



THERE IS NO DEMOCRACY WITHOUT GOOD GOVERNANCE AND THERE IS NO GOOD GOVERNANCE WITHOUT ACCOUNTABILITY AND TRANSPARENCY

TRANSPARENT LOCAL GOVERNANCE: CURRENT SITUATION, RECOMMENDATIONS AND CHALLENGES

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INTRODUCTION

The NGO Info-centre, in partnership with the Centre for Civil Communications from Skopje and the Educational and Humanitarian Organisation EHO from Štip, started the implementation of USAID's Transparent Governance Project in 2009, led by the idea that there can be no democracy without good governance and that there can be no good governance without transparency and accountability. With the introduction of instruments designed to ensure a more transparent and accountable work of municipal administrations, through encouragement of citizens to take greater participation in decision-making processes on local level, and through exchange of good practices among municipalities, the project focused on increased trust and cooperation between the citizens, the business community, the nongovernmental organisations (NGOs) and local administrations.

The project is based on the fact that, in spite of decentralisation processes that have been ongoing for the past several years, the citizens remain unsatisfied with the manner in which the local administrations organize the life and work on local level, but also from the extent and the manner in which the local communities participate in local decision-making and policy-creation processes. The following problems were identified as the main contributors to that situation: Insufficient transparency, responsibility and accountability of municipal administrations, as well as inadequate and inefficient manner in which municipal administrations address and approach the problems, expectations and demands of the citizens.

From September 2009 through the end of 2012, the NGO Info-centre and its partner organisations continually worked with 13 municipalities in Macedonia (Strumica, Štip, Vinica, Sveti Nikole, Gazi Baba, Petrovec, Čučer-Sandevo, Aračinovo, Debar, Tetovo, Ohrid, Kičevo and Kumanovo). The municipalities involved in the project were selected on basis of two main criteria: the relative size of their population and the level of development. In order to satisfy one of the key components of the project - the exchange of best practices, great care was taken to select local communities of different sizes, population-wise, and at different levels of development.

The cooperation with the municipalities included implementation of numerous activities, the introduction of many instruments and adaptations of existing practices, with one common goal – to increase the transparency and limit the space and opportunities for abuse of office and, of course, corruption. Under the auspices of the project, at the start of the work in every individual municipality, a survey of existing practices was conducted, related to the transparency, responsibility, accountability and openness of the given municipality. The surveys collected the opinions of the citizens, the business communities, NGOs and the municipal administrations. The findings of the surveys were presented in public debates in each of the municipalities covered by the project, which discussed the measures, instruments and future steps that need to be taken to overcome the noted weaknesses. Concrete sets of recommendations for improved work and operations of local self-governments and administrations were prepared for each individual municipality. The working groups in all municipalities were composed of representatives of the local administrations and worked with great dedication to implement the proposed and recommended actions.

During the longest, pilot-stage of the project (September 2009 - December 2010), which covered four municipalities in Eastern Macedonia: Strumica, Štip, Vinica and Sveti Nikole, civil centres for advancement of local self-government were created, tasked with the monitoring of municipal administrations' work and operations and collection of proposals, complaints and suggestions related to the work of the local administrations submitted by the citizens. Topical workshops were organized on several burning issues (for example, the citizens' participation in the process of adoption of municipal budgets), in which the representatives of local administrations exchanged experiences and positive practices with the aim to address the existing problems and challenges.

The second stage of the project, the so-called stage of multiplication of benefits (January-December 2011), covered four municipalities in Skopje Region: Gazi Baba, Petrovec, Čučer-Sandevo and Aračinovo, and the last, third stage of exchange of experiences (January 2012-February 2013), included five more municipalities from different parts of Macedonia: Kumanovo, Tetovo, Kičevo, Debar and Ohrid.

The experiences differ from one municipality to the next. Although the problems detected in all municipalities have the same or similar causes, there are no two municipalities with identical manifestation of those problems or identical solutions for them. Therefore, the specific characteristics of each individual municipality were taken into account, both in terms of analysis of the problems and in the identification of proposed measures to overcome them. Finally, in each of the municipalities included in the project, we managed to set the directions and foundations to ensure a more transparent, responsible and accountable work and activities of the local administrations.

The decentralisation processes in the country have entered the crucial stage. The municipal administrations are no longer required only to organize the life and work on the local level, but to do it in a certain way and in accordance with the demands and the needs of the local population. The promises, accepted obligations and the spoken public word seem to carry more weight on local than on national level. The civil servants in the municipal administrations, but also the mayors and members of municipal councils meet with the people they serve on daily basis. That greatly contributes to the growing obligation for responsible and accountable work. That may be the reason for the old aphorism that applies to the local level of government – an election campaign starts on the day after Elections and lasts until the day before elections.

The surveys, recommendations and other materials prepared for this project are available to all other municipalities that want to improve their work and operations, especially in the area of transparency, responsibility and accountability of local administrations, as well as the inclusion of the local communities in decision-making and policy-creation processes on local level.

This publication lists the results and findings of the final survey conducted to measure the progress achieved by the municipal administrations, as well as instructions and directions for further improvement of transparency and accountability of local self-governments.

The survey was conducted on a sample of 1000 citizens, 145 local companies and 75 NGOs from the municipalities of Strumica, Štip, Vinica, Sveti Nikole, Gazi Baba, Petrovec, Čučer-Sandevo and Aračinovo (this survey didn't cover the municipalities of Debar,

Tetovo, Ohrid, Kičevo and Kumanovo which were included in the last stage of the project and was, therefore, deemed too early to measure the effects of the implementation of recommended practices). The survey was conducted between September 25 and October 15, 2012, on the basis of structured questionnaires specially prepared for each individual group of polled subjects.

In addition to the findings of the last survey, this publication also notes, on occasion, the findings of previous surveys with the aim to illustrate the progress that the municipalities have achieved over the past three years.

EXECUTIVE SUMMARY

The survey noted improved situations, albeit at different levels of progress, in all aspects of the work of municipal administrations covered by this survey:

- The Participation of the local communities in decision-making processes;
- The extent to which citizens are informed and the accountability of municipal administration;
- The proactive approach of municipal administration towards the local community; and
- The Professional conduct of the municipal administration.

The greatest improvements were noted in the area of participation of citizens in decision-making processes, followed by improvements in the area of proactive approach by municipalities to local communities, and the level of information of citizens and accountability of local administrations. The smallest progress was noted in the area of adherence to professional standards in the conduct of municipal administrations. That is due primarily to the fact that, unlike the other aspects taken into account, the professional standards and conduct of municipal administrations can't be improved simply through recommendations and concrete measures. Rather, it is a result of long-term change in ways the local authorities think and work.

The citizens and businesspeople, in general, are less satisfied with the work of municipal administrations than the representatives of nongovernmental organisations, which expressed much greater level of satisfaction in all areas covered by the project. This is due, above all, to the closer, more intensive and direct cooperation between NGOs and municipal administrations.

Individually, the largest improvements were noted in the responses of the representatives of the business communities and NGOs, while individual citizens reported smaller improvements. Most probably, some time needs to pass for the integrated instruments and implemented changes in the operations of municipalities to produce effects that will be felt by the general population.

The biggest challenges remain in the area of accountability of administration, equal treatment of all citizens, conflicts of interests and, in general, the professional standards and conduct of municipal administrations.

