

**Make Decentralization Work  
Performance Monitoring Plan (2004 – 2007)**

MDW Objective	Key Performance Indicators	Unit of Measurement & Data Source	Baseline and targets				Indicator notes
			Baseline	2005	2006	2007	
<b>Activity 1: Macedonia's municipalities have the financial management and tax administration capacities to assume new competencies under decentralization (USAID IR 2.3.1, IR 2.3.4)</b>	1.1 Municipal staff is trained in improved financial management and tax administration that meet GoM standards.	1.1 Cumulative number of people trained, disaggregated by gender and ethnicity - DAI and ZELS training records	0	30	90	180	180 staff includes mayors and council members
	1.2 Municipal property tax departments established according to the law on local government finance.	1.2 Cumulative number - DAI project, municipal records	4	10	30	56	
	1.3 Municipal property tax base expanded.	1.3 Percentage of increase - Municipal property register records	Existing PRO	0%	2%	5%	
	1.4 Increased collection (rate and amount) of property taxes and communal fees.	1.4 Percentage of increase - Municipal records and monitoring visits.	45% (national level)	0%	5%	10%	
	1.5 Improved citizens' awareness of how municipal revenues are spent.	1.5 Percentage of increase - DAI/MDW citizens survey	20%	25%	30%	35%	20% baseline is based on population in 2004 "Decentralization in Macedonia" focus group survey

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	1.6 Municipalities that implement municipal management and financial management training modules according to minimum standards established by the GoM's decentralization program.	1.6 Cumulative number of municipalities - Municipal records and interviews prove implementation of and applied use of training topics in at least three out of five course topics in budget planning and preparation, human resource management, urban planning, billing and accounts management, and internal audit and control function.	0	10	30	56	
	1.7 Municipal staff is trained in improved human resource management.	1.7 Cumulative number of people trained, disaggregated by gender and ethnicity - DAI and ZELS training records	0	40	100	160	
	1.8 Municipalities implement improved human resource management procedures.	1.8 Cumulative number of municipalities - Municipal and communal enterprises records and interviews.	0	4	10	16	
	1.9 Municipalities consistently use integrated financial/municipal/tax administration IT system.	1.9 Cumulative number of municipalities - Monitoring visits and municipal records.	0	5	15	35	

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<b>Activity 2: Macedonia's municipalities incorporate citizen participation in the public decision-making process. (USAID IR 2.3.2, IR 2.3.4)</b>	2.1 Improved citizens' awareness of the importance of citizen involvement in the decision-making process.	2.1 Percentage of increase (disaggregated by gender and ethnicity) - DAI/MDW citizens survey/USAID MDVS	TBD	TBD	TBD	TBD	Before the percentage of increase can be estimated, a baseline is needed.
	2.2 Citizen information centers provide improved services to citizens.	2.2 Cumulative number of CICs - CIC customer satisfaction surveys.	0	17	22*	30*	* Achieving these targets will depend on the cooperation with EAR
	2.3 Municipalities with improved scores on citizens' perception of local government services	2.3 Cumulative number of municipalities - DAI/MDW citizens' survey	0	8	28	56	
	2.4 Municipalities conduct public hearings as part of the annual budget planning and development process.	2.4 Cumulative number of municipalities - DAI project team reporting and local media reports	0	0	10	30	Baseline first needs to be established
<b>Activity 3: Municipalities have increased urban planning capacity, facilitating improved zoning, customer service, economic activity and land tenure security. (USAID IR 2.3.1, IR 2.3.2, IR 2.3.4)</b>	3.1 Municipalities design new urban planning departments.	3.1 Cumulative number of municipalities - DAI/MDW project records	0	14	22	22	

