Strategy 2. Realized projects
<p>There is integrated IT system in the departments of finance, urbanism and Citizen Service Center. The web site is under construction</p>	

<p>Even though the department of urbanism in the municipality and the Regional Ministry of Transport and Communications have networked IT system, the municipality has not appointed a system administrator. Such job position could not be seen in the Rulebook of jobs' systematization. According to the municipal representatives this position is being outsourced</p>	<p>1. Rulebook of jobs' systematization at the munciipal administration</p>
	<ol style="list-style-type: none"> 1. List of human and technical resources of the Regional Ministry of Transport and Communications 2. List of detail urban plans
<p>No coordination program for e-government exists.</p>	
<p>The municipality informs the interested citizens how local revenues are spent on service improvements.</p>	

<p>There is citizen contact center in the municipality (Citizen Service Center), which provides services on-site</p>	
<p>One-stop permitting center was formed at the Regional Ministry of Transport and Communications, but there is no promotional campaign for informing the citizens about this center.</p>	

REPORT ON MCI BASELINE ASSESSMENT

MUNICIPALITY OF GOSTIVAR

DATE of the ASSESSMENT: 19.11.2004

TIME of the ASSESSMENT:10:00 TO 13:00

Municipal Management and Financial Management Capacity	
1	<p>Municipal staff uses received training in the following key disciplines according to the minimum standards established by the GoM's decentralization program.</p> <p>Training Modules:</p> <ol style="list-style-type: none">1. Budget Planning and Preparation2. Human Resources Management3. Organizational Structure and Operations4. Billing and Tax Collection Management5. Internal Audit and Control Function
2	<p>Municipality improved budgeting practices, in compliance with the GoM standards.</p>
3	<p>Municipality improved capital investment planning and debt management</p>
4	<p>Municipality has implemented an integrated financial management system that supports the prescribed chart of accounts, allows for future</p>

integration of additional functions and helps streamline reporting

Municipal Tax Administration Capacity

5 Municipality successfully incorporates a property tax office into its municipal finance department

6 Municipality completes verification and validation of existing property register

7 Municipality establishes revenue forecasting as a means of improving planning and managing resources

8 Municipality improves tax billing, accounting, and enforcement

Transparency and Citizen Participation in Decision Making

9 Municipality establishes and utilizes citizen advisory and other similar boards for community-based participation in decision making and/or operations

10 Municipality has reorganized according to the law on local self-government and formally adopted administrative procedures for meeting the public participation requirements of the law

11 Municipality conducts special public meetings, hearings, or other such events to actively inform and involve citizens in developing the municipal budget

12 Municipality has initiated or participated in public-private partnership to help generate local economic development

Public Records, Urban Planning, and Regulatory Management Capacity

13 Municipality uses IT systems to provide services to citizens and incorporates E-government functionality in its procedures

14 Municipality uses IT systems to integrate, manage, and exchange information across departments and institutions related to local urbanism

15 Municipality has updated relevant records that clearly reflect present zoning and land use

16 Municipality incorporates strategic regulatory management into urban and spatial planning and regulation to promote highest and best use of real property

Provision of More Accessible, Convenient, and Customer-Oriented Services

17	Information networks established to facilitate local and regional information sharing through e-Government Web interface
18	Municipality has established information and feedback mechanisms for evaluating the quality of public services
19	Municipality has a citizen information center (CIC) to provide comprehensive interface for information and feedback from citizens
20	Municipality has improved the convenience of obtaining building permits by establishing a "one-stop permitting center" or otherwise streamlining or coordinating compliance requirements

NAMES and FUNCTIONS OF MUNICIPAL OFFICIALS INTERVIEWED:

Score: 21

Djemail Redjepi (Mayor)

Sadri Elezi (Finance Department)

Shpresa Fetahu (City Architect)

Olivera Josifovska (Tax Property Office)

Dashmir Osmani (CIC employee)

Macedonia Municipal Capacity Index

Score

<p>0 points if there is no implementation of any module 1 point for implementing 1 module 2 points for implementing 2 modules 3 points for implementing 3 modules 4 points for implementing 4 modules 5 points for implementing 5 modules</p>	0
<p>0 points if no effort was made to improve the existing budget modeling above the bare legal minimum 1 point if municipality uses line item budget by organizational unit/program 2 points if municipality uses line item budget by organizational unit/program that includes setting of priorities 3 points if municipality also analyzes performance of functions of budget units during budget planning 4 points if the municipality is using budget management IT systems and software 5 points if the municipality has an IT maintenance plan and budgets for equipment upgrades</p>	2
<p>0 points if no capital investment management strategy exists 1 point if a capital investment inventory is completed 2 points if a debt management strategy is completed 3 points if a prioritized, multi-year capital improvement and capital investment management programs exist 4 points if capital improvement and capital investment programs are implemented 5 points if the municipality demonstrates increased credit worthiness for capital investment management and/or improvements</p>	0
<p>0 points if the municipality has not adopted a computer-based accounting system 1 point for any computer-based accounting system functionality 2 points if MDW software is used where general ledger and budget systems are integrated</p>	1

<p>3 points if core modules are used (cash receipts, accounts receivable, accounts payable, payroll)</p> <p>4 points if the new tax administration software can easily “communicate” with financial management system</p> <p>5 points if advanced modules are used (such as fixed assets, procurement, purchase orders)</p>	
<p>0 points if the municipality has not established a property tax office</p> <p>1 point if the municipality established a property tax office in compliance with the law on property tax</p> <p>2 point if the municipality amended its organizational structure to accommodate a property tax office that incorporates the functions of valuation, billing, and collection, and hires qualified staff</p> <p>3 points if the municipality uses and updates the database</p> <p>4 points if the municipality established procedures for billing, collection, and enforcement of fees</p> <p>5 points if the municipality implements new tax policy</p>	2
<p>0 points if no tax base verification and validation process is initiated</p> <p>1 points if municipality initiates tax base verification and validation process</p> <p>2 point if the Ministry of Finance standards for property valuation are formally adopted by the municipality</p> <p>3 points if the municipality initiates a verification and validation process for the property register</p> <p>4 points if the municipality has identified tax anomalies and issues new or amended billing</p> <p>5 points if the municipality has established a valuation appeals process</p>	0
<p>0 points if no capacity exists for revenue forecasting</p> <p>1 point if informal efforts to forecast revenue are used by the property tax office</p> <p>2 points if the property tax office demonstrates specific methods of forecasting revenue</p> <p>3 points if the property tax office produces an annual revenue forecast analysis and report</p> <p>4 points if the property tax department produces quarterly revenue forecasting reports to inform municipal leaders</p> <p>5 points if the city council commission for budgeting and finance uses revenue forecasting for budget development</p>	0
<p>0 points if no capacity exists for revenue enhancement</p> <p>1 point if tax rolls are improved</p> <p>2 points if the municipality has improved property valuations in all categories</p> <p>3 points if the municipality's finance and tax administration officers master and properly use the tax administration software</p> <p>4 points if billings and revenues increase over the previous year</p>	0

5 points if tax enforcement increases and results in additional revenues over the previous year	
<p>0 points if the municipality has no citizen advisory functions</p> <p>1 point if the municipality has provisions for appointing citizen advisory boards or commissions focused on special projects</p> <p>2 points if the municipality establishes standing citizen advisory functions</p> <p>3 points if funding for citizen boards or commissions is included in the budget and special funds are allocated to encourage the participation of minority groups and women</p> <p>4 points if elected bodies or review authorities routinely solicit citizen advisory or other similar board opinions before final decisions</p> <p>5 points if the municipality makes decisions on the basis of citizen input</p>	0
<p>0 points if the municipality has only informal procedures that comply with the law</p> <p>1 point if the municipality has an appointed staff contact for facilitating citizen participation mechanisms</p> <p>2 points if the municipality issues public notice of council session meetings and the key agenda items at least 48 hours in advance and makes formal provisions for public comment on session agendas</p> <p>3 points if the municipality has some written procedures available to the public for facilitating provisions of the law</p> <p>4 points if the municipality has detailed written procedures for requesting, planning, scheduling, and facilitating methods of citizen participation</p> <p>5 points if the municipality amended its charter or other instruments to require citizen input before key municipal decisions (for example, adoption of budget, land use plans, key regulatory changes)</p>	1
<p>0 points if no special meetings, hearings, or other such events are held to inform and involve citizens in developing the budget</p> <p>1 point if meetings or hearings are conducted, but involve only one-way communication</p> <p>2 points if meetings or hearings are conducted and involve two-way communication</p> <p>3 points if the municipal budget requires a section discussing citizen initiatives in order for final approval</p> <p>4 points for providing evidence of budget prioritization based on citizen input, particularly of those who are typically underrepresented groups, such as women and minorities</p> <p>5 points if the local ordinance has been adopted to require scheduling special meetings, hearings, or other such events to involve citizens in developing the budget</p>	2
<p>0 points if no public-private economic development partnerships have been established</p> <p>1 point if public-private development economic partnerships have been established</p> <p>2 points if funding or in-kind services are made available by the municipality for public-private development partnerships</p> <p>3 points if additional initiatives (e.g. joint marketing campaigns, tourism promotions, LED strategy) are instituted</p>	1

