

**Make Decentralization Work Project
Macedonia Municipal Capacity Index (MMCI) (2004 – 2007)**

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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: 1. Budget Planning and Preparation 2. Human Resources Management 3. Organizational Structure and Operations 4. Billing and Tax Collection Management 5. Internal Audit and Control Function</p>	<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>
2.	Municipality improved budgeting practices, in compliance with the GoM standards	<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>
3.	Municipality improved capital investment planning and debt management	<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>
4.	Municipality has implemented an integrated financial management system that supports the	<p>0 points if the municipality has not adopted a computer-based accounting system 1 point for any computer-based accounting system functionality</p>

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	prescribed chart of accounts, allows for future integration of additional functions and helps streamline reporting	<p>2 points if MDW software is used where general ledger and budget systems are integrated</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>
Municipal Tax Administration Capacity		
5.	Municipality successfully incorporates a property tax office into its municipal finance department	<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>
6.	Municipality completes verification and validation of existing property register	<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>
7.	Municipality establishes revenue forecasting as a means of improving planning and managing resources	<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>
8.	Municipality improves tax billing, accounting, and enforcement	<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>

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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	<p>0 points if the municipality has no citizen advisory functions 1 point if the municipality has provisions for appointing citizen advisory boards or commissions focused on special projects 2 points if the municipality establishes standing citizen advisory functions 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 4 points if elected bodies or review authorities routinely solicit citizen advisory or other similar board opinions before final decisions 5 points if the municipality makes decisions on the basis of citizen input</p>
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	<p>0 points if the municipality has only informal procedures that comply with the law 1 point if the municipality has an appointed staff contact for facilitating citizen participation mechanisms 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 3 points if the municipality has some written procedures available to the public for facilitating provisions of the law 4 points if the municipality has detailed written procedures for requesting, planning, scheduling, and facilitating methods of citizen participation 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>
11.	Municipality conducts special public meetings, hearings, or other such events to actively inform and involve citizens in developing the municipal budget	<p>0 points if no special meetings, hearings, or other such events are held to inform and involve citizens in developing the budget 1 point if meetings or hearings are conducted, but involve only one-way communication 2 points if meetings or hearings are conducted and involve two-way communication 3 points if the municipal budget requires a section discussing citizen initiatives in order for final approval 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 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>
12.	Municipality has initiated or participated in public-private partnership to help generate local economic development	<p>0 points if no public-private economic development partnerships have been established 1 point if public-private development economic partnerships have been established 2 points if funding or in-kind services are made available by the municipality for public-private development partnerships 3 points if additional initiatives (e.g. joint marketing campaigns, tourism promotions, LED strategy) are instituted</p>

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		<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>
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	<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>
14.	Municipality uses IT systems to integrate, manage, and exchange information across departments and institutions related to local urbanism	<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>
15	Municipality has updated relevant records that clearly reflect present zoning and land use	<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>
16.	Municipality incorporates strategic regulatory management into urban and spatial planning and regulation to promote highest and best use of real property	<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>
Provision of More Accessible, Convenient, and Customer-Oriented Services		
17.	Information networks established to facilitate local	0 points if no e-Government coordination programs exist

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	and regional information sharing through e-Government Web interface	<ul style="list-style-type: none"> 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
18.	Municipality has established information and feedback mechanisms for evaluating the quality of public services	<ul style="list-style-type: none"> 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
19.	Municipality has a citizen information center (CIC) to provide comprehensive interface for information and feedback from citizens	<ul style="list-style-type: none"> 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)
20.	Municipality has improved the convenience of obtaining building permits by establishing a "one-stop permitting center" or otherwise streamlining or coordinating compliance requirements	<ul style="list-style-type: none"> 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