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Ministria e Administrimit të Pushtetit Lokal
Ministarstvo Administracije Lokalne Samouprave
Ministry of Local Government Administration

REPORT ON THE FUNCTIONING OF THE MUNICIPALITIES OF THE REPUBLIC OF KOSOVO

January – December 2019

Pristina, March, 2020

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Abbreviations

AE	European Agenda
PAK	Privatization Agency of Kosovo
EU	European Union
SAT	Security Action Teams
MA	Municipal Assembly
MCSC	Municipal Community Safety Councils
LPSC	Local Public Safety Council
LLSG	Law on Local Self-Government
TD	Treasury Department
SAA	Stabilization and Association Agreement
MLGA	Ministry of Local Government Administration
MF	Ministry of Finance
MIA	Ministry of Internal Affairs
MJ	Ministry of Justice
LM	Line Ministries
UNO	United Nations organization
NGO	Non-Governmental Organization
NPSAA	National Program for the Stabilization and Association Agreement
KFMIS	Kosovo financial management information system
AI	Administrative Instruction

Introduction

Ministry of Local Government Administration, during 2019 was committed in implementing its strategic objectives in the context of support and advancement of the local self-government in Kosovo. In 2016 entered into force the ten-year strategy for local self-government (2016 – 2026), which provides a clear vision on the progress of the reform and development of the local government. In accordance with its development objectives, have been carried out activities and have been defined a number of measures especially required by the local government. The main remaining goal is the good governance at the local level, municipal transparency, supervision and control of legality, service efficiency and prioritization of obligations of municipalities arising from the National Programme for implementation of SAA.

The Report on the functioning of municipalities is a document that assesses the progress of municipalities during the period January-December 2019. This report is drafted annually on March 31 and the same is presented to the Assembly of the Republic of Kosovo. The aim of this report is to properly inform the: Central Government, Assembly of the Republic of Kosovo, municipalities, civil society, citizens and any other stakeholders, about the level of functioning and the achievements of municipalities, but also the remaining challenges. The Report provides the conclusions on the respective fields and gives specific recommendations to be addressed in the future by municipalities.

The Report follows this structure:

- The report describes the functioning of Municipal Assemblies and Municipal Executive;
- It presents the results of the work of the municipal bodies, with particular emphasis on the Municipal Assembly as the highest body in the municipality;
- Analyses the issue of municipal transparency;
- Examines the steps of municipalities in implementing the obligations under the National Programme for SAA;
- Provides data on planning the municipal budgets, realization of budget revenues and expenditures;
- Provides an overview of the recommendations of the General Auditor to the municipalities.

The Report is a product of the Ministry of Local Government Administration.

Methodology

The report is based on the data collected and analyzed during the process of monitoring of municipalities by the respective Departments of the Ministry of Local Government Administration.

Regarding the methodology of the report, various sources of data, provided by municipal officials, as well as other information provided by monitoring officials in the field, have been used. A part of the data is taken from the system Kosovo Financial Management Information System – KFMIS, Department of Treasury - MoF, as well as data provided by direct monitoring of municipalities, as well as reports on municipal obligations arising from the European agenda. Additionally, the data are also provided through questionnaires designed for collecting the data for the respective fields presented in the report. The report has a descriptive and analytical methodology of the functioning of the municipalities of the Republic of Kosovo during 2019.

Executive summary

During 2019, municipalities have made considerable progress in their decision-making structures to continue with planned activities according to their strategic priorities. There was a considerable progress of municipal assemblies in exercising their functions, approving a considerable number of acts in accordance with the legislation in force. For one year of work, the municipal assemblies held 500 meetings, out of which 413 were regular meetings, 48 extraordinary, 34 were solemn, 6 urgent. All municipalities have fulfilled the requirement of holding minimum 10 meetings, according to Article 43.2 of the LLSG. All the meetings held were open for public, while giving the citizens the possibility to be informed regularly on the local policy developments. In addition to assemblies, the mandatory committees and other established committees carried out their activities as well. According to the data, the Policy and Finance Committee held 422 meetings and the Communities Committee held 369 meetings. In addition to this, 15 municipalities have established 62 auxiliary committees for different sectors, as well as 43 consultative committees in 16 municipalities.