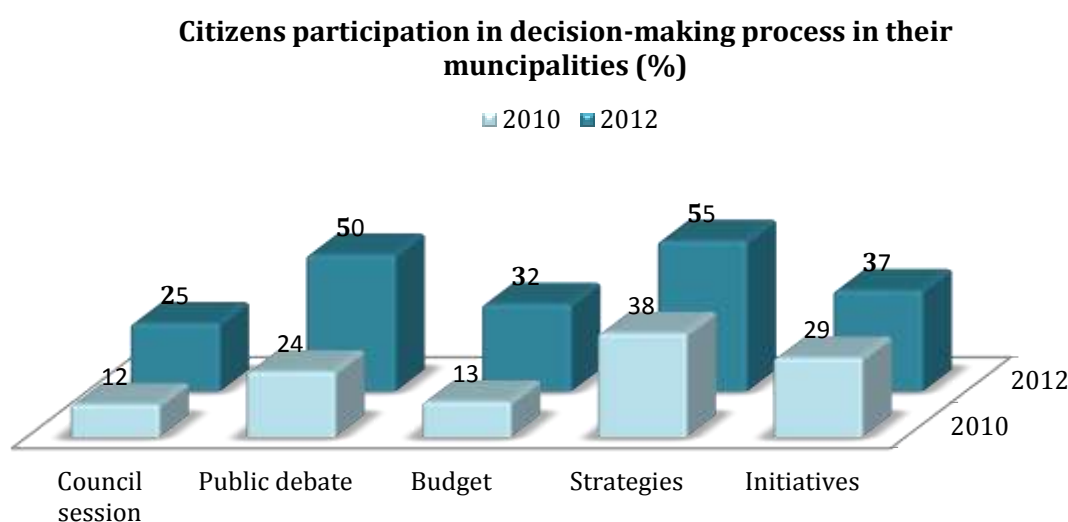
INDIVIDUAL ASPECTS OF GOOD LOCAL GOVERNANCE

Participation of local communities in decision-making processes

The right to participate in decision making processes at municipal level is one of the basic rights of the citizens. Regardless of the fact that the Law on Local Self-Government provides for a wide spectrum of forms of civic participation, that right of the citizens - it is, at the same time, an obligation for the municipalities - is considered one of the ways of exercising local democracy even if it is not specifically mentioned in the legislation. It

follows that a municipality that works in accordance to the principles of good governance works on its own to identify and use different approaches and forms that would ensure the citizens' participation in decision-making processes on local level. The importance of this right is due to the fact that the decisions of the local self-governments largely define and determine the life and work of the citizens.

Although a comparison with the situation of several years ago, especially in the area of decentralisation, indicates significant progress, the greater participation of citizens in decision-making processes on municipal level still remains a need and challenge for the future.



The survey shows a growing participation of citizens in public debates, whether organized by the municipal administration or some other organisation or institution, on topics and issues that fall within the scope of competences of the municipal administrations. One half (50%) of the polled citizens responded that they have participated in a public debate, which is almost a double the figure of three years ago, when 24% of the polled citizens participated in public debates. The improvements in this area are due mainly to the special efforts made by the municipalities to involve the citizens in the process of preparation of important documents, most commonly related to the realisation of major, long-term projects. We should note here that the citizens interpret the term "participation in a public debate" much wider and hold the position that they participated in a public debate even it may not have been organized by the municipal administration, if it refers to an issue of local interest that falls within the scope of competences of the municipal administration. Anyway, it seems that this form of civic participation functions and citizens demonstrate great interest to take part in such public debates.

The participation of citizens in the sessions of municipal councils remains low, regardless of which issues are debated in the sessions. Although the number of citizens who said they sat in a session of their municipal council doubled from 12% in 2010 to 25% in 2012, the numbers are far from satisfying. The municipalities comment that the low participation of citizens in the sessions of municipal councils were due to the lack of

interest on the behalf of citizens and the insufficient sitting space in the rooms in which council sessions are held. On the other hand, from practical point of view, it seems that the problem lies with the manner in which municipalities inform and invite the citizens and other stake-holders to participate in the meetings of the municipal councils. The whole invitation process is reduced to a general public call, an information posted on the internet website, or a statement for the media given by the mayor. Therefore, a change of the manner in which the citizens are invited to participate in the sessions of municipal councils and introduction of new communication tools and means has had significant positive effect in terms of increased presence of citizens in council sessions. Among the tools that, when applied, yielded results were: Change in the way the calls for participation were written and composed (listing the exact topics of discussion, why and how it relates to the citizens of the groups that are invited instead of just a general call to participate in a session); change of locations in which the public announcements with calls for participation are posted (instead only on the municipal building, the announcements are posted on other important buildings and locations with greater frequency of people).

As far as civic participation is concerned, the greatest increase was noted in the processes of preparation and adoption of municipal budgets. If just 13% of the citizens, businesspeople and NGOs said they participated in the creation of the municipal budget three years ago, today the figure has grown to 32%, which is one and a half times more. The most common practice used by the municipalities is to inform the citizens about the next year's budget too late, just several weeks before the actual vote for its adoption, when it is already defined and there is little room for change. Nonetheless, some municipalities, adopting the good practices developed by other municipalities, introduced new procedures for preparation and drafting of budgets that allow for greater participation of the citizens. Under that procedure, the drafting of next year's budget starts in the middle of the current year. In the local rural and urban communities, meetings with the citizens are organized to detect and note their wishes and needs, and then the citizens submit to the municipality a final decision which problems they see as priorities, which is ultimately included in the Budget. Also, the administration follows, over the whole year, the needs and wishes of the citizens expressed in another way or manner (in the media, through submitted initiatives and letters written to the municipality, etc.). Those procedures are sometimes regulated in a special by-law or act, while in some municipalities they are implemented although they may not be regulated in a specific document or regulation. In any case, wherever they are applied, they yield excellent results.

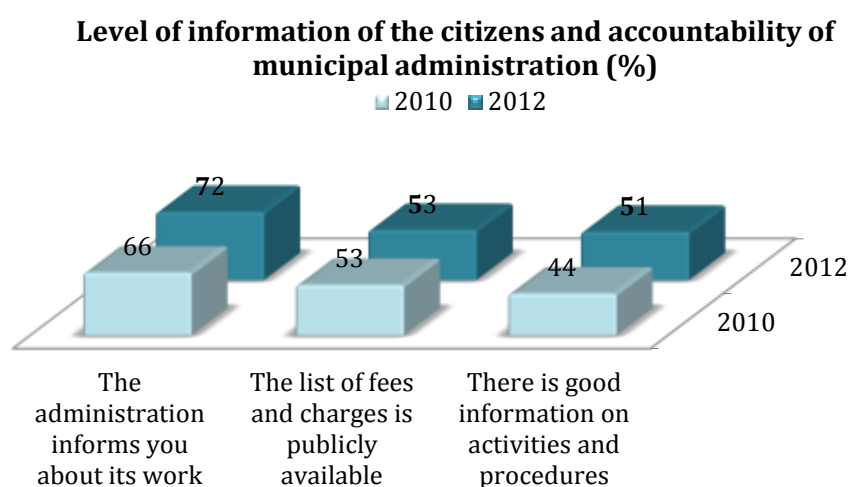
Just as three years ago, today again the citizens believe that they are well informed about the important strategies and plans adopted by the municipality. While in 2010 38% of the polled citizens said they were consulted by the municipal administration on the adoption of some strategic documents and plans, in 2012 the number grew to 55%. Having in mind the fact that such documents are adopted only occasionally, (once in a number of years), it is both increasingly important, but also easier, to ensure civic participation in the process of their adoption. In such situations, the citizens' participation is usually reduced to informing them about the plans and asking from them to give their approval in principle. These typically include projects such as gasification, development of new public spaces, new car parking zones, etc.

Certain progress was noted in the area of civic initiatives for participation in the work or decision-making processes in the municipality, independent of the efforts of municipal administrations to ensure greater civic participation. Of the polled citizens, 37% said they have, on their own or in cooperation with other citizens, submitted an initiative to resolve some problem or outstanding issue in their municipality. Here, again, a certain progress was made over the past several years, although the number of citizens that filed an initiative to their respective municipal administration remains low compared to the other criteria for measurement of civic participation. Although this refers to initiatives that come from the citizens, the behaviour and attitude of the administration itself is of key importance - to what extent it is open for such initiatives, does it encourage and stimulate the citizens to file such initiatives, does it collect citizens' initiatives in other form rather than as an official initiative (letters from the citizens, proposals, complaints, praises, etc.)? It is in that very context that several municipalities have introduced instruments for continuous and systematic collection, analysis and processing of initiatives coming from the citizens and other stake-holders and interest groups, such as NGOs, the business communities, etc. In some municipalities, the calls and proposals received from the citizens are recorded in various ways and initiatives are extracted, while in some municipalities the same is done in an informal, yet effective manner.