4 points if other specialized economic development partnership has been officially established	
5 points if the municipality can demonstrate a material change (e.g. and increase in revenues and/or jobs) in economic activity and new physical improvements in a targeted area (as measured, perhaps, by business volume)	
ty	
0 points if no IT system is in place 1 point if an IT system is in place that provides any information for the registry office 2 points if at least two key registry functions use IT systems 3 points if the municipality has an updated Web site providing basic registry instructions	3
4 points if municipality provides terminal access for citizens to search registry information directly and materials to citizens 5 points for information distribution mechanism among municipal departments	
0 points if the municipal urbanism sector or permitting authority from the municipality does not have a networked IT system 1 point if a municipality appoints a system administrator 2 points if the permitting authority from the municipality and regional ministry of transport and communication are connected in a local area network (LAN) or wide area network (WAN)	0
3 points if back-up procedures are employed within the municipal urbanism sector or permitting authority from the municipality 4 points if the municipality appoints a digitizer 5 points if the municipality appoints a GIS database officer	
0 points if no comprehensive zoning and/or land use registry is employed by the municipality 1 point if a municipality creates GIS database related to land use 2 points if a municipality creates GIS database related to zoning 3 points if a municipality has estimated a justified communal fee for construction 4 points if a municipality organizes public hearing for getting citizen input on new zoning and land use plans 5 points if a municipality establishes Urban and Spatial Planning Department	0
0 points if no comprehensive urban planning mechanisms are employed 1 point if a municipality completes a survey on the human and technical resources of the regional ministry of transport and communications 2 points if a municipality prepares a list of all detail urban plans (DUPs) in force and provides a portion of them for digitization 3 points if a municipality designs a plan for establishing municipal urbanism sector 4 points if a municipality establishes local permitting advisory board (LPAB) 5 points if the institutions related to local urbanism use methods for employee performance appraisal	0

ervices

<p>0 points if no e-Government coordination programs exist 1 point for initiating an IT-based e-Government program 2 points for publishing the information on e-Government web 3 points for establishing two-way communication between governments and government/businesses/citizens 4 points for establishing requests procedures on-line 5 points for fully integrated e-Government interface</p>	<p>3</p>
<p>0 points if the municipality is not transparent and has no feedback mechanisms to evaluate services 1 point if the municipality has established a participatory planning process for land use plans, public service improvements, etc. 2 points if the municipality publicizes how local revenues are spent on service improvements 3 points if municipality institutes town meetings and neighborhood meetings to receive citizen feedback on services 4 points if the municipality holds public hearings on a regular basis to provide information to citizens and solicit citizens' opinions and ideas 5 points if the municipality publicizes how it funded service improvements according to citizen feedback</p>	<p>2</p>
<p>0 points if the municipality has no mechanism for informing the citizens 1 point if the municipality has an appointed person responsible for informing the citizens 2 points if the municipality has a CIC that provides services on-site 3 points if the CIC collects, analyzes data, and adjusts CIC operations and services according to citizen input, including that from minority groups and women 4 points if the CIC data is used by local officials to improve municipal services 5 points if the CIC is able to provide assistance and services to citizens directly in outlying areas (for example, in neighborhood units)</p>	<p>2</p>
<p>0 points if the municipality has not taken any efforts to improve the permitting process 1 point if any other steps are in place to streamline the permitting process 2 points if municipal and regional ministry of transport and communications officials use the local government permitting software 3 points if a municipality conducts a promotional campaign on establishing one-stop permitting center 4 points if one-stop permitting center is established 5 points if the one-stop permitting center or other entity provides regulatory consultation and assistance</p>	<p>2</p>

Score Justification		Supporting Documents	
<p>Municipal employees have not received any trainings from MDW. However, according to the Mayor, the municipal employees participated in several trainings regarding reforms in local government, which were organized by different international organizations (UNDP, USAID, GTZ).</p>			
<p>Municipality uses line item budget by organizational units that includes setting of priorities. The municipal authority in planning the budget (revenues and realization) is limited, so it can't be said that municipality analyzes performance of functions of budget units during budget planning (i.e. realization of property tax in October 2003 was 61.04% and when planning the revenues for 2004 it has increased by 16.4% of the planned in 2003 even though that plan was not achieved.)</p>			
<p>The municipal account was blocked due to debts originated from 1995 (most of the debt is toward <i>Granit</i> Construction Enterprise). Municipality does not have a strategy how to manage its debts. No capital investment inventory has been completed.</p>			
<p>Municipality uses computer-based accounting system (Excel)</p>			

<p>Municipality of Gostivar was USAID/LGRP pilot project for integrating the tax property office from Public Revenue Service into the municipality. In the proposed systematization the tax property office is anticipated in the municipal administration.</p>	<ol style="list-style-type: none"> 1. Rulebook for jobs' systematization 2. Memorandum of Understanding: Pilot Project for Administeirng the Property Tax
<p>According to the interviewed municipal officials the property tax base is out of date. They assume that tax bas should include around 32,000 tax payers and not 14,000 as it is now. However, no official analysis or report on this could be provided by the municipality. At this point, the municipality even if it wishes could not do verification of the tax base since it is still under the authority of the Public Revenue Office.</p>	
<p>No proof was provided that there was capacity for revenue forecasting</p>	

<p>The Mayor uses opinions of distinguished citizens of Gostivar, NGO representatives and businessmen regarding various projects. This is done at his own initiative without any provisions for appointing these types of boards.</p>	
<p>The CIC employees serve as contact for facilitating citizen participation mechanisms. In the proposed jobs' systematization, a position of an Associate for Informing and Contact with Citizens is anticipated.</p>	<p>1. Rulebook of jobs' systematization</p>
<p>In accordance with the legal provisions, the municipality involves citizens in developing the budget. Discussion of citizens initiatives in order for final approval of the budget is not required.</p>	
<p>There are private-public partnerships initiated in collaboration with international organizations (UNDP and GTZ). However, these initiatives are not supported with share in funding by the municipality.</p>	

<p>Web-site of the municipality gives basic regulatory instructions (eg. obtaining a taxi license)</p>	
<p>No system administrator is appointed, although unofficially there is a person who works on IT equipment and network maintenance. Even in the jobs' systematization proposal, no IT engineer could be found</p>	
<p>The General Urban Plan is still not adopted, and that is why there is no digitized GUP</p>	
<p>Even though some of the DUPs are digitized (at least those which were adopted), the municipality did not complete a survey on human and technical resources of the Regional Ministry of Transport and Communications. The municipality has a list of the technical equipment given to the Regional Ministry of Transport and Communications as a part of the signed Memorandum of Cooperation.</p>	<p>1. Memorandum of Cooperation between the municipality and the Regional Ministry of Transport and Communications</p>

<p>Web site of the municipality provides information and there is a possibility for two-way communication between local government and citizens. No on-line procedures have been established yet</p>	
<p>The municipality informed citizens about how money from the budget in 2002 is spent through brochures. Such brochure is planned to be issued for the budget 2004</p>	<p>1. 2002 Annual Report</p>
<p>The municipality has established a CIC which provides services on-site (if the issue is under the municipal authority). In the past there were analyses done since it was required by the donor (USAID/LGRP) but not anymore. No segmented analysis by gender or ethnicity exists.</p>	<p>1. Monthly report about number and reasons of visits at CIC</p>
<p>The municipality has opened one-stop permitting center (OSPC) at CIC premises. However, because of the lack of coordination between the municipality and the Regional Ministry of Transport and Communications citizens cannot apply for construction permit at OSPC, but they must go at the Regional Ministry. For these reasons no promotional campaign has been launched</p>	

REPORT ON MCI BASELINE ASSESSMENT

MUNICIPALITY OF SUTO ORIZARI

DATE of the ASSESSMENT: 18.11.2004

TIME of the ASSESSMENT:10:00 TO 12:00

Municipal Management and Financial Management Capacity	
1	<p>Municipal staff uses received training in the following key disciplines according to the minimum standards established by the GoM's decentralization program.</p> <p>Training Modules:</p> <ol style="list-style-type: none">1. Budget Planning and Preparation2. Human Resources Management3. Organizational Structure and Operations4. Billing and Tax Collection Management5. Internal Audit and Control Function
2	<p>Municipality improved budgeting practices, in compliance with the GoM standards.</p>
3	<p>Municipality improved capital investment planning and debt management</p>
4	<p>Municipality has implemented an integrated financial management system that supports the prescribed chart of accounts, allows for future integration of additional functions and helps streamline reporting</p>

Municipal Tax Administration Capacity	
5	Municipality successfully incorporates a property tax office into its municipal finance department
6	Municipality completes verification and validation of existing property register
7	Municipality establishes revenue forecasting as a means of improving planning and managing resources
8	Municipality improves tax billing, accounting, and enforcement
Transparency and Citizen Participation in Decision Making	