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	3.2 Municipalities develop improved and contemporary designed detail urban plans (DUPs) in house, addressing "marginalized" communities and minorities.	3.2 Cumulative number of municipalities (disaggregated by those addressing "marginalized" communities and minorities) - DAI/MDW project records, monitoring visits	0	1	3	6	
	3.3 Municipalities with one-stop permitting centers (OSPC) established and functional.	3.3 Cumulative number of OSPCs - DAI/MDW project records, monitoring visits	9	14	22	22	
	3.4 Municipalities establish local permitting advisory boards (LPABs) that meet on regular basis.	3.4 Cumulative number of LPABs (membership disaggregated by gender and ethnicity)	9	14	22	22	
	3.5 Municipalities have improved permitting time.	3.5 Cumulative number of municipalities with decreased permitting time - DAI/MDW project records, municipal records	0	9	14	22	Reporting will include reduction of days in the permitting process.
<b>Activity 4: Municipalities are empowered to help generate local economic development. (USAID IR 2.3.1, IR 2.3.2, IR 2.3.4)</b>	4.1 Local economic development plans adopted by the municipal councils with citizen involvement.	4.1 Cumulative number of LED plans - Municipal records, municipal councils' decisions, DAI/MDW project records	13	9	18	27	
	4.2 Municipalities implement projects and/or activities defined in their LED Strategic Plans.	4.2 Cumulative number of municipalities - Municipal records, interviews, DAI/MDW project records	13	13	22	33	

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	4.3 Positions on improving LED developed by the LED network in cooperation with ZELS' committee.	4.3 Cumulative number of positions developed - ZELS records, DAI/MDW project records	0	3	5	10	
	4.4 Municipalities establish business improvement districts (BIDs)	4.4 Cumulative number of BIDs - DAI/MDW project records, monitoring visits	0	1	4	8	
	4.5 Municipalities appoint LED coordinators	4.5 Cumulative number of municipalities - DAI/MDW project records, municipal records	13	10	20	29	
<b>Activity 5: Municipal associations assure the continued implementation of decentralization, and prepare their members to assume new competencies. (USAID IR 2.3.3)</b>	5.1 Improved member satisfaction with associations' program and performance.	5.1 Percentage of increase - Member satisfaction survey conducted by associations	TBD	TBD	TBD	TBD	Baseline must first be established.
	5.2 Each association's policy committees develop positions and recommendations as part of policy plan implementation.	5.2 Cumulative number of positions and recommendations. - Associations' records	(2004) 9	15	24	36	
	5.3 Associations' comments incorporated in pieces of secondary legislation or regulations.	5.3 Cumulative number - Associations' records, DAI/MDW project records	0	7	12	25	

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	5.4 Associations deliver training modules/technical assistance services to their members.	5.4 Cumulative number of training modules/technical assistance services delivered to associations' members (disaggregated by area of expertise, gender and ethnicity) - DAI/MDW project records, ZELS records	0	5	13	27	
	5.5 Annual increase in percentage of gross revenues generated from dues of each associations' revenues and/or fees for services and miscellaneous income (donor support excluded).	5.5 Percentage of increase - Associations' records	0	5%	10%	15%	
	5.6 Annual percentage of associations' members paying their membership dues on timely basis.	5.6 Percentage of increase - Association records (data cover the calendar year – January – December)	(2000) ZELS 32% ADKOM 0	50%  40%	60%  60%	70%  80%	AFO baseline need to be established.
<b>Activity 6: Secondary legislation and regulations that are critical to the decentralization process are prepared, passed and implemented on time. (USADI IR 2.3.1.2)</b>	6.1 Ministry of Finance implements system to monitor local government finances.	6.1 No/Yes - DAI/MDW project /line ministry records	No	Yes	Yes	Yes	

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	6.2 Equalization formula issued	6.2 No/Yes - DAI/MDW project /line ministry records	No	Yes	Yes	Yes	
	6.3 Local government finance system is put on stable legislative basis allowing for predictability.	6.3 No/Yes (Inclusion in budget circular projections of allocations of: VAT, PIT, categorical grants for schools, categorical grants from other ministries) - Budget circular	No	No	Yes	Yes	
	6.4 Line ministries properly cost functions and allocate grants.	6.4 Cumulative number of ministries - DAI/MDW project /line ministry records	0	2	4	6	
<b>Activity 7: An improved regulatory environment for public communal enterprises leads to improved provision of municipal (USAID IR 2.3.1, IR 2.3.4)</b>	7.1 Policy working group positions adopted and submitted to the GoM.	7.1 Cumulative number of positions - Working group meetings' minutes, DAI/MDW project records	0	2	4	9	
	7.2 Policy working group positions incorporated in regulations on public communal enterprises reform.	6.5 Cumulative number of positions - DAI/MDW project /line ministry records, ZELS	0	0	2	4	