Level of information of the citizens and accountability of municipal administrations

The right of the citizens to be properly informed about the work of the municipal administration and the services it provides is protected by the Law on Local Self-Government.

Regarding the extent to which the citizens believe they are adequately informed about the work and operations of municipal administrations, the services they provide and their results, there is also a notable improvement over the situation three years ago. The progress achieved in this area is smaller because of the relatively high starting point three years ago. Full 72% of the citizens said that their municipal administration informs them about its work and operations, whether in a printed report, on an internet website, or in another way.



One important criteria for measurement of level of information of citizens is the ways in which they receive information they need to get access to services, in terms of the documents they have to collect and present to the municipality to get services, the fees charged for the services, the deadlines for delivery of services, and the contact information of competent officials. It is important that the number of citizens that get the information in a way other than in direct conversation with civil servants in municipal administration has grown. Although municipal clerks and officials consider it positive that they give the information orally, believing that by that they demonstrate their dedication and courtesy, they do admit it is time-consuming and prevents them from dedicating fully to their other daily tasks and obligations. The problem goes both ways, if we know that the citizens tend to trust more the information they get in direct conversation with the public officials than the information posted on the municipal announcement board or other location. On the other hand, they don't always manage to remember what they were told in the conversation and then lose precious time in the process since they have to return to the municipal offices several times until they get the needed service or information. One of the noted good practices is to display a list of services, with related fees and charges, deadlines for delivery and contact information of competent officials in a public and easily accessible place, in large and easy to read print. To increase the awareness of citizens about the existence of such public lists of services, they not only need to be created and posted accordingly, but the civil servants should direct the citizens towards those lists. Therefore, we have the coinciding percentages of citizens who said that they knew their municipality has publicly posted information on the services it provides (53%) and those who said they don't seek information from the civil servants (51%) but find the information on municipal announcement boards or internet websites.

In that context, it is worth noting that businesspeople and NGO representatives tend to get informed about the work and operations of municipal administrations from their respective websites (full 58%), unlike the citizens (26%) who mostly use the print reports (28%) and other forms of presentation of information (20%). Therefore, municipalities should aim to make the information, especially the information on the results of their work and accountability, accessible to the citizens and other target groups in different ways that will take into account the priorities and the needs of the citizens. The experiences gathered by this project demonstrate that only in that way they would reach the greater number of citizens, not only in terms of absolute numbers, but also in terms of the place they live in (urban or rural parts of the given municipality) and other characteristics. Of great importance is the preparation and implementation of long-term public communications strategies in several municipalities included in this project (Štip, Strumica, Vinica), which provide the foundations for regular, systemic and two-way communication with the local communities.

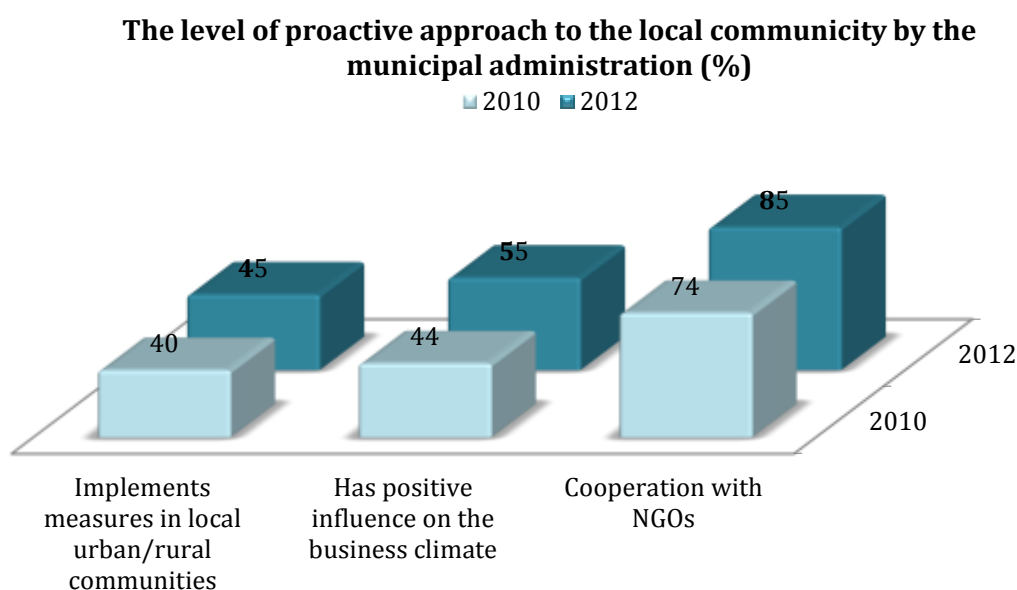
Proactive approach of municipal administration towards the local community

There is a lot of space for proactive work by municipal administrations to improve the conditions of the local communities, for example, urban and rural communities, the local economic development, etc.

The extent to which a municipality takes a proactive approach towards its local community is one of the areas of operation of municipal administrations that are most

difficult to measure. At the same time, this is an area on which the opinions held by the municipalities on one hand and the citizens, businesspeople and NGOs on the other, differ greatly.

The situation on the ground indicates that the smaller the groups with which a municipality works, the greater is the satisfaction and the better are the results of that cooperation. The representatives of nongovernmental organisations are the group most satisfied with the cooperation with the municipal administrations, while the citizens are the least satisfied group as the results of municipal work and operations are the slowest to reach them and the scope and amount of information are the smallest. The businesspeople hold similar positions to the citizens.



45% of the citizens believe that their municipality implements measures to increase the activities of the urban and rural communities, while more than a half of all polled citizens (55%) said they are not satisfied with the measures implemented by their respective municipality in that area.

Among the businesspeople, on the other hand, more than a half (55%) believe that the measures and activities implemented by their respective municipality have positive effect on the local business climate, which is a significant increase compared to the findings three years ago.

It seems that the municipalities do pay great attention to the collaboration with the local NGOs, 85% of which said that they cooperate with their municipality in one way or another – a situation that has consistently improved throughout the years.

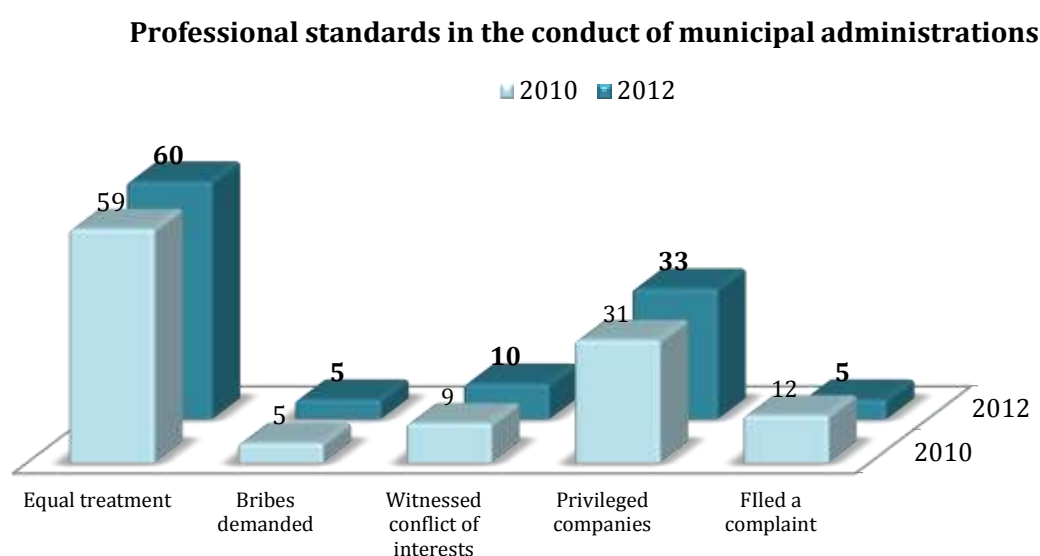
Professional conduct of the municipal administration

The obligations for transparent, accountable, responsible and prudent work and operations are regulated in several laws and ethical codes. The professional conduct of the municipal administration remains, just as three years ago, one of the most sensitive areas of local governance. This is the area in which the citizens, businesspeople and NGOs have all been most critical of the work of the municipal administrations. Having in

mind the fact that the “professional standards applied by the administration” is a rather general phrase, they were measured using several different criteria which, on the other hand, are not listed as definite obligations but rather arise from the general perceptions of what consists a professional, responsible and accountable work. Measured and understood in that way, the professional conduct of local administration is primarily a product of the daily dedication, good and honest work, rather than adherence to concrete legal provisions. That is the main reason why even the smaller progress in that area is much more significant than the greater progress achieved in other areas of observation. That progress is in the core of the total satisfaction of the local community regarding the work done by the local administration.