9	Municipality establishes and utilizes citizen advisory and other similar boards for community-based participation in decision making and/or operations
10	Municipality has reorganized according to the law on local self-government and formally adopted administrative procedures for meeting the public participation requirements of the law
11	Municipality conducts special public meetings, hearings, or other such events to actively inform and involve citizens in developing the municipal budget
12	Municipality has initiated or participated in public-private partnership to help generate local economic development

Public Records, Urban Planning, and Regulatory Management Capabilities

13 Municipality uses IT systems to provide services to citizens and incorporates E-government functionality in its procedures

14 Municipality uses IT systems to integrate, manage, and exchange information across departments and institutions related to local urbanism

15 Municipality has updated relevant records that clearly reflect present zoning and land use

16 Municipality incorporates strategic regulatory management into urban and spatial planning and regulation to promote highest and best use of real property

Provision of More Accessible, Convenient, and Customer-Oriented Services

17 Information networks established to facilitate local and regional information sharing through e-Government Web interface

18	Municipality has established information and feedback mechanisms for evaluating the quality of public services
19	Municipality has a citizen information center (CIC) to provide comprehensive interface for information and feedback from citizens
20	Municipality has improved the convenience of obtaining building permits by establishing a "one-stop permitting center" or otherwise streamlining or coordinating compliance requirements

NAMES and FUNCTIONS OF MUNICIPAL OFFICIALS INTERVIEWED:

Score: 12

Dancho Arsov (Legal Advisor to the Mayor)

Andre Dimov (Finance Department)

Jagoda Simovska (City Architect)

<i>Macedonia Municipal Capacity Index</i>	
	Score
0 points if there is no implementation of any module 1 point for implementing 1 module 2 points for implementing 2 modules 3 points for implementing 3 modules 4 points for implementing 4 modules 5 points for implementing 5 modules	0
0 points if no effort was made to improve the existing budget modeling above the bare legal minimum 1 point if municipality uses line item budget by organizational unit/program 2 points if municipality uses line item budget by organizational unit/program that includes setting of priorities 3 points if municipality also analyzes performance of functions of budget units during budget planning 4 points if the municipality is using budget management IT systems and software 5 points if the municipality has an IT maintenance plan and budgets for equipment upgrades	1
0 points if no capital investment management strategy exists 1 point if a capital investment inventory is completed 2 points if a debt management strategy is completed 3 points if a prioritized, multi-year capital improvement and capital investment management programs exist 4 points if capital improvement and capital investment programs are implemented 5 points if the municipality demonstrates increased credit worthiness for capital investment management and/or improvements	0
0 points if the municipality has not adopted a computer-based accounting system 1 point for any computer-based accounting system functionality 2 points if MDW software is used where general ledger and budget systems are integrated 3 points if core modules are used (cash receipts, accounts receivable, accounts payable, payroll)	0

<p>4 points if the new tax administration software can easily “communicate” with financial management system</p> <p>5 points if advanced modules are used (such as fixed assets, procurement, purchase orders)</p>	
<p>0 points if the municipality has not established a property tax office</p> <p>1 point if the municipality established a property tax office in compliance with the law on property tax</p> <p>2 point if the municipality amended its organizational structure to accommodate a property tax office that incorporates the functions of valuation, billing, and collection, and hires qualified staff</p> <p>3 points if the municipality uses and updates the database</p> <p>4 points if the municipality established procedures for billing, collection, and enforcement of fees</p> <p>5 points if the municipality implements new tax policy</p>	0
<p>0 points if no tax base verification and validation process is initiated</p> <p>1 points if municipality initiates tax base verification and validation process</p> <p>2 point if the Ministry of Finance standards for property valuation are formally adopted by the municipality</p> <p>3 points if the municipality initiates a verification and validation process for the property register</p> <p>4 points if the municipality has identified tax anomalies and issues new or amended billing</p> <p>5 points if the municipality has established a valuation appeals process</p>	0
<p>0 points if no capacity exists for revenue forecasting</p> <p>1 point if informal efforts to forecast revenue are used by the property tax office</p> <p>2 points if the property tax office demonstrates specific methods of forecasting revenue</p> <p>3 points if the property tax office produces an annual revenue forecast analysis and report</p> <p>4 points if the property tax department produces quarterly revenue forecasting reports to inform municipal leaders</p> <p>5 points if the city council commission for budgeting and finance uses revenue forecasting for budget development</p>	0
<p>0 points if no capacity exists for revenue enhancement</p> <p>1 point if tax rolls are improved</p> <p>2 points if the municipality has improved property valuations in all categories</p> <p>3 points if the municipality’s finance and tax administration officers master and properly use the tax administration software</p> <p>4 points if billings and revenues increase over the previous year</p> <p>5 points if tax enforcement increases and results in additional revenues over the previous year</p>	0

<p>0 points if the municipality has no citizen advisory functions</p> <p>1 point if the municipality has provisions for appointing citizen advisory boards or commissions focused on special projects</p> <p>2 points if the municipality establishes standing citizen advisory functions</p> <p>3 points if funding for citizen boards or commissions is included in the budget and special funds are allocated to encourage the participation of minority groups and women</p> <p>4 points if elected bodies or review authorities routinely solicit citizen advisory or other similar board opinions before final decisions</p> <p>5 points if the municipality makes decisions on the basis of citizen input</p>	0
<p>0 points if the municipality has only informal procedures that comply with the law</p> <p>1 point if the municipality has an appointed staff contact for facilitating citizen participation mechanisms</p> <p>2 points if the municipality issues public notice of council session meetings and the key agenda items at least 48 hours in advance and makes formal provisions for public comment on session agendas</p> <p>3 points if the municipality has some written procedures available to the public for facilitating provisions of the law</p> <p>4 points if the municipality has detailed written procedures for requesting, planning, scheduling, and facilitating methods of citizen participation</p> <p>5 points if the municipality amended its charter or other instruments to require citizen input before key municipal decisions (for example, adoption of budget, land use plans, key regulatory changes)</p>	1
<p>0 points if no special meetings, hearings, or other such events are held to inform and involve citizens in developing the budget</p> <p>1 point if meetings or hearings are conducted, but involve only one-way communication</p> <p>2 points if meetings or hearings are conducted and involve two-way communication</p> <p>3 points if the municipal budget requires a section discussing citizen initiatives in order for final approval</p> <p>4 points for providing evidence of budget prioritization based on citizen input, particularly of those who are typically underrepresented groups, such as women and minorities</p> <p>5 points if the local ordinance has been adopted to require scheduling special meetings, hearings, or other such events to involve citizens in developing the budget</p>	2
<p>0 points if no public-private economic development partnerships have been established</p> <p>1 point if public-private development economic partnerships have been established</p> <p>2 points if funding or in-kind services are made available by the municipality for public-private development partnerships</p> <p>3 points if additional initiatives (e.g. joint marketing campaigns, tourism promotions, LED strategy) are instituted</p> <p>4 points if other specialized economic development partnership has been officially established</p>	0

5 points if the municipality can demonstrate a material change (e.g. and increase in revenues and/or jobs) in economic activity and new physical improvements in a targeted area (as measured, perhaps, by business volume)	
ty	
0 points if no IT system is in place 1 point if an IT system is in place that provides any information for the registry office 2 points if at least two key registry functions use IT systems 3 points if the municipality has an updated Web site providing basic registry instructions 4 points if municipality provides terminal access for citizens to search registry information directly and materials to citizens 5 points for information distribution mechanism among municipal departments	2
0 points if the municipal urbanism sector or permitting authority from the municipality does not have a networked IT system 1 point if a municipality appoints a system administrator 2 points if the permitting authority from the municipality and regional ministry of transport and communication are connected in a local area network (LAN) or wide area network (WAN) 3 points if back-up procedures are employed within the municipal urbanism sector or permitting authority from the municipality 4 points if the municipality appoints a digitizer 5 points if the municipality appoints a GIS database officer	0
0 points if no comprehensive zoning and/or land use registry is employed by the municipality 1 point if a municipality creates GIS database related to land use 2 points if a municipality creates GIS database related to zoning 3 points if a municipality has estimated a justified communal fee for construction 4 points if a municipality organizes public hearing for getting citizen input on new zoning and land use plans 5 points if a municipality establishes Urban and Spatial Planning Department	0
0 points if no comprehensive urban planning mechanisms are employed 1 point if a municipality completes a survey on the human and technical resources of the regional ministry of transport and communications 2 points if a municipality prepares a list of all detail urban plans (DUPs) in force and provides a portion of them for digitization 3 points if a municipality designs a plan for establishing municipal urbanism sector 4 points if a municipality establishes local permitting advisory board (LPAB) 5 points if the institutions related to local urbanism use methods for employee performance appraisal	0
ervices	
0 points if no e-Government coordination programs exist 1 point for initiating an IT-based e-Government program 2 points for publishing the information on e-Government web	2