With regards to the number of municipal acts, during this period have been adopted 2038 acts, out of which 148 regulations and 1890 decisions. The municipal assemblies of Lipjan, Shtime, Istog and Graçanica have approved a larger number of regulations, whereas the municipal assemblies that have approved more decisions are: Malishevo, South Mitrovica and Obiliq. The municipal assemblies have exercised their supervisory role towards the executive of the municipality. Based on the data, 29 mayors of the municipalities have fulfilled the minimum criteria of reporting twice within one year to the assembly. Whereas, 9 Mayors of municipalities are expected to be accountable, and as such to have their reports presented to the assemblies according to legal deadlines as defined in LLG (Novo Brdo, Skenderaj, Klllokot, Partesh, Leposaviq, Zubin Potok, Zvecan, North Mitrovica and Pristina).

Promotion of municipal transparency remains one of the key issues of democratic governance. In this regard, 67 public meetings have been held with citizens in 37 municipalities. 7 municipalities have not met the criteria of holding at least 2 comprehensive meetings with citizens: Podujevo, Kamenica, Novo Brdo, Leposavic, Zubin Potok, Zveçan and North Mitrovica (held only 1 meeting), as well as one municipality F.Kosova/K. Polje did not hold any meeting at all. With regards to the approved acts in 33 municipalities about 99.8% of them have been published on the municipal websites after approval, while the level of publication of the acts in the municipalities: North Mitrovica, Zubin Potok, Leposaviq, Strpce and Zveçan was 0%. With regards to the access to public documents, there were 1101 requests received by municipalities from citizens. Out of which the municipalities have approved the access of 1062 requests (or 96%), 28 have been refused (3%), and 11 have been partially approved (1.86%).

During this period, continuous efforts have been made to support the implementation of gender policies in municipalities. Although not to the right extent, women's employment at the local level is present within managerial positions. According to data from 35 municipalities, 1604 women are in managerial positions. In addition, in the administration and assemblies of the 37 municipalities, the data points to 3550 women

employed by all communities. However, there is a need to raise general institutional and social awareness in order to address one of the EU's main recommendations for inclusion of women in decision-making positions. In the latest EC report on Kosovo, it was highlighted that out of 204 mayoral candidates, only 8 were women. Also, in 38 municipalities only 2 women were appointed as Vice-Presidents. In addition, only 6 women have been elected as chairpersons of municipal assemblies, while out of 364 directors of municipal departments, only 75 such positions are headed by women or 20.60%.

The Community safety remains a mutual institutional responsibility, with the aim of reducing the risks and challenges of life and the safety of citizens. The police protection is not sufficient for facing the many irregularities that could happen in the community, which requires the co-operation and coordination of all mechanisms, including: municipalities, police, civil society stakeholders, citizens, media etc. In this regard, the Community Safety Councils (CSC) are forums which could bring essential changes to safety policies in the community and in defining the priorities for this field.

The Mayors of the municipalities were careful of holding 186 meetings of MCSC during 2019. A good functioning of these Councils is achieved in 34 municipalities, whereas in 4 municipalities: Leposavic, North Mitrovica, Zvečan and Zubin Potok these councils are not established. In general during 2019 there is an increase of activities of MCSC, compared to previous years. During 2019, a total of 2037 acts approved by the Municipal Assemblies have been submitted to the process of reviewing the legality. MLGA has reviewed the legality of 976 acts or 47.8%, whereas 1062 acts have been reviewed by the line ministries (52.1%). Whereas there were 157 violations, out of which 56 were ascertained unlawful by MLGA and 101 by the line ministries.

Municipalities have achieved to harmonize 106 acts, whereas 51 acts still have remained harmonized with the law, or 2.5%. MLGA has initiated the procedures of judicial review through the Ministry of Justice for 29 acts of the municipal assemblies as follows: Dragash (2 acts), Vushtrri (1), Malisheva (1), Deçan (2) and Prishtina (1). Municipalities that have not harmonized the acts, even after submitting the request for review by the Supervisory Authority, are: Prizren (2), Malishevo (1), Ferizaj (1), Gjilan (1), Dragash (1), Decan (2), Stimlje (1), Istog (1), South Mitrovica (1), Junik (1), Kamenica (1), Vitina (1), Klokot (1), Gracanica (1), Ranilug (1), Strpce (1), Gllugoc (2), Gjakova (1) and Fushe Kosovo (1).