Full 60% of the polled subjects believe that their respective municipality treats all citizens equally, while the remaining 40% express some dissatisfaction related, in most cases, to negative personal experiences resulting from bad treatment by an official of the municipal administration, of from the different ethnic background or political affiliation than those dominant in the municipality or among those who hold the power on the local level. Anyway, that should motivate all municipalities to take concrete steps and activities to improve the feeling of the citizens that they all get equal treatment.

A small number of citizens and business people said that they were asked for bribes by a municipal official (5%) or that they witnessed undisclosed conflict of interest (10%), while just about a third of the businesspeople (33%) believe that the municipality reserves preferential treatment for some companies.



The number of citizens who have filed complaints over unprofessional conduct by an employee of the municipal administration dropped to 5% from 12% three years ago. While it could indicate a more professional conduct by the employees of municipal administrations, it could also indicate a falling interest among the citizens to file such complaints. The 5% figure for polled citizens who filed some kind of complaint is significantly lower than the number of citizens who expressed general dissatisfaction. Therefore, the municipalities should implement measures and introduce a series of instruments designed to increase the professional conduct and integrity, and reduce

corruption and abuses of office. Such measures would certainly include an open phone-line for citizens to report corruption, installation of complaint boxes, preparation of forms and questionnaires to measure the citizens' satisfaction, encouragement of employees to report cases of conflict of interests and other measures.

RECOMMENDATIONS TO THE MUNICIPALITIES TO IMPLEMENT INSTRUMENTS AND MEASURES TO ENSURE MORE TRANSPARENT, RESPONSIBLE AND ACCOUNTABLE LOCAL GOVERNANCE

- Apply different communication tools and advanced techniques to encourage the citizens to take greater participation in public debates and to sit in the sessions of municipal councils.
- Prepare and implement proper procedures for public consultations in the drafting and adoption of municipal budgets and other strategic documents.
- The municipal website should place emphasis on information and dissipation of information about the services provided by the municipal administration.
- Prepare and implement proper procedures for submission of complaints, ideas, suggestions and proposals by the citizens and their processing by municipal administrations.
- Register the calls made over the phone and all other contacts of the citizens and the municipality in a proper book of registry in order to analyze the causes of noted and reported problems.
- Post the Law on Local Self-Government, the Law on Prevention of Corruption, the Law on Prevention of Conflicts of Interests, the Code of Ethics for Civil Servants and the Code of Ethics for Local Officials on the official municipal website.
- The following documents should be posted on the municipal website and displayed on a prominent location in the municipal administration building: The Law on Free Access to Information of Public Character, the list of information held by the municipal administration, contact information, the manner and procedure for submission of a request to access information and the proper form for requests to access information.
- Establish a body that will monitor the adherence to the ethical codes of conduct.
- Forms for filing complaints and reporting of corruption should be posted on the municipal internet websites and in prominent and easily accessible locations in the municipal administration building.
- Introduce and promote a special phone-line for citizens to report corruption and unprofessional and unethical conduct of the municipal administration, with proper procedure for action on the filed reports and charges of corruption and unprofessional conduct.
- Analyze all questions, complaints filed by the citizens and all other forms of contact between the citizens and the municipality, in order to determine the most common problems reported by the citizens and the underlying causes of those problems.
- Prepare, adopt and implement plans for training and professional advancement of municipal civil servants. The training plans should provide for continuing training and education of members of municipal staff and their career advancement and promotion based on the results of their work.
- Introduce and implement the "one-stop-shop" system.

- Encourage the employees of the municipal administrations to report possible conflicts of interests in order to avoid and successfully manage such cases of conflicts of interests.
- Prepare a list of all discretionary powers held by the mayors and record the use of those powers, with detailed description of the reasons for the decision to use such discretionary powers.
- A list of all services provided by the municipal administration, complete with a list of necessary documents and forms that need to be presented, the deadlines for delivery of services, the fees charged and contact information of competent municipal employees have to be posted at the main entrance of the municipal administration building and on the municipal internet website.
- Establish and set-up a special office or department of services.
- Prepare a proper communication strategy and the corresponding annual communication plans (which shall dedicate a special chapter to internal communication within the municipal administration).
- The municipalities should provide training in communication skills for the heads of departments and offices.
- The municipalities should appoint a public relations officer.
- The municipal budget for the ongoing year and the balance sheet for the previous year should be posted on the municipal internet website.
- The municipalities should use various forms and approaches to inform the public about the results of their work and operations, paying special care to ensure that it will reach all target groups.
- The municipalities should publish, on their internet websites, the annual public procurement plans, the public procurement calls and tenders and all concluded and signed public procurement contracts.
- Prepare and implement a plan for promotion of active participation of citizens in the work of urban and rural local communities.
- Set-up a special department or office or appoint a civil servant charged with the task to promote and advance local community self-government.
- The municipalities should continually survey and monitor the needs of the local business community and implement measures for creation of conditions conducive to business activities.

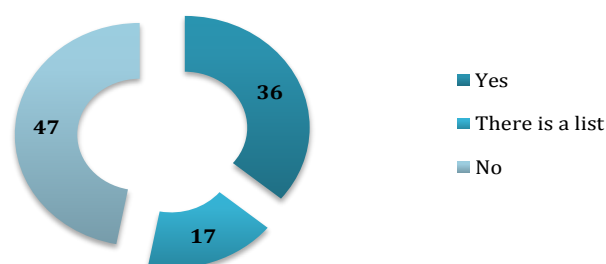
DETAILED FINDINGS OF THE SURVEY OF EXISTING PRACTICES IN THE MUNICIPALITIES

Following are the detailed findings of the survey of opinions held by citizens, the business communities and nongovernmental organisations. In addition to the data collected in the last conducted public opinion survey, a comparison was made with the findings of previous surveys. In those cases where the citizens, the businesspeople and the NGOs were asked the same questions, a comparison of their responses is also provided.

Publicly Displayed List of Services

The public availability of a list of services provided by the municipality, the fees charged for the services, documents that need to be presented, the deadlines in which the municipal administration has to respond to the filed requests and contact information of competent officials is considered a good practice.

Does the municipality have displayed, in a publicly accessible place, a list of services it offers with fees charged for those services?

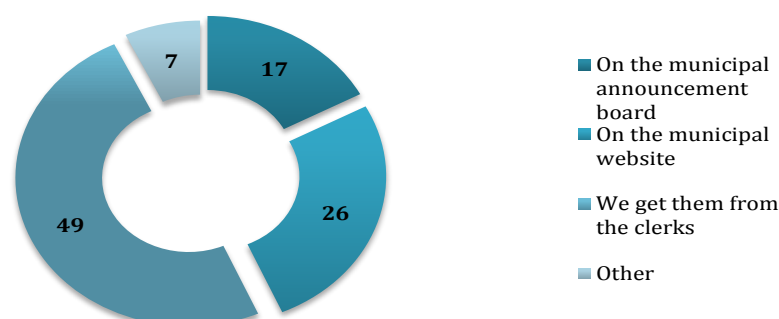


Just 36% of the polled citizens said they knew that their municipality had a publicly posted list with all services provided by the administration, with prices for each of the services, while 17% percent believe that there is such a list of services in their municipality, but without a list of charges and fees. On the other hand, 47% of the citizens have not seen such a list available in their municipality.