<p>3 points for establishing two-way communication between governments and government/businesses/citizens</p> <p>4 points for establishing requests procedures on-line</p> <p>5 points for fully integrated e-Government interface</p>	
<p>0 points if the municipality is not transparent and has no feedback mechanisms to evaluate services</p> <p>1 point if the municipality has established a participatory planning process for land use plans, public service improvements, etc.</p> <p>2 points if the municipality publicizes how local revenues are spent on service improvements</p> <p>3 points if municipality institutes town meetings and neighborhood meetings to receive citizen feedback on services</p> <p>4 points if the municipality holds public hearings on a regular basis to provide information to citizens and solicit citizens' opinions and ideas</p> <p>5 points if the municipality publicizes how it funded service improvements according to citizen feedback</p>	2
<p>0 points if the municipality has no mechanism for informing the citizens</p> <p>1 point if the municipality has an appointed person responsible for informing the citizens</p> <p>2 points if the municipality has a CIC that provides services on-site</p> <p>3 points if the CIC collects, analyzes data, and adjusts CIC operations and services according to citizen input, including that from minority groups and women</p> <p>4 points if the CIC data is used by local officials to improve municipal services</p> <p>5 points if the CIC is able to provide assistance and services to citizens directly in outlying areas (for example, in neighborhood units)</p>	2
<p>0 points if the municipality has not taken any efforts to improve the permitting process</p> <p>1 point if any other steps are in place to streamline the permitting process</p> <p>2 points if municipal and regional ministry of transport and communications officials use the local government permitting software</p> <p>3 points if a municipality conducts a promotional campaign on establishing one-stop permitting center</p> <p>4 points if one-stop permitting center is established</p> <p>5 points if the one-stop permitting center or other entity provides regulatory consultation and assistance</p>	0

Score Justification		Supporting Documents	
Municipality uses line item budget by organizational unit/program			

[Redacted]	
There is no capacity for increasing the revenues from local tax, nor any interest by the interviewed municipal officials has been detected	
[Redacted]	

<p>According to the interviewed municipal officials, the municipality takes into consideration opinion of the citizens but they could not provide the enumerator with the example of appointing citizen advisory boards</p>	
<p>The formed CIC serves as a contact for facilitating citizen participation mechanisms. Although the enumerator was not able to visit the center, the assumption is that it functions similar to other visited CICs</p>	<p>1. Brochure: CIC what is municipality</p>
<p>Following the legal provisions, public hearings are conducted in developing the budget</p>	

Use of computers in the CIC and finance department.	
There are changes made to 7 locations (around 35ha). They use old General Urban Plan	
There is information on the web site of the municipality (which is not with standard extension i.e. 'dot gov' but it is 'dot org') and two-way	

communication is not possible	
in accordance with legal provisions, public hearings are conducted in developing the budget and in planning process for land use (DUP or GUP). The municipality also informs the citizens about how money from the budget was spent through a brochure	1. Brochure: Budget of Suto Orizari
CIC was formed and it serves as contact for informing the citizens. It provides services on-site.	

REPORT ON MCI BASELINE ASSESSMENT

MUNICIPALITY OF STIP

DATE of the ASSESSMENT: 17.11.2004

TIME of the ASSESSMENT:10:00 TO 14:00

Municipal Management and Financial Management Capacity	
1	<p>Municipal staff uses received training in the following key disciplines according to the minimum standards established by the GoM's decentralization program.</p> <p>Training Modules:</p> <ol style="list-style-type: none">1. Budget Planning and Preparation2. Human Resources Management3. Organizational Structure and Operations4. Billing and Tax Collection Management5. Internal Audit and Control Function
2	<p>Municipality improved budgeting practices, in compliance with the GoM standards.</p>
3	<p>Municipality improved capital investment planning and debt management</p>
4	<p>Municipality has implemented an integrated financial management system that supports the prescribed chart of accounts, allows for future integration of additional functions and helps streamline reporting</p>

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Municipal Tax Administration Capacity

5	Municipality successfully incorporates a property tax office into its municipal finance department
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6	Municipality completes verification and validation of existing property register
---	----------------------------------------------------------------------------------

7	Municipality establishes revenue forecasting as a means of improving planning and managing resources
---	------------------------------------------------------------------------------------------------------

8	Municipality improves tax billing, accounting, and enforcement
---	----------------------------------------------------------------

Transparency and Citizen Participation in Decision Making

9	Municipality establishes and utilizes citizen advisory and other similar boards for community-based participation in decision making and/or operations
10	Municipality has reorganized according to the law on local self-government and formally adopted administrative procedures for meeting the public participation requirements of the law
11	Municipality conducts special public meetings, hearings, or other such events to actively inform and involve citizens in developing the municipal budget
12	Municipality has initiated or participated in public-private partnership to help generate local economic development

Public Records, Urban Planning, and Regulatory Management Capacity

13 Municipality uses IT systems to provide services to citizens and incorporates E-government functionality in its procedures

14 Municipality uses IT systems to integrate, manage, and exchange information across departments and institutions related to local urbanism

15 Municipality has updated relevant records that clearly reflect present zoning and land use

16 Municipality incorporates strategic regulatory management into urban and spatial planning and regulation to promote highest and best use of real property

Provision of More Accessible, Convenient, and Customer-Oriented Services

17 Information networks established to facilitate local and regional information sharing through e-Government Web interface

18	Municipality has established information and feedback mechanisms for evaluating the quality of public services
19	Municipality has a citizen information center (CIC) to provide comprehensive interface for information and feedback from citizens
20	Municipality has improved the convenience of obtaining building permits by establishing a "one-stop permitting center" or otherwise streamlining or coordinating compliance requirements

NAMES and FUNCTIONS OF MUNICIPAL OFFICIALS INTERVIEWED:

Score: 11

Dimitar Efremov (Mayor)

Gjorgji Jordanov (Director of the Public Revenue Office - Stip)

Vlatko Atanasov (ITC)

CIC Employees

<i>Macedonia Municipal Capacity Index</i>	
	Score
0 points if there is no implementation of any module 1 point for implementing 1 module 2 points for implementing 2 modules 3 points for implementing 3 modules 4 points for implementing 4 modules 5 points for implementing 5 modules	0
0 points if no effort was made to improve the existing budget modeling above the bare legal minimum 1 point if municipality uses line item budget by organizational unit/program 2 points if municipality uses line item budget by organizational unit/program that includes setting of priorities 3 points if municipality also analyzes performance of functions of budget units during budget planning 4 points if the municipality is using budget management IT systems and software 5 points if the municipality has an IT maintenance plan and budgets for equipment upgrades	1
0 points if no capital investment management strategy exists 1 point if a capital investment inventory is completed 2 points if a debt management strategy is completed 3 points if a prioritized, multi-year capital improvement and capital investment management programs exist 4 points if capital improvement and capital investment programs are implemented 5 points if the municipality demonstrates increased credit worthiness for capital investment management and/or improvements	1
0 points if the municipality has not adopted a computer-based accounting system 1 point for any computer-based accounting system functionality 2 points if MDW software is used where general ledger and budget systems are integrated 3 points if core modules are used (cash receipts, accounts receivable, accounts payable, payroll)	0

<p>4 points if the new tax administration software can easily “communicate” with financial management system</p> <p>5 points if advanced modules are used (such as fixed assets, procurement, purchase orders)</p>	
<p>0 points if the municipality has not established a property tax office</p> <p>1 point if the municipality established a property tax office in compliance with the law on property tax</p> <p>2 point if the municipality amended its organizational structure to accommodate a property tax office that incorporates the functions of valuation, billing, and collection, and hires qualified staff</p> <p>3 points if the municipality uses and updates the database</p> <p>4 points if the municipality established procedures for billing, collection, and enforcement of fees</p> <p>5 points if the municipality implements new tax policy</p>	0
<p>0 points if no tax base verification and validation process is initiated</p> <p>1 points if municipality initiates tax base verification and validation process</p> <p>2 point if the Ministry of Finance standards for property valuation are formally adopted by the municipality</p> <p>3 points if the municipality initiates a verification and validation process for the property register</p> <p>4 points if the municipality has identified tax anomalies and issues new or amended billing</p> <p>5 points if the municipality has established a valuation appeals process</p>	0
<p>0 points if no capacity exists for revenue forecasting</p> <p>1 point if informal efforts to forecast revenue are used by the property tax office</p> <p>2 points if the property tax office demonstrates specific methods of forecasting revenue</p> <p>3 points if the property tax office produces an annual revenue forecast analysis and report</p> <p>4 points if the property tax department produces quarterly revenue forecasting reports to inform municipal leaders</p> <p>5 points if the city council commission for budgeting and finance uses revenue forecasting for budget development</p>	1
<p>0 points if no capacity exists for revenue enhancement</p> <p>1 point if tax rolls are improved</p> <p>2 points if the municipality has improved property valuations in all categories</p> <p>3 points if the municipality’s finance and tax administration officers master and properly use the tax administration software</p> <p>4 points if billings and revenues increase over the previous year</p> <p>5 points if tax enforcement increases and results in additional revenues over the previous year</p>	0