Kosovo is going through an important phase of developing and building relations with the European Union. The Stabilization Association Agreement is signed by the Republic of Kosovo and EU and entered into force on 1 April 2016, whereas the Kosovo Assembly has approved the National Programme for implementation of SAA, which is the main national policy document for EU accession. At state level municipalities have a responsibility in meeting the standards required by the European Union. The obligations of municipalities are structured based on three main integration criteria: a) political, b) economic and c) European standards criteria. Based on the data provided by municipalities, municipalities of the Republic of Kosovo during 2019 managed to realize 71% of activities in the field of political criteria. In terms of fulfilment of economic criteria, the municipalities have managed to realize 71% of the criteria and in the field of European standards they have realized 66% of the activities. The overall level of realization of obligations of municipalities deriving from the European agenda for 2019 is 69%.

Function of municipalities

In this section is described the way of functioning of municipal bodies of the Republic of Kosovo towards fulfilling their legal obligations deriving from the Law on Local Self Government and other laws that regulate the competences of local government. Additionally, it monitors the main elements of the functioning of the assemblies, whose content guarantees sustainability of municipal bodies, respecting of legal procedures, respecting of legality, efficiency, transparency, cooperation, supervision and control.

Municipal assembly

Based on the Law on Local Self-Government, the Municipal Assembly is considered to be the highest local government decision-making body and at the same time a legally authorized body for supervising the services provided by the executive, according to the legislation in force. In order to exercise its competences and responsibilities, the Municipal Assembly convenes on a regular basis to approve the necessary normative acts of municipalities required by legislation in force and those needed to be issued depending on the needs of municipality, as well to discuss and decide on the matters of general interest.

With the Law on Local Self-government is defined the number of the meetings that the Municipal Assembly shall hold in order to ensure work consistency. Based on the law, the Municipal Assembly shall hold 10 sessions within a year, five out of which shall be held during the first quarter of the year. If we refer to statistics of MLGA, the municipal assemblies during 2019 held 500 meetings, of which 413 meetings were regular, 48 were extraordinary, 34 solemn, 5 urgent meeting, which we have presented as follows:

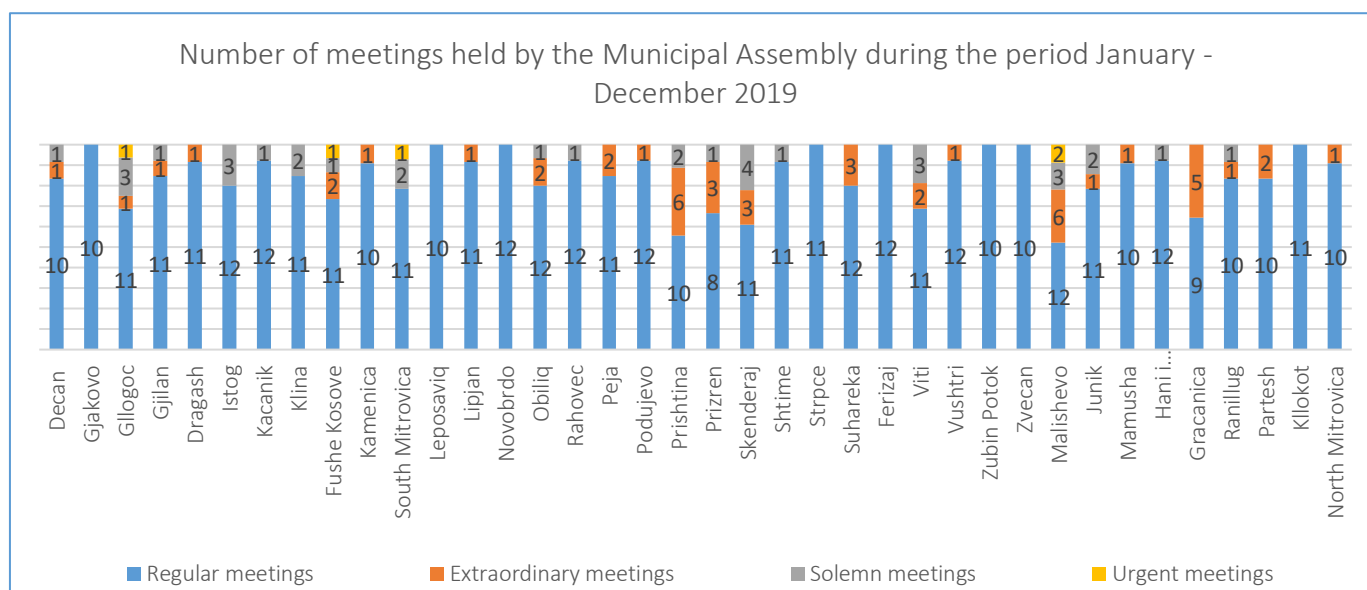


Chart 1: Municipal Assembly meetings during the period January-December 2019.

According to the data, it is noted that all municipalities have met the minimum required of holding meetings according to Article 43.2 of the LLSG. In all cases, the meetings were open to the public, while giving the citizens the possibility of being regularly informed about the policy development at local level. Even though

provisions of the Law on Local Self-government allow the municipalities for specific reasons to exclude the public from assembly meetings, until now no decision was taken for excluding the public from assembly meetings. Informing the citizens has been done continuously through the official website of the municipality, announcements placed in municipal buildings, local television and other forms of public informing. Regarding the notification of holding municipal assembly meetings, it is worth noting that municipalities have generally notified the Supervisory Body and, along with the invitation of the meeting have also sent the accompanying materials, as set out in Article 43.3 of the Law on Local Self-Government. Monitoring of the assemblies work was done through the telepresence system, while in the municipalities: Leposavic, Zubin Potok, Zvecan and North Mitrovica with physical participation.

In general, the performance of municipal assembly meetings has been in accordance with the provisions of the Law No.03/L-040 on Local Self-government, even though there were some cases when the meetings were not held due to: delays in delivering materials (Kacanik), the boycott of assembly members (Mitrovica South and Shtime), and lack of quorum (Partesh).

Municipal assembly Committees

Pursuant to the legislation on Local Self-Government, the Municipal Assemblies shall establish Mandatory and other Committees to support their work. These Committees are established and are functional in all municipalities. Taking into account the number of meetings, the Policy and Finance Committee shall be more active in the municipality of Prizren. On the other side, the Communities Committee held a very small number of meetings in the municipality of Kacanik. According to the data, in the period January-December 2019, a total of 791 meetings were held. The Policy and Finance Committee held in total 422 meetings, while the Communities Committee held 369 meetings, as presented below:

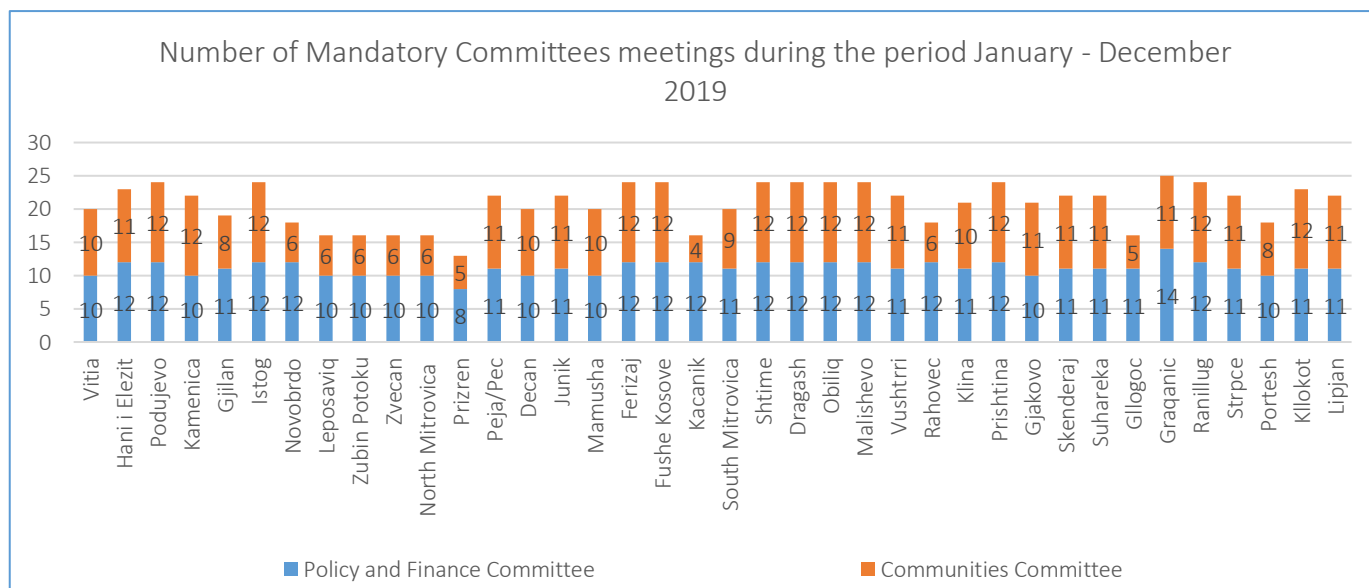


Chart 2: Number of Mandatory Committees meetings in the period January-December 2019.

Taking into account that the Policy and Finance Committee is a permanent body of the Municipal Assembly, it is responsible for reviewing all policy, fiscal and financial documents, plans and initiatives, draft decisions,

draft regulations, and budget issues, and as such the work of this Committee represents and provides recommendations of the municipal assembly. Therefore, this Committee shall held the meeting before the municipal assembly meetings, taking into account the functions set out in the Municipal Assembly Rules of Procedure.

The Communities Committee is the second permanent committee of the municipal assembly, whose task is to review the compliance of municipal authorities with the applicable law, review all municipal policies, practices and activities to ensure that the rights and the interests of communities, were fully respected. It also recommends to the Municipal Assembly the measures to be taken to ensure the implementation of provisions relating to the need for communities to advance, express, protect and develop their ethnic, cultural, religious and linguistic identities, and to ensuring adequate protection of community rights within the municipality.

Auxiliary Committees and Consultative

The Municipal Assembly can establish other professional Committees if deemed necessary and suitable for fulfilling its responsibilities for specific sectors, such as: as education, health, economic development, public services, etc. To increase the active participation of citizens and stakeholders in the municipal decision-making process, the municipal assembly establishes also consultative committees within government's respective sectors. During 2019, only 16 municipalities have established 43 Consultative Committees, although the Municipal Assembly based on Article 73 of Law No.03 / L-040 on Local Self-Government, and AI (MLGA) No.02 / 2018 on the procedure of establishment, organization and competences of the Consultative Committees in municipalities, is obliged to establish consultative committees to involve citizens in decision making. The consultative committees have been established in the municipalities: Kamenica (5), Hani i Elezit/Dj. Jankovic (3), Skenderaj (4), Prishtina (1), South Mitrovica(3), Kacanik (1), Istog (3), Gjilan (1), Gllogoc (5), Vucitrn (6), Klina (2), Decan (1), Junik (1), Pec (4), Rahovec/Orahovac (1) and Vitina (1). The fields covered by these Committees are: Persons with disabilities (7), economic development (5), public services (5), local emergencies (5), as well as in education, culture, youth and sports (5).

As regards other auxiliary committees, in this period 15 municipalities have established a total of 62 other committees. Of these, most importance has been given to the Committee on Health, Education and the field of urban planning. Other Committees (auxiliary) are established by municipal assembly: Gjakova (2 committees), Shtime (2), Fushë Kosovë (8), Gjilan (11), Kacanik (1), South Mitrovica (6), Ferizaj (5), Ranillug (1), Klina (5), Peja (3), Pristina (5), Vitina (5), Skenderaj (4), Podujevo (2) and Gracanica (2). The fields covered by these Committees are: Public services (11), Health and Social Welfare (9), Education, Culture, Youth and Sports (9), Spatial Planning (7), Economic Development (7).

Municipal assembly acts

The Municipal Assembly has the competence to adopt decisions and regulations for implementing the laws that affect the competences at local level. The Assembly adopts the Statute and Rules of Procedure, issues decisions, regulations and other general acts, approves municipal budgets, establish needed committees,

approves financial issues, elects the Chairperson of the Municipal Assembly and the Deputies (of the Communities), as well as other acts deemed necessary for the efficient functioning of the municipality. During the reporting period, most of the municipal assemblies were active in issuing legal bylaws. By number, a total of 2038 municipal acts were approved, of which 148 regulations and 1890 decisions.