Information on procedures and necessary documents that need to be submitted to request services

In line with the figures mentioned in the previous paragraph, 49% of the polled citizens said that they get the information on the proper procedure and the documents they need to present to apply for the given service orally, in direct conversation with municipal employees. Almost 26% of the polled citizens get that information from the website of their respective municipality, 18% from the municipal announcement board, and 7% said that they got the information in another way.

How do you get the information on the proper procedure and documents you need to present to apply for services provided by the municipality?



It can be concluded, from the answers to the previous two questions, that the figures for the citizens who said that there was no publicly posted list of services in their municipality (47%) and those who get the information on the services orally (49%) are very similar.

The oral information, both the municipal administrations and the citizens agree, is at best questionable as a practice.

Just 26% of the citizens find the necessary information on the internet, which leads to the conclusion that the publication of information on services provided by the municipalities solely on the municipal website is not enough, since the number of people who use the web for that purpose remains rather low.

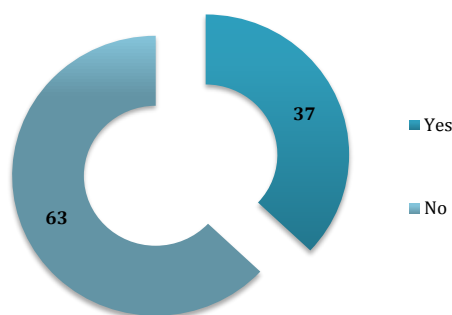
As far as businesspeople are concerned, they are more likely than the citizens to seek such information on the municipal websites (34%), and they rely less on getting the information orally, in direct conversation with municipal clerks (45%). It means that different target groups have different preferences regarding the way in which the municipality should provide them the necessary information, and that the municipality should impart the necessary information through several different communication channels simultaneously.

Proposing an Initiative

More than a third of the polled citizens (37%) have, acting on their own or in cooperation with other citizens, proposed initiatives to resolve some problem in their municipality. That reflects the proactive approach of the citizens towards the municipality, which doesn't depend exclusively on their will, but also on the openness of the municipality for such initiatives, and on the instruments the municipality has in place to stimulate the citizens to propose initiatives and then to resolve the identified problems.

The percentage of polled businesspeople that have proposed some initiative is somewhat lower, at 29%. On the other hand, the figure for nongovernmental organisations, at 53%, is much higher.

Have you, on your own or in cooperation with other citizens, proposed initiatives to resolve some problem in your municipality?



The municipalities have accepted 44% of the proposed initiatives, which works in favour of the aim to promote the proactive attitudes in the community, and it can give encouragement to the citizens since it indicates that about one half of all initiatives are accepted by the municipal administrations.

Although the business-communities and NGOs propose fewer initiatives, in absolute numbers, their initiatives are far more likely to be accepted, at 80 and 74 percent, respectively.

In the surveys conducted before the start of project activities, the percentage of citizens who proposed some sort of an initiative was at 26%, which means that there was an increase of 11 percentage points in 2012. The increase of the number of accepted initiatives, from 18% several years ago to 44% in the last survey, is a source of great encouragement.

Nevertheless, the municipalities have to make greater effort to encourage and stimulate their citizens to make and propose initiatives.

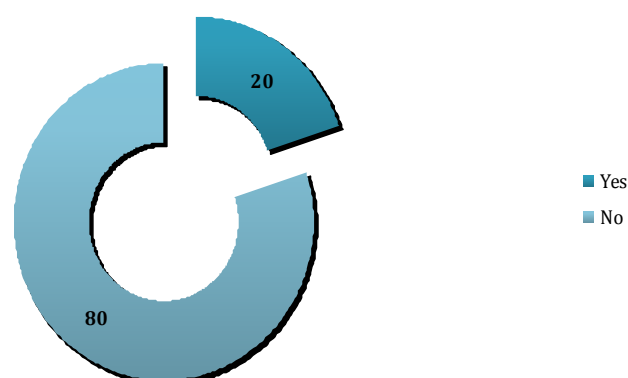
Participation in Sessions of Municipal Councils

According to the Law on Local Self-Government, the sessions of municipal councils are open to the public, unless the public is excluded for a number of limited justified reasons. Therefore, any municipality that works in accordance with principles of good governance needs to inform and invite the citizens - and all other stake-holders with interest in the issue that is to be discussed - to be present in the sessions of the municipal councils. Also, the informing of the citizens about council sessions has to be done in an open, clear and efficient way, adapted to the needs of each individual group that is invited to sit in a session of the municipal council. When securing the presence of representatives of the local community in council debates and in decision-making processes, a municipality ensures that its decisions will accommodate the views and the needs of the community and avoids future problems that would certainly appear in the implementation of decisions that go against the interests of the citizens.

Although this and past surveys show that the presence of citizens and other groups in sessions of municipal councils remains low, the situation is twice as good compared to the previous survey.

Just 20% of the citizens said they have sat in a council session, compared to 8% three years ago.

Have you sat in a session of the Municipal Council in 2012?



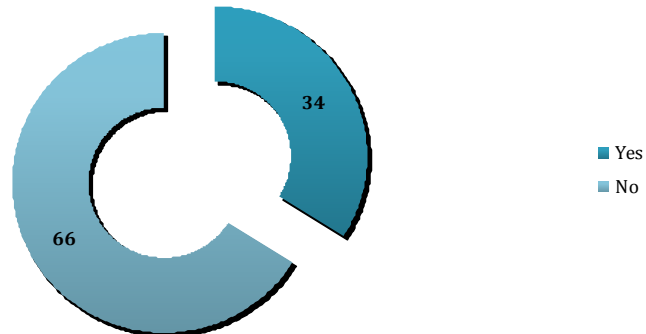
Of the polled businesspeople, 15% said that they have sat in a council session. Most active in that area were the nongovernmental organisations, 37% of which have had their representative sit in municipal council meetings.

Participation in Public Debates

Compared to the issue of participation in municipal council sessions, much larger numbers of citizens, businesspeople and NGOs have participated in a public debate on matters of their interest. It should be noted that the citizens view any public debate on a matter in which they have interest to be falling within the scope of this question, whether organized by the municipal administration or some other organisation or institution, which is reflected in the number of polled subjects who gave positive answer to the question. More than a third of polled citizens (34%) have participated in a public debate, which is an increase of 13 percentage points compared to the findings of the previous survey.

As far as businesspeople and nongovernmental organisations are concerned, the situation is quite similar to the previous questions of the poll. The businesspeople participated less (15%) and nongovernmental organisations participated more (81%) in public debates. However, increased participation in public debates was registered with both groups.

Have you participated in a public debate organised by the municipality?



The number of citizens who said that they haven't participated in public debates (66%) is almost equal to the number of citizens who said that the municipality has not invited them to take part in public debates (62%).

It means that municipal administrations should invest greater effort to inform the citizens and other interested groups and stakeholders about the topics to be discussed, the time and the location of the public debates.

Does your municipality invite you to take part in public debates?



The fact that 34% of the polled citizens said they have participated in public debates, while only a fraction more of them (38%) said that they were invited by the municipal administration to take part in public debates, indicates that the majority of those invited (88%) did participate in the public debates for which they were invited.

The municipalities that organize regular public debates, with significant participation by the citizens and other interested groups and stakeholders, repeat that they are positively surprised by the success of those debates, the constructive proposals made by the citizens and, in general, the positive attitude of the citizens towards that instrument.