<p>0 points if the municipality has no citizen advisory functions</p> <p>1 point if the municipality has provisions for appointing citizen advisory boards or commissions focused on special projects</p> <p>2 points if the municipality establishes standing citizen advisory functions</p> <p>3 points if funding for citizen boards or commissions is included in the budget and special funds are allocated to encourage the participation of minority groups and women</p> <p>4 points if elected bodies or review authorities routinely solicit citizen advisory or other similar board opinions before final decisions</p> <p>5 points if the municipality makes decisions on the basis of citizen input</p>	0
<p>0 points if the municipality has only informal procedures that comply with the law</p> <p>1 point if the municipality has an appointed staff contact for facilitating citizen participation mechanisms</p> <p>2 points if the municipality issues public notice of council session meetings and the key agenda items at least 48 hours in advance and makes formal provisions for public comment on session agendas</p> <p>3 points if the municipality has some written procedures available to the public for facilitating provisions of the law</p> <p>4 points if the municipality has detailed written procedures for requesting, planning, scheduling, and facilitating methods of citizen participation</p> <p>5 points if the municipality amended its charter or other instruments to require citizen input before key municipal decisions (for example, adoption of budget, land use plans, key regulatory changes)</p>	0
<p>0 points if no special meetings, hearings, or other such events are held to inform and involve citizens in developing the budget</p> <p>1 point if meetings or hearings are conducted, but involve only one-way communication</p> <p>2 points if meetings or hearings are conducted and involve two-way communication</p> <p>3 points if the municipal budget requires a section discussing citizen initiatives in order for final approval</p> <p>4 points for providing evidence of budget prioritization based on citizen input, particularly of those who are typically underrepresented groups, such as women and minorities</p> <p>5 points if the local ordinance has been adopted to require scheduling special meetings, hearings, or other such events to involve citizens in developing the budget</p>	2
<p>0 points if no public-private economic development partnerships have been established</p> <p>1 point if public-private development economic partnerships have been established</p> <p>2 points if funding or in-kind services are made available by the municipality for public-private development partnerships</p> <p>3 points if additional initiatives (e.g. joint marketing campaigns, tourism promotions, LED strategy) are instituted</p> <p>4 points if other specialized economic development partnership has been officially established</p>	2

5 points if the municipality can demonstrate a material change (e.g. and increase in revenues and/or jobs) in economic activity and new physical improvements in a targeted area (as measured, perhaps, by business volume)	
ty	
0 points if no IT system is in place 1 point if an IT system is in place that provides any information for the registry office 2 points if at least two key registry functions use IT systems 3 points if the municipality has an updated Web site providing basic registry instructions 4 points if municipality provides terminal access for citizens to search registry information directly and materials to citizens 5 points for information distribution mechanism among municipal departments	0
0 points if the municipal urbanism sector or permitting authority from the municipality does not have a networked IT system 1 point if a municipality appoints a system administrator 2 points if the permitting authority from the municipality and regional ministry of transport and communication are connected in a local area network (LAN) or wide area network (WAN) 3 points if back-up procedures are employed within the municipal urbanism sector or permitting authority from the municipality 4 points if the municipality appoints a digitizer 5 points if the municipality appoints a GIS database officer	0
0 points if no comprehensive zoning and/or land use registry is employed by the municipality 1 point if a municipality creates GIS database related to land use 2 points if a municipality creates GIS database related to zoning 3 points if a municipality has estimated a justified communal fee for construction 4 points if a municipality organizes public hearing for getting citizen input on new zoning and land use plans 5 points if a municipality establishes Urban and Spatial Planning Department	0
0 points if no comprehensive urban planning mechanisms are employed 1 point if a municipality completes a survey on the human and technical resources of the regional ministry of transport and communications 2 points if a municipality prepares a list of all detail urban plans (DUPs) in force and provides a portion of them for digitization 3 points if a municipality designs a plan for establishing municipal urbanism sector 4 points if a municipality establishes local permitting advisory board (LPAB) 5 points if the institutions related to local urbanism use methods for employee performance appraisal	0
ervices	
0 points if no e-Government coordination programs exist 1 point for initiating an IT-based e-Government program 2 points for publishing the information on e-Government web	1

<p>3 points for establishing two-way communication between governments and government/businesses/citizens</p> <p>4 points for establishing requests procedures on-line</p> <p>5 points for fully integrated e-Government interface</p>	
<p>0 points if the municipality is not transparent and has no feedback mechanisms to evaluate services</p> <p>1 point if the municipality has established a participatory planning process for land use plans, public service improvements, etc.</p> <p>2 points if the municipality publicizes how local revenues are spent on service improvements</p> <p>3 points if municipality institutes town meetings and neighborhood meetings to receive citizen feedback on services</p> <p>4 points if the municipality holds public hearings on a regular basis to provide information to citizens and solicit citizens' opinions and ideas</p> <p>5 points if the municipality publicizes how it funded service improvements according to citizen feedback</p>	1
<p>0 points if the municipality has no mechanism for informing the citizens</p> <p>1 point if the municipality has an appointed person responsible for informing the citizens</p> <p>2 points if the municipality has a CIC that provides services on-site</p> <p>3 points if the CIC collects, analyzes data, and adjusts CIC operations and services according to citizen input, including that from minority groups and women</p> <p>4 points if the CIC data is used by local officials to improve municipal services</p> <p>5 points if the CIC is able to provide assistance and services to citizens directly in outlying areas (for example, in neighborhood units)</p>	2
<p>0 points if the municipality has not taken any efforts to improve the permitting process</p> <p>1 point if any other steps are in place to streamline the permitting process</p> <p>2 points if municipal and regional ministry of transport and communications officials use the local government permitting software</p> <p>3 points if a municipality conducts a promotional campaign on establishing one-stop permitting center</p> <p>4 points if one-stop permitting center is established</p> <p>5 points if the one-stop permitting center or other entity provides regulatory consultation and assistance</p>	0

Score Justification		Supporting Documents	
There is no received training from MDW			
The municipality uses budget by organizational unit (6 figures units, those beginning with 7 for revenues and those beginning with 4 for expenses), but without priorities set		1. Budget 2003	2. Budget Realization 30.10.2004
There is no adopted computer accounting system			

There is a property tax office but it functions within the Public Revenues Office	
No tax base verification and validation process has been initiated. The Public Revenue Office is quite passive in collecting local tax. There is no initiative on its side and no concrete steps have been undertaken in this direction	
There are some informal efforts to forecast revenues, but no efforts to increase them	
There is no capacity, interest or willingness by Public Revenue Office for increasing the revenues from local taxes, or improving the tax rolls.	

<p>There are citizen advisory functions, which are formed ad hoc per specific projects, and those are not financed by the municipality but it's done on a voluntary base. According to the mayor there are no provisions by the Municipal Council for appointing such boards</p>	
<p>The municipality have not appointed a contact person for facilitating citizen participation mechanisms. In the new proposed systematization such position is not anticipated</p>	<p>1. Rulebook of jobs' systematization in municipal administration</p>
<p>Through the neighborhood units, the citizens give suggestions re. budget to the municipality, which reviews them and informs the citizens (again through the neighborhood units) whether their suggestions have been accepted for the Budget Program. According to the Mayor the final decision still depends on the will of the political parties participating in the Municipal Council.</p>	
<p>There are private-public partnerships with financial participation on the part of the municipality with 50% of the total investment. Four companies have been granted 10,000 EUR each and they are obliged to employ new workers (30 employees). The common goal is decreasing the unemployment rate</p>	

There is no integrated IT system in place. There is a web site, which gives some basic registry instructions, but the site is out of date (last update was done in 2002). From the ITC we were informed that they work on updating the information on the web site

There is no networked IT system

No GIS database has been created

No comprehensive urban planning mechanisms are employed

There are some initiatives for introducing E-government

<p>The municipality takes into account citizens' opinion but there was no evidence that the municipality informs the citizens about how it spends money from the budget</p>	
<p>The municipality has a CIC, which provides services on-site. No analysis of data (i.e. number and reasons for citizens visits) has been made. This was done previously when it was required by the donor USAID/LGRP</p>	<p>1. Report on number and reasons for visits</p>

REPORT ON MCI BASELINE ASSESSMENT

MUNICIPALITY OF RESEN

DATE of the ASSESSMENT: 22.11.2004

TIME of the ASSESSMENT:11:00 TO 14:00

Municipal Management and Financial Management Capacity	
1	<p>Municipal staff uses received training in the following key disciplines according to the minimum standards established by the GoM's decentralization program.</p> <p>Training Modules:</p> <ol style="list-style-type: none">1. Budget Planning and Preparation2. Human Resources Management3. Organizational Structure and Operations4. Billing and Tax Collection Management5. Internal Audit and Control Function
2	<p>Municipality improved budgeting practices, in compliance with the GoM standards.</p>
3	<p>Municipality improved capital investment planning and debt management</p>
4	<p>Municipality has implemented an integrated financial management system that supports the prescribed chart of accounts, allows for future</p>

integration of additional functions and helps streamline reporting

Municipal Tax Administration Capacity

5 Municipality successfully incorporates a property tax office into its municipal finance department

6 Municipality completes verification and validation of existing property register

7 Municipality establishes revenue forecasting as a means of improving planning and managing resources

8 Municipality improves tax billing, accounting, and enforcement

Transparency and Citizen Participation in Decision Making

9 Municipality establishes and utilizes citizen advisory and other similar boards for community-based participation in decision making and/or operations

10 Municipality has reorganized according to the law on local self-government and formally adopted administrative procedures for meeting the public participation requirements of the law

11 Municipality conducts special public meetings, hearings, or other such events to actively inform and involve citizens in developing the municipal budget

12 Municipality has initiated or participated in public-private partnership to help generate local economic development

Public Records, Urban Planning, and Regulatory Management Capacity

13 Municipality uses IT systems to provide services to citizens and incorporates E-government functionality in its procedures

14 Municipality uses IT systems to integrate, manage, and exchange information across departments and institutions related to local urbanism

15 Municipality has updated relevant records that clearly reflect present zoning and land use

16 Municipality incorporates strategic regulatory management into urban and spatial planning and regulation to promote highest and best use of real property

Provision of More Accessible, Convenient, and Customer-Oriented Services

17 Information networks established to facilitate local and regional

	information sharing through e-Government Web interface
18	Municipality has established information and feedback mechanisms for evaluating the quality of public services
19	Municipality has a citizen information center (CIC) to provide comprehensive interface for information and feedback from citizens
20	Municipality has improved the convenience of obtaining building permits by establishing a "one-stop permitting center" or otherwise streamlining or coordinating compliance requirements

NAMES and FUNCTIONS OF MUNICIPAL OFFICIALS INTERVIEWED:

Score: 11

Dimko Toskovski (Mayor)

Kire Kitevski (Head of the Legal and Finance Department)

Nasip Bekiri (Finance Department)

Daniela Apostolovska (Citizen Service Center employee)

Kire Stojanovski (Head of the Urbanism Department)

<i>Macedonia Municipal Capacity Index</i>	
	Score
0 points if there is no implementation of any module 1 point for implementing 1 module 2 points for implementing 2 modules 3 points for implementing 3 modules 4 points for implementing 4 modules 5 points for implementing 5 modules	0
0 points if no effort was made to improve the existing budget modeling above the bare legal minimum 1 point if municipality uses line item budget by organizational unit/program 2 points if municipality uses line item budget by organizational unit/program that includes setting of priorities 3 points if municipality also analyzes performance of functions of budget units during budget planning 4 points if the municipality is using budget management IT systems and software 5 points if the municipality has an IT maintenance plan and budgets for equipment upgrades	3
0 points if no capital investment management strategy exists 1 point if a capital investment inventory is completed 2 points if a debt management strategy is completed 3 points if a prioritized, multi-year capital improvement and capital investment management programs exist 4 points if capital improvement and capital investment programs are implemented 5 points if the municipality demonstrates increased credit worthiness for capital investment management and/or improvements	0
0 points if the municipality has not adopted a computer-based accounting system 1 point for any computer-based accounting system functionality 2 points if MDW software is used where general ledger and budget systems are integrated	1

<p>3 points if core modules are used (cash receipts, accounts receivable, accounts payable, payroll)</p> <p>4 points if the new tax administration software can easily “communicate” with financial management system</p> <p>5 points if advanced modules are used (such as fixed assets, procurement, purchase orders)</p>	
<p>0 points if the municipality has not established a property tax office</p> <p>1 point if the municipality established a property tax office in compliance with the law on property tax</p> <p>2 point if the municipality amended its organizational structure to accommodate a property tax office that incorporates the functions of valuation, billing, and collection, and hires qualified staff</p> <p>3 points if the municipality uses and updates the database</p> <p>4 points if the municipality established procedures for billing, collection, and enforcement of fees</p> <p>5 points if the municipality implements new tax policy</p>	0
<p>0 points if no tax base verification and validation process is initiated</p> <p>1 points if municipality initiates tax base verification and validation process</p> <p>2 point if the Ministry of Finance standards for property valuation are formally adopted by the municipality</p> <p>3 points if the municipality initiates a verification and validation process for the property register</p> <p>4 points if the municipality has identified tax anomalies and issues new or amended billing</p> <p>5 points if the municipality has established a valuation appeals process</p>	0
<p>0 points if no capacity exists for revenue forecasting</p> <p>1 point if informal efforts to forecast revenue are used by the property tax office</p> <p>2 points if the property tax office demonstrates specific methods of forecasting revenue</p> <p>3 points if the property tax office produces an annual revenue forecast analysis and report</p> <p>4 points if the property tax department produces quarterly revenue forecasting reports to inform municipal leaders</p> <p>5 points if the city council commission for budgeting and finance uses revenue forecasting for budget development</p>	0
<p>0 points if no capacity exists for revenue enhancement</p> <p>1 point if tax rolls are improved</p> <p>2 points if the municipality has improved property valuations in all categories</p> <p>3 points if the municipality's finance and tax administration officers master and properly use the tax administration software</p> <p>4 points if billings and revenues increase over the previous year</p>	0

5 points if tax enforcement increases and results in additional revenues over the previous year	
<p>0 points if the municipality has no citizen advisory functions</p> <p>1 point if the municipality has provisions for appointing citizen advisory boards or commissions focused on special projects</p> <p>2 points if the municipality establishes standing citizen advisory functions</p> <p>3 points if funding for citizen boards or commissions is included in the budget and special funds are allocated to encourage the participation of minority groups and women</p> <p>4 points if elected bodies or review authorities routinely solicit citizen advisory or other similar board opinions before final decisions</p> <p>5 points if the municipality makes decisions on the basis of citizen input</p>	1
<p>0 points if the municipality has only informal procedures that comply with the law</p> <p>1 point if the municipality has an appointed staff contact for facilitating citizen participation mechanisms</p> <p>2 points if the municipality issues public notice of council session meetings and the key agenda items at least 48 hours in advance and makes formal provisions for public comment on session agendas</p> <p>3 points if the municipality has some written procedures available to the public for facilitating provisions of the law</p> <p>4 points if the municipality has detailed written procedures for requesting, planning, scheduling, and facilitating methods of citizen participation</p> <p>5 points if the municipality amended its charter or other instruments to require citizen input before key municipal decisions (for example, adoption of budget, land use plans, key regulatory changes)</p>	1
<p>0 points if no special meetings, hearings, or other such events are held to inform and involve citizens in developing the budget</p> <p>1 point if meetings or hearings are conducted, but involve only one-way communication</p> <p>2 points if meetings or hearings are conducted and involve two-way communication</p> <p>3 points if the municipal budget requires a section discussing citizen initiatives in order for final approval</p> <p>4 points for providing evidence of budget prioritization based on citizen input, particularly of those who are typically underrepresented groups, such as women and minorities</p> <p>5 points if the local ordinance has been adopted to require scheduling special meetings, hearings, or other such events to involve citizens in developing the budget</p>	2
<p>0 points if no public-private economic development partnerships have been established</p> <p>1 point if public-private development economic partnerships have been established</p> <p>2 points if funding or in-kind services are made available by the municipality for public-private development partnerships</p> <p>3 points if additional initiatives (e.g. joint marketing campaigns, tourism promotions, LED strategy) are instituted</p>	0

4 points if other specialized economic development partnership has been officially established	
5 points if the municipality can demonstrate a material change (e.g. and increase in revenues and/or jobs) in economic activity and new physical improvements in a targeted area (as measured, perhaps, by business volume)	
ty	
0 points if no IT system is in place 1 point if an IT system is in place that provides any information for the registry office 2 points if at least two key registry functions use IT systems 3 points if the municipality has an updated Web site providing basic registry instructions	0
4 points if municipality provides terminal access for citizens to search registry information directly and materials to citizens 5 points for information distribution mechanism among municipal departments	
0 points if the municipal urbanism sector or permitting authority from the municipality does not have a networked IT system 1 point if a municipality appoints a system administrator 2 points if the permitting authority from the municipality and regional ministry of transport and communication are connected in a local area network (LAN) or wide area network (WAN)	0
3 points if back-up procedures are employed within the municipal urbanism sector or permitting authority from the municipality 4 points if the municipality appoints a digitizer 5 points if the municipality appoints a GIS database officer	
0 points if no comprehensive zoning and/or land use registry is employed by the municipality 1 point if a municipality creates GIS database related to land use 2 points if a municipality creates GIS database related to zoning 3 points if a municipality has estimated a justified communal fee for construction 4 points if a municipality organizes public hearing for getting citizen input on new zoning and land use plans 5 points if a municipality establishes Urban and Spatial Planning Department	0
0 points if no comprehensive urban planning mechanisms are employed 1 point if a municipality completes a survey on the human and technical resources of the regional ministry of transport and communications 2 points if a municipality prepares a list of all detail urban plans (DUPs) in force and provides a portion of them for digitization 3 points if a municipality designs a plan for establishing municipal urbanism sector 4 points if a municipality establishes local permitting advisory board (LPAB) 5 points if the institutions related to local urbanism use methods for employee performance appraisal	0
ervices	
0 points if no e-Government coordination programs exist	0