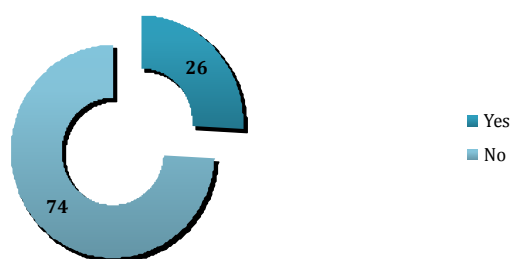
Participation in Preparation of Municipal Budgets

The participation of citizens in the process of drafting and adoption of municipal budgets is one of the basic forms of civic participation in decision-making processes on local level. Although some municipalities start the process of drafting of next year's budget, with participation of the citizens, in the middle of the year, still, majority of municipalities remember that the participation of citizens is obligatory only after they have completed the draft-Budget and submitted it for formal public debate.

The last survey shows that 26% of the citizens said that the municipal administrations included them in the process of preparation of the municipal budgets. 27% of the businesspeople said they knew the procedure of preparation of budgets, while nongovernmental organisations reported the greatest participation in budget preparation processes with 53%.

A comparison with the previous survey shows that the numbers of polled subjects who said that they were involved in the creation of the municipal budget has more than doubled.

Does the municipality involve you in the creation of the municipal budget?



We should not forget here the recommendation to the municipalities that, apart from the popular "Community Forums" which, indisputably, have had positive effects, there are other forms, processes and procedures designed to ensure real, constructive and timely participation of citizens in making of decisions how and on what the money will be spend on the local level.

Meetings with the Mayor

The citizens and businesspeople were asked if they had an opportunity to talk to the mayor of their municipality face-to-face to inform him or her about the problems they face or make proposals to resolve some problem or other matter of interest to the local

community. Here, as in the case of most other questions, the citizens and businesspeople gave almost identical answers.

23% of the citizens and 25% of businesspeople said they had regular opportunity to present their problems or make proposals to the mayor. On the other hand, 34% of the citizens (37% of the businesspeople) said they were able to do that occasionally. 43% of the citizens and 38% of the businesspeople never had an opportunity to discuss their problems in a face-to-face meeting with the mayor of their municipality. Compared to the situation several years ago, that is a significant improvement. The corresponding figures for citizens and businesspeople who had no chance to present their problems or proposals to the mayor in 2010 stood at 53 and 41 percent, respectively.

Did you have the chance to present your problems or proposals to the mayor in a face-to-face meeting?

The results of the public opinion polls don't support the opinion that the mayors of smaller municipalities have more opportunity to meet with the citizens and businesspeople, while for mayors of bigger municipalities, it is almost impossible to meet with a significant number of people to discuss their problems. This survey shows that, even in the bigger, more populous municipalities, the mayors find different ways to meet with the citizens.

Therefore, in practical terms, the dedication of the mayor and his or her openness and willingness to hear the problems of the citizens is much more important than the actual size and population of the municipality. Although every municipality has one so-called open-door day in the week reserved for mayor's meetings with the citizens, the several hours per week don't seem sufficient to satisfy the needs of the citizens. Some municipalities often omit that day, in others it is reduced to a mere formality (the mayor would listen to the citizens without taking any action), and in yet another group of municipalities those open-door days are used by the same circle of citizens who come usually to demand from the mayor to employ their relatives.

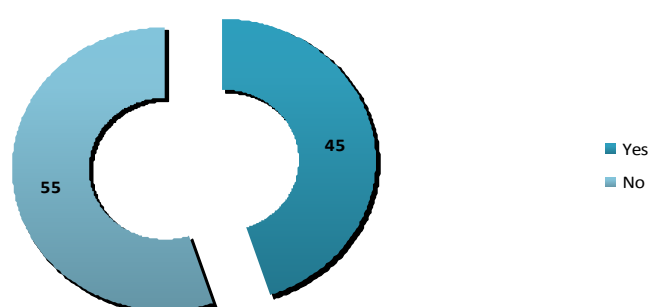
In view of that, the mayors should make effort to implement diverse approaches that would allow them to learn about and solve the problems of the citizens and other interest groups (businesspeople, nongovernmental organisations, pensioners, presidents of local urban and rural communities, the unemployed, etc.). There are many useful examples: regular (annual, semi-annual, or more frequent) meetings with certain groups of citizens, regular visits to settlements and neighbourhoods in their municipalities, questions and answers sessions with the citizens in a public appearance (on radio or television), keeping records of all calls to the municipality, etc.

Treatment of Local Urban and Rural Communities by Municipal Administrations

Although the Law on Local Self-Government allocates a series of competences with the local urban (neighbourhoods) and rural communities as fundamental organizing cells for citizens at the local level, and also lists obligations for municipal administrations to further regulate their work and operations in greater detail, in practice the municipalities don't implement sufficient activities to promote and stimulate the work of local community self-government.

More than a half of the polled citizens (55%) said that their municipality didn't implement sufficient measures to ensure an active functioning of urban and rural local communities. In spite of the fact that in this area, too, significant progress was achieved compared to the situation three years ago (when the number of unsatisfied citizens stood at 61%), the role that municipalities have to play in the process of organisation and functioning of urban and rural local communities remains a major challenge.

Do you think that your municipality takes sufficient measures to ensure the active functioning of urban local communities?



Majority of municipalities justify the dissatisfaction of the citizens regarding the (non)functioning of urban/rural local communities with the fact that they were stripped of the status of legal entities. Nevertheless, some municipalities find ways for active involvement of these basic forms of organization of citizens on the local level. More skilful administrations use the urban/rural local communities to collect the citizens' views and positions on all important issues, but also as the starting point in the process of creation of municipal budgets and adoption of other important decisions and policies.

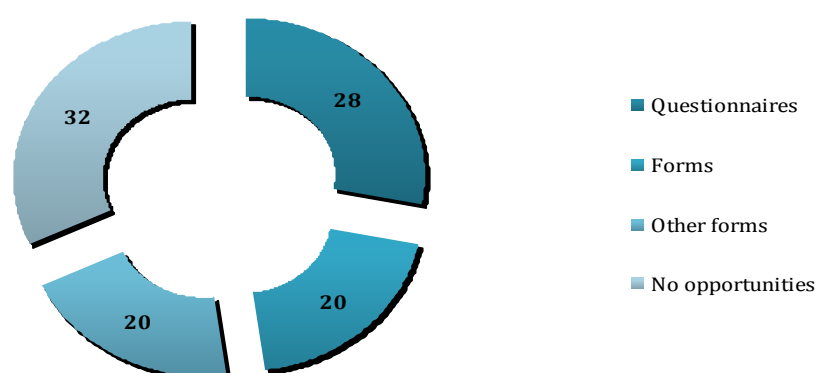
Expressing (dis)satisfaction with the operations of municipal administrations and services they provide

Just one third of the polled citizens believe their municipality offered no opportunity to express their satisfaction or dissatisfaction with the services offered by the municipality or the quality of the work done by the municipal administration. That is a significant improvement over the situation several years ago when 45% of the polled citizens said that their municipality didn't offer them opportunity to express (dis)satisfaction.

The plurality of citizens (28%) know or believe they have the opportunity to express their (dis)satisfaction through questionnaires, and they have in mind both the questionnaires and polls conducted by the municipal administrations and polls conducted by other organisations. Smaller number of polled citizens (20%) believes

that (dis)satisfaction can be expressed through completion of forms available on the website of the municipality or in other way.

What opportunities are available to you to express satisfaction or dissatisfaction with the services provided by the municipality and the quality of the work of the administration?



The situation is quite similar with the business community. One third (33%) of the businesspeople believe that they don't have any opportunity to express their (dis)satisfaction with the work done by the municipal administration. A significant number of businesspeople (31%) do that in individual meetings with representatives of municipal administrations.

We should bear in mind that the municipalities use different methods to measure the satisfaction of citizens with services provided by the municipalities. However, there remains a number of municipalities that have no formal method of measurement of citizens' satisfaction. Some examples of instruments for measurement of satisfaction include: polling questionnaires made available in easily accessible locations to be filled in and then put in special boxes (they are available in almost all municipalities included in this project), electronic forms that can be filled and submitted online (with an option to print them and then send them by mail or put them in the municipal mailbox), special phone-lines, etc.

This issue brings two important aspects to the table. The first is, when a municipality already provides different ways for measurement of citizens' satisfaction, it should make an additional effort to properly inform the citizens about existing methods of expression of their (dis)satisfaction. The second aspect refers to the establishment of a special procedure that the municipal administration needs to complete when a citizen expresses, in any way or fashion, his or her (dis)satisfaction with the services and the work of the municipal administration.

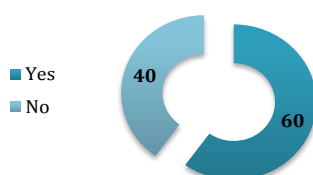
Phone-Line for Complaints and Proposals

One of the basic methods to test the citizens' satisfaction from the work of the municipal administration, especially in municipalities with significant rural population, is to set-up a special phone line.

It is also important that the municipality, once the special phone-line is set up, prepares and implements a procedure for action on received calls – keeping a registry of calls, follow-up action, answering each individual call, compiled analyses of the calls that should provide important information on most common problems and areas in which citizens expressed greatest dissatisfaction, etc.

60% of the polled citizens believe that their municipality has set up a special complaints phone line, while the remaining 40% believe that there is no such phone line available in their municipality.

Does your municipality have an open phone line for complaints and proposals of the citizens?



It is interesting to note that the percentage of citizens who believe that their municipality has a special phone line in place is greater than the percentage of municipalities that actually have such a line set up and operational.

Equal Treatment of Citizens

The survey shows that a significant number of citizens in all municipalities don't think their respective municipalities treat all citizens equally. Similar dissatisfaction has been expressed by businesspeople and nongovernmental organisations, although there is significant improvement with those two groups compared to previous surveys.

Rather substantial 45% of the citizens believe that municipal administrations don't treat all citizens equally. Among businesspeople, the percentage of unsatisfied stands at 38% (compared to 43% in previous surveys), and among NGOs, the percentage of those who believe they don't get equal treatment by the municipalities is at 23% (compared to 39% three years ago).

Do municipal officials treat all citizens equally?



The equal treatment of all citizens, regardless of their ethnic, political and other background or affiliation is of key importance for the general level of citizens' satisfaction with the work of the municipal administration. That is especially true in view of the fact that the municipal administration remains in place and is not touched by the changes of elected and appointed local officials after elections. Having in mind the noted substantial improvements in the satisfaction levels of the business community and the nongovernmental organisations over in the period between the last two surveys, an increased effort is deemed necessary to achieve similar improvements among the citizens.

Bribes

A number of citizens, relatively low at 5%, said that they were asked to pay bribes by a clerk or other representative of the municipal administration.

Were you asked to pay bribes by a representative of the municipal administration?



The same percentage (5%) of businesspeople confirmed they were asked for bribes, although it has to be noted that there was some improvement in that area compared to previous surveys, when 7% of the businesspeople said they were asked to pay bribes.

There are no intensive measures to fight the different forms of corruption in the local government in almost all municipalities included in this project. There is the predominant view that any talk about corruption and any implementation of anti-corruption measures are being implemented is paramount to open admission that there is corruption. Therefore, the dominant position is that "there is no corruption in our municipality".

Some municipalities have set up special phone numbers for citizens to report corruption, but they are not used at all. There were also cases when nobody in the administration actually knew the number of the anti-corruption phone line. Where such phone lines exist, there are no formal procedures for follow up action after a call is

received. We can conclude that the introduction of special phone lines to report corruption has little substance and is seen rather as a formal requirement that needs to be met.

The good practices in the world indicate that even such formal existence of an instrument (a phone line or an office) that allows the citizens to report corruption does lead to significant reduction of corruption. In fact, they act preventively, as a deterrent for citizens and businesspeople on one, and municipal administration on the other side, to enter a corruptive relationship. Good practices in the world recommend that special office for reporting corruption should be established, located at the very entrance of the municipal building, to again play more of a preventive role since they have been proven as deterrents that reduce the corruption.

Conflict of Interests

The undisclosed conflicts of interests are among the most serious problems at local level of governance, especially in smaller municipalities where it often happens for a municipal official to work on and decide on a matter in which his or her relatives or close friends are involved.

Although they are aware of its existence, the representatives of municipal administration rarely, if ever, choose to disclose a potential conflict of interests. There is one exception to that rule - the statements signed under the auspices of public procurement procedures legislation. There are cases when municipal officials exempt themselves from procedures in which they face a conflict of interest, but they rarely report and officially record such cases.

It is clear from the conversations with representatives of municipal administrations that they are not sufficiently well informed about the issue of conflict of interests. That is especially true in terms of knowing when conflicts of interest transform into outright corruption. The dominant position is that the very act of disclosure of possible conflict of interests stains the reputation of the municipal official. It is practically unknown that conflicts of interests can be managed properly and successfully, and the danger of corruption can be avoided, only if they are reported in a timely fashion.

The citizens can easily recognize the existence of conflicts of interest because they are difficult to avoid, especially in smaller municipalities. The survey showed that 12% of the polled citizens, 11% of the polled businesspeople and 7% of the polled NGOs have witnessed an undisclosed conflict of interests.

Have you witnessed a situation in which a representative of the municipal administration didn't disclose an existing conflict of interests?

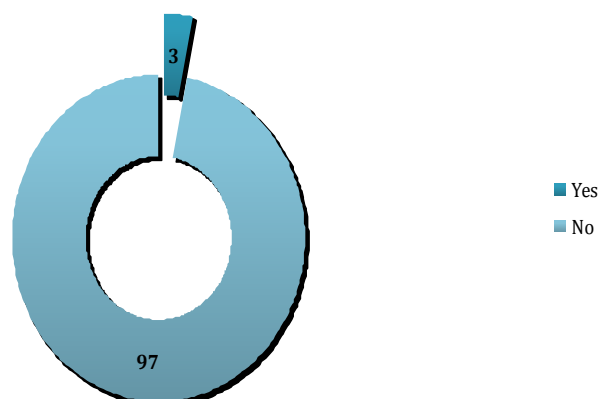


Compared to past surveys, the situation has improved only with the nongovernmental organisations. With that fact in mind, the competent state institutions, above all the Anti-Corruption Commission should find ways to properly inform and educate municipal clerks and officials about the fact that conflicts of interests, if reported timely, don't constitute corruption. The municipal administrations, but also nongovernmental organisations and professional business associations, can also implement activities in that regard.

Filing a Complaint

The question of complaints regarding corruptive behaviour by municipal officials filed by citizens and businesspeople is related to the previous two questions. Compared with previous surveys, the numbers of polled subjects in both groups who responded that they have filed such complaints have dropped. Just 3% of the citizens said they have filed complaint for corrupt behaviour, compared to 5% several years ago.

Have you ever filed a complaint charging an official of your municipality with abuse of office or corruption?



There is even more striking drop in the number of businesspeople who said that they have filed a complaint for corruptive behaviour, from 8% in past surveys to just 1% today.

The falling numbers of subjects that filed such complaints can be interpreted in two ways. It could mean that corruption levels are dropping, which leads to lower numbers of citizens and businesspeople complaining about corruption. The figures, however, don't support such a conclusion having in mind that the drop in the number of citizens and businesspeople who believe that there is no corruption and conflicts of interests is not as big as the drop in the numbers of citizens and businesspeople who don't submit complaints about corruption and undisclosed conflicts of interests. Closer to the truth may be the second explanation that the numbers of people who report corruption is dropping because of the dismal, if any, results in the fight against the problem of corruption on the local level of governance.