<p>1 point for initiating an IT-based e-Government program</p> <p>2 points for publishing the information on e-Government web</p> <p>3 points for establishing two-way communication between governments and government/businesses/citizens</p> <p>4 points for establishing requests procedures on-line</p> <p>5 points for fully integrated e-Government interface</p>	
<p>0 points if the municipality is not transparent and has no feedback mechanisms to evaluate services</p> <p>1 point if the municipality has established a participatory planning process for land use plans, public service improvements, etc.</p> <p>2 points if the municipality publicizes how local revenues are spent on service improvements</p> <p>3 points if municipality institutes town meetings and neighborhood meetings to receive citizen feedback on services</p> <p>4 points if the municipality holds public hearings on a regular basis to provide information to citizens and solicit citizens' opinions and ideas</p> <p>5 points if the municipality publicizes how it funded service improvements according to citizen feedback</p>	1
<p>0 points if the municipality has no mechanism for informing the citizens</p> <p>1 point if the municipality has an appointed person responsible for informing the citizens</p> <p>2 points if the municipality has a CIC that provides services on-site</p> <p>3 points if the CIC collects, analyzes data, and adjusts CIC operations and services according to citizen input, including that from minority groups and women</p> <p>4 points if the CIC data is used by local officials to improve municipal services</p> <p>5 points if the CIC is able to provide assistance and services to citizens directly in outlying areas (for example, in neighborhood units)</p>	2
<p>0 points if the municipality has not taken any efforts to improve the permitting process</p> <p>1 point if any other steps are in place to streamline the permitting process</p> <p>2 points if municipal and regional ministry of transport and communications officials use the local government permitting software</p> <p>3 points if a municipality conducts a promotional campaign on establishing one-stop permitting center</p> <p>4 points if one-stop permitting center is established</p> <p>5 points if the one-stop permitting center or other entity provides regulatory consultation and assistance</p>	0

Score Justification		Supporting Documents	
<p>Municipal staff have received training for debt management (invoicing) and tax administration through UNDP "Model of Macedonian Municipality" project, but by now knowledge received through these trainings has not been implemented</p>			
<p>The municipality uses line item budget by organizational unit/program and during the budget planning it analyzes performance of functions of budget</p>		<p>1. Budget for 2004</p>	
<p>Computer-based accounting system is employed</p>			

No established property tax office	
Although the mayor stated that the working groups for tax base verification and validation process were formed and these groups found out that the tax base should be updated, no written report or analysis exists. The bottom line is that no changes were made to the tax base since it is still under the authority of the Public Revenue Office.	

<p>There are citizen advisory boards which are project oriented and not on continuous basis</p>	
<p>The Citizen Service Center and the person who works there is the municipal contact for facilitating citizen participation mechanisms. In the proposed systematization of jobs at the municipal administration there is such position anticipated.</p>	<ol style="list-style-type: none">1. Brochures: Citizen Service Center2. Rulebook of jobs' systematization
<p>The municipality organizes public hearings where problems of citizens are discussed</p>	
<p>No private-public partnerships have been established</p>	

No integrated IT system exists	
No networked IT system in the municipal urbanism sector	
No comprehensive zoning or land use registry has been employed by the municipality	
No survey on human and technical resources of the Regional Ministry of Transport and Communications have been carried out.	
No e-government coordination programs exist	

<p>In accordance with the legal provisions, the municipality has established participatory planning process for land use (adopting the DUP and GUP)</p>	
<p>Citizen Service Center provides information and on site services on matters which are under the municipal authority (at the moment for 6 administrative procedures)</p>	<p>1. Request for issuing licenses</p>

REPORT ON MCI BASELINE ASSESSMENT

MUNICIPALITY OF KRATOVO

DATE of the ASSESSMENT: 16.11.2004

TIME of the ASSESSMENT:11:00 TO 15:00

Municipal Management and Financial Management Capacity	
1	<p>Municipal staff uses received training in the following key disciplines according to the minimum standards established by the GoM's decentralization program.</p> <p>Training Modules:</p> <ol style="list-style-type: none">1. Budget Planning and Preparation2. Human Resources Management3. Organizational Structure and Operations4. Billing and Tax Collection Management5. Internal Audit and Control Function
2	<p>Municipality improved budgeting practices, in compliance with the GoM standards.</p>
3	<p>Municipality improved capital investment planning and debt management</p>
4	<p>Municipality has implemented an integrated financial management system that supports the prescribed chart of accounts, allows for future</p>

integration of additional functions and helps streamline reporting

Municipal Tax Administration Capacity

5 Municipality successfully incorporates a property tax office into its municipal finance department

6 Municipality completes verification and validation of existing property register

7 Municipality establishes revenue forecasting as a means of improving planning and managing resources

8 Municipality improves tax billing, accounting, and enforcement

Transparency and Citizen Participation in Decision Making

9	Municipality establishes and utilizes citizen advisory and other similar boards for community-based participation in decision making and/or operations
10	Municipality has reorganized according to the law on local self-government and formally adopted administrative procedures for meeting the public participation requirements of the law
11	Municipality conducts special public meetings, hearings, or other such events to actively inform and involve citizens in developing the municipal budget
12	Municipality has initiated or participated in public-private partnership to help generate local economic development

Public Records, Urban Planning, and Regulatory Management Capac

13 Municipality uses IT systems to provide services to citizens and incorporates E-government functionality in its procedures

14 Municipality uses IT systems to integrate, manage, and exchange information across departments and institutions related to local urbanism

15 Municipality has updated relevant records that clearly reflect present zoning and land use

16 Municipality incorporates strategic regulatory management into urban and spatial planning and regulation to promote highest and best use of real property

Provision of More Accessible, Convenient, and Customer-Oriented S

17 Information networks established to facilitate local and regional information sharing through e-Government Web interface

18	Municipality has established information and feedback mechanisms for evaluating the quality of public services
19	Municipality has a citizen information center (CIC) to provide comprehensive interface for information and feedback from citizens
20	Municipality has improved the convenience of obtaining building permits by establishing a "one-stop permitting center" or otherwise streamlining or coordinating compliance requirements

Annex 6

NAMES and FUNCTIONS OF MUNICIPAL OFFICIALS INTERVIEWED:

Score: 6

Stojan Milanov (Mayor)

Boris Peshov (City Secretary)

Snezana Stefanova (Regional Ministry of Finance)

Mile Boshkovski (Director of the Public Revenue Office - Stip)

Anka Mitevaska (City Architect)

Vlado Zaharievski (Director of the Public Enterprise in Kratovo)

Macedonia Municipal Capacity Index

Score

<p>0 points if there is no implementation of any module 1 point for implementing 1 module 2 points for implementing 2 modules 3 points for implementing 3 modules 4 points for implementing 4 modules 5 points for implementing 5 modules</p>	<p>0</p>
<p>0 points if no effort was made to improve the existing budget modeling above the bare legal minimum 1 point if municipality uses line item budget by organizational unit/program 2 points if municipality uses line item budget by organizational unit/program that includes setting of priorities 3 points if municipality also analyzes performance of functions of budget units during budget planning 4 points if the municipality is using budget management IT systems and software 5 points if the municipality has an IT maintenance plan and budgets for equipment upgrades</p>	<p>2</p>
<p>0 points if no capital investment management strategy exists 1 point if a capital investment inventory is completed 2 points if a debt management strategy is completed 3 points if a prioritized, multi-year capital improvement and capital investment management programs exist 4 points if capital improvement and capital investment programs are implemented 5 points if the municipality demonstrates increased credit worthiness for capital investment management and/or improvements</p>	<p>0</p>
<p>0 points if the municipality has not adopted a computer-based accounting system 1 point for any computer-based accounting system functionality 2 points if MDW software is used where general ledger and budget systems are integrated</p>	<p>0</p>