The municipalities themselves do little to fight the corruption. The problem is almost fully ignored on the local level by all actors in the local communities (the administration, the citizens, the business communities, the nongovernmental organisations, the media).

We should note here that the field-work and the results of the survey show that, in those municipalities that have set up special phone lines for complaints about corruptive actions or where the existence of such phone lines was promoted, there were significant drops in the numbers of citizens and businesspeople who were faced with corruption.

Reporting the Results of the Work of Municipal Administrations

The informing of the local community about the results of the work of the municipal administrations was one of the main tasks of the project activities designed to increase the transparency of local level governance. Following the numerous activities and the introduction of series of instruments and practices, that is the area in which the greatest progress was registered. While 45% of the citizens said that they were not informed about the work and operations of the municipal administration three years ago, the figure has dropped to just 26% today.

The numbers of citizens who said they informed themselves about the results of the work of the municipal administration from the municipal website and from some form of printed report or media are almost identical, at 26 and 28 percent, respectively. One fifth of the polled citizens (20%) informed themselves about the work of the municipal administration in another way (from other people, in direct contacts, from the media, etc.).

What method is used by the municipality to inform you about the results of its work?



The municipalities should seek and use different forms and approaches to inform the citizens. Some citizens are avid internet users and they want to find information about

the work of the municipal administration online. Others want to get their information in print, whether a report, a bulletin, a newspaper, etc. The information in print form is especially important to the citizens of rural areas and senior citizens.

To ensure full, timely and systematic information of all citizens, a significant number of municipalities included in the project prepared and implement long-term communication strategies and annual plans for communication with external and internal publics. Having in mind the need to apply more diverse forms and methods of communication with the public, the municipalities also exchanged several good practices in this field.

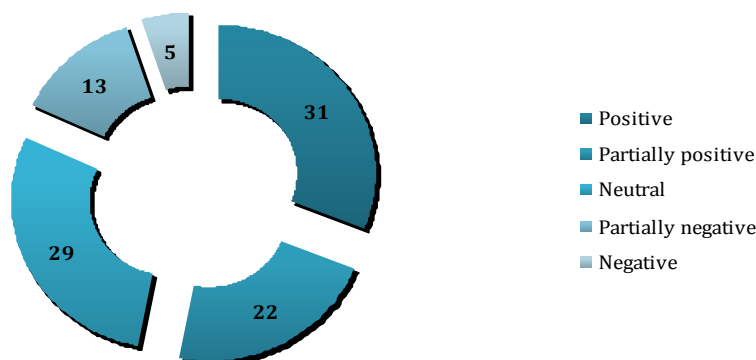
The situation has improved greatly among the nongovernmental organisations, with the number of NGOs that said they were not informed about the work of their respective municipalities almost halved, from 19% before to just 10% today.

All of the above has significantly raised the quality, the level and regularity of information about the work of municipal administrations that they offer to the local communities. In the medium and long run, it will improve the governance in general, knowing that transparency is the most important instrument in the fight against corruption.

Influence on Business Climate

One of the key questions asked of the businesspeople referred to the influence that municipal administration has on the business climate on the local level. Its importance doesn't arise only from the legal obligations that municipalities have in the area of local economic development, but also from the fact that the care for and the approach to the local business climate are among the most important issues of interest to the citizens and especially to the business community. That approach also influences the interest and the desire of business people to engage in business activities, and the interest of the citizens to stay put and live in their local community.

What influence does the municipal administration have on the business climate?



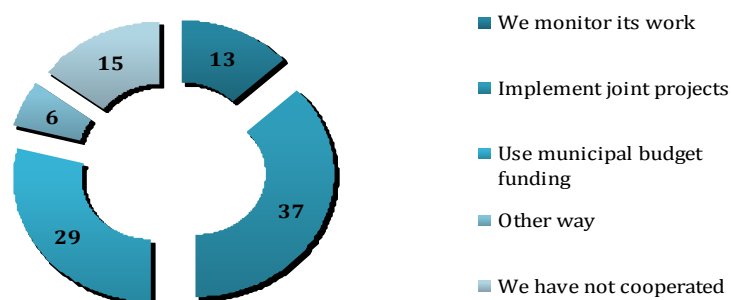
The most significant change of opinions among the business people about their respective municipalities is that more than a half of them (53%) believe that municipal administrations have positive influence on the business climate, compared to 49% in previous surveys. 18% of the business people believe that their municipalities have negative effects on the business climate, while 29% of them believe that municipalities are neutral in terms of their influence on the local business climate.

Cooperation between Nongovernmental Organisations and Municipal Administrations

Significant improvements were noted in the area of cooperation between municipal administrations and local nongovernmental organisations. In total, 85% of the polled nongovernmental organisations said they cooperate with the municipal administration, compared to 74% in previous surveys.

By groups, the plurality of nongovernmental organisations said they implemented joint projects with the municipality (37%), while 27% use funding from the municipal budget to finance their activities. It is of important to note that the percentage of nongovernmental organisations that monitor various aspects of the work of municipal administrations grew from 3 to 13%. The fact that almost all nongovernmental organisations that monitor the work of the municipal administrations have secured some form of prior consent or agreement (memorandum of cooperation, letter of intention, written agreement, etc.) with the respective local administration, further illustrates the growing openness of municipal administrations for this important aspect of the work of nongovernmental organisations.

Do you cooperate with the municipal administration and how?



The cooperation between municipal administrations and civic associations and foundations can have several positive aspects. First, that is a way for municipalities to indirectly cooperate with the citizens, having in mind that nongovernmental organisations, in principle, are formed and work to realize some interest of the citizens. Second, the work of the nongovernmental organisations can satisfy important needs and interests of the citizens (or groups of citizens), especially in areas in which their municipality lacks adequate capacities. Third, the cooperation with nongovernmental organisations allows the municipalities to get better insight in the interests and problems of the citizens, articulated through their organisation in civic associations.

The cooperation between municipal administrations and nongovernmental organisations comes in many shapes and forms. Some municipalities have achieved serious progress not only in terms of cooperation with NGOs, but also in promotion of development of nongovernmental activities in the local community. In addition to the mandatory fund to finance projects of nongovernmental organisations, some municipalities have adopted and implement long-term strategies for cooperation with the civil sector. On the other hand, there are municipalities with only a handful of active NGOs and some that don't have a single active nongovernmental organisation. In those municipalities, the least the unit of local self-government can do is to create a special fund for support of NGO projects, which may promote and stimulate their active functioning.

We should note here that the number of nongovernmental organisations at the local level has dropped by one third (33%) in the three years that passed between the last two surveys. On one hand, this is a negative indicator because it indicates a drop of the civil activities on the local level. On the other hand, it could mean that the municipalities have greater opportunity for more focused and more efficient cooperation with the remaining civil associations and foundations.

Use of Free Access to Information of Public Character

The right to a free access to public information is a basic human right, also guaranteed by the Macedonian Constitution. The municipalities hold a variety of information of public character that is not accessible to the general public. The only way to get that

information of greater importance for the society is to file official request to access the information of public character. Although this right is available to all citizens, it is the nongovernmental organisations that submit the great majority of such requests to the municipal administrations.

This survey, just like the previous survey, finds that although the percentage of nongovernmental organisations that filed a request to access public information has risen significantly, that number is still far from satisfactory. 17% of the polled nongovernmental organisations used the right to access information of public character, compared to just 7% three years ago.

Have you used the Law on Free Access to Information of Public Character in 2011?



It is important to note that the municipalities responded to 85% of all filed requests for information, which is a relatively high number.

The access to public information and the manner in which a municipal administration treats this issue greatly illustrates the level of transparency in the municipality. The majority of municipalities have even copied the legal provisions on the free access to information of public character in their statutes.

In practice, however, the municipalities forget to post, on their websites or in a publicly accessible location in the town halls, lists of information they hold, the name and the contact information of the officer responsible for matters related to free access to information, and the form for the requests to access information. It is rare to see a municipality that voluntarily makes the information it holds accessible to the public without somebody filing a request to access its information.