<p>3 points if core modules are used (cash receipts, accounts receivable, accounts payable, payroll)</p> <p>4 points if the new tax administration software can easily “communicate” with financial management system</p> <p>5 points if advanced modules are used (such as fixed assets, procurement, purchase orders)</p>	
<p>0 points if the municipality has not established a property tax office</p> <p>1 point if the municipality established a property tax office in compliance with the law on property tax</p> <p>2 point if the municipality amended its organizational structure to accommodate a property tax office that incorporates the functions of valuation, billing, and collection, and hires qualified staff</p> <p>3 points if the municipality uses and updates the database</p> <p>4 points if the municipality established procedures for billing, collection, and enforcement of fees</p> <p>5 points if the municipality implements new tax policy</p>	0
<p>0 points if no tax base verification and validation process is initiated</p> <p>1 points if municipality initiates tax base verification and validation process</p> <p>2 point if the Ministry of Finance standards for property valuation are formally adopted by the municipality</p> <p>3 points if the municipality initiates a verification and validation process for the property register</p> <p>4 points if the municipality has identified tax anomalies and issues new or amended billing</p> <p>5 points if the municipality has established a valuation appeals process</p>	0
<p>0 points if no capacity exists for revenue forecasting</p> <p>1 point if informal efforts to forecast revenue are used by the property tax office</p> <p>2 points if the property tax office demonstrates specific methods of forecasting revenue</p> <p>3 points if the property tax office produces an annual revenue forecast analysis and report</p> <p>4 points if the property tax department produces quarterly revenue forecasting reports to inform municipal leaders</p> <p>5 points if the city council commission for budgeting and finance uses revenue forecasting for budget development</p>	0
<p>0 points if no capacity exists for revenue enhancement</p> <p>1 point if tax rolls are improved</p> <p>2 points if the municipality has improved property valuations in all categories</p> <p>3 points if the municipality’s finance and tax administration officers master and properly use the tax administration software</p> <p>4 points if billings and revenues increase over the previous year</p> <p>5 points if tax enforcement increases and results in additional revenues over the previous year</p>	0

<p>0 points if the municipality has no citizen advisory functions</p> <p>1 point if the municipality has provisions for appointing citizen advisory boards or commissions focused on special projects</p> <p>2 points if the municipality establishes standing citizen advisory functions</p> <p>3 points if funding for citizen boards or commissions is included in the budget and special funds are allocated to encourage the participation of minority groups and women</p> <p>4 points if elected bodies or review authorities routinely solicit citizen advisory or other similar board opinions before final decisions</p> <p>5 points if the municipality makes decisions on the basis of citizen input</p>	<p>0</p>
<p>0 points if the municipality has only informal procedures that comply with the law</p> <p>1 point if the municipality has an appointed staff contact for facilitating citizen participation mechanisms</p> <p>2 points if the municipality issues public notice of council session meetings and the key agenda items at least 48 hours in advance and makes formal provisions for public comment on session agendas</p> <p>3 points if the municipality has some written procedures available to the public for facilitating provisions of the law</p> <p>4 points if the municipality has detailed written procedures for requesting, planning, scheduling, and facilitating methods of citizen participation</p> <p>5 points if the municipality amended its charter or other instruments to require citizen input before key municipal decisions (for example, adoption of budget, land use plans, key regulatory changes)</p>	<p>0</p>
<p>0 points if no special meetings, hearings, or other such events are held to inform and involve citizens in developing the budget</p> <p>1 point if meetings or hearings are conducted, but involve only one-way communication</p> <p>2 points if meetings or hearings are conducted and involve two-way communication</p> <p>3 points if the municipal budget requires a section discussing citizen initiatives in order for final approval</p> <p>4 points for providing evidence of budget prioritization based on citizen input, particularly of those who are typically underrepresented groups, such as women and minorities</p> <p>5 points if the local ordinance has been adopted to require scheduling special meetings, hearings, or other such events to involve citizens in developing the budget</p>	<p>2</p>
<p>0 points if no public-private economic development partnerships have been established</p> <p>1 point if public-private development economic partnerships have been established</p> <p>2 points if funding or in-kind services are made available by the municipality for public-private development partnerships</p> <p>3 points if additional initiatives (e.g. joint marketing campaigns, tourism promotions, LED strategy) are instituted</p> <p>4 points if other specialized economic development partnership has been officially established</p>	<p>0</p>

5 points if the municipality can demonstrate a material change (e.g. and increase in revenues and/or jobs) in economic activity and new physical improvements in a targeted area (as measured, perhaps, by business volume)	
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<p>0 points if no IT system is in place</p> <p>1 point if an IT system is in place that provides any information for the registry office</p> <p>2 points if at least two key registry functions use IT systems</p> <p>3 points if the municipality has an updated Web site providing basic registry instructions</p> <p>4 points if municipality provides terminal access for citizens to search registry information directly and materials to citizens</p> <p>5 points for information distribution mechanism among municipal departments</p>	0
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<p>0 points if the municipal urbanism sector or permitting authority from the municipality does not have a networked IT system</p> <p>1 point if a municipality appoints a system administrator</p> <p>2 points if the permitting authority from the municipality and regional ministry of transport and communication are connected in a local area network (LAN) or wide area network (WAN)</p> <p>3 points if back-up procedures are employed within the municipal urbanism sector or permitting authority from the municipality</p> <p>4 points if the municipality appoints a digitizer</p> <p>5 points if the municipality appoints a GIS database officer</p>	0
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<p>0 points if no comprehensive zoning and/or land use registry is employed by the municipality</p> <p>1 point if a municipality creates GIS database related to land use</p> <p>2 points if a municipality creates GIS database related to zoning</p> <p>3 points if a municipality has estimated a justified communal fee for construction</p> <p>4 points if a municipality organizes public hearing for getting citizen input on new zoning and land use plans</p> <p>5 points if a municipality establishes Urban and Spatial Planning Department</p>	0
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<p>0 points if no comprehensive urban planning mechanisms are employed</p> <p>1 point if a municipality completes a survey on the human and technical resources of the regional ministry of transport and communications</p> <p>2 points if a municipality prepares a list of all detail urban plans (DUPs) in force and provides a portion of them for digitization</p> <p>3 points if a municipality designs a plan for establishing municipal urbanism sector</p> <p>4 points if a municipality establishes local permitting advisory board (LPAB)</p> <p>5 points if the institutions related to local urbanism use methods for employee performance appraisal</p>	0
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<p>0 points if no e-Government coordination programs exist</p> <p>1 point for initiating an IT-based e-Government program</p> <p>2 points for publishing the information on e-Government web</p>	0
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<p>3 points for establishing two-way communication between governments and government/businesses/citizens</p> <p>4 points for establishing requests procedures on-line</p> <p>5 points for fully integrated e-Government interface</p>	
<p>0 points if the municipality is not transparent and has no feedback mechanisms to evaluate services</p> <p>1 point if the municipality has established a participatory planning process for land use plans, public service improvements, etc.</p> <p>2 points if the municipality publicizes how local revenues are spent on service improvements</p> <p>3 points if municipality institutes town meetings and neighborhood meetings to receive citizen feedback on services</p> <p>4 points if the municipality holds public hearings on a regular basis to provide information to citizens and solicit citizens' opinions and ideas</p> <p>5 points if the municipality publicizes how it funded service improvements according to citizen feedback</p>	2
<p>0 points if the municipality has no mechanism for informing the citizens</p> <p>1 point if the municipality has an appointed person responsible for informing the citizens</p> <p>2 points if the municipality has a CIC that provides services on-site</p> <p>3 points if the CIC collects, analyzes data, and adjusts CIC operations and services according to citizen input, including that from minority groups and women</p> <p>4 points if the CIC data is used by local officials to improve municipal services</p> <p>5 points if the CIC is able to provide assistance and services to citizens directly in outlying areas (for example, in neighborhood units)</p>	0
<p>0 points if the municipality has not taken any efforts to improve the permitting process</p> <p>1 point if any other steps are in place to streamline the permitting process</p> <p>2 points if municipal and regional ministry of transport and communications officials use the local government permitting software</p> <p>3 points if a municipality conducts a promotional campaign on establishing one-stop permitting center</p> <p>4 points if one-stop permitting center is established</p> <p>5 points if the one-stop permitting center or other entity provides regulatory consultation and assistance</p>	0

Score Justification		Supporting Documents	
<p>In a standardized format, the municipality uses budget by organizational units. Taking into consideration priorities, the municipality makes adjustments and changes to the budget during the year</p>		<p>1. Budget for 2004</p> <p>2. Program for capital investments 2004</p>	
		<p>1. Divisional balance</p>	
<p>There is no computer-based accounting system. Budget of the municipality has been planned by the Regional Ministry of Finance and they are doing it</p>			

without computer

without computer	



No provisions have been made for appointing citizen advisory boards, but at the Mayor's initiative for specific problems some citizen advisory boards have been formed, but without official provision by the municipal council

Following the legal provisions while developing the budget, the citizens are informed and consulted by the municipal officials. The consultations have been made through neighborhood units. The Mayor accepts petition from citizens concerning some infrastructural problems

There is only one computer in the municipality used by the Mayor's technical secretary	

<p>In accordance with legal provisions, the citizens are involved in the planning process for land use (i.e. adopting detailed urban plans). In collaboration with the USAID/LGRP, the municipality has issued a brochure of the Kratovo Municipality Profile including information on budget for 2003</p>	<p>1. Profile of the Municipality of Kratovo</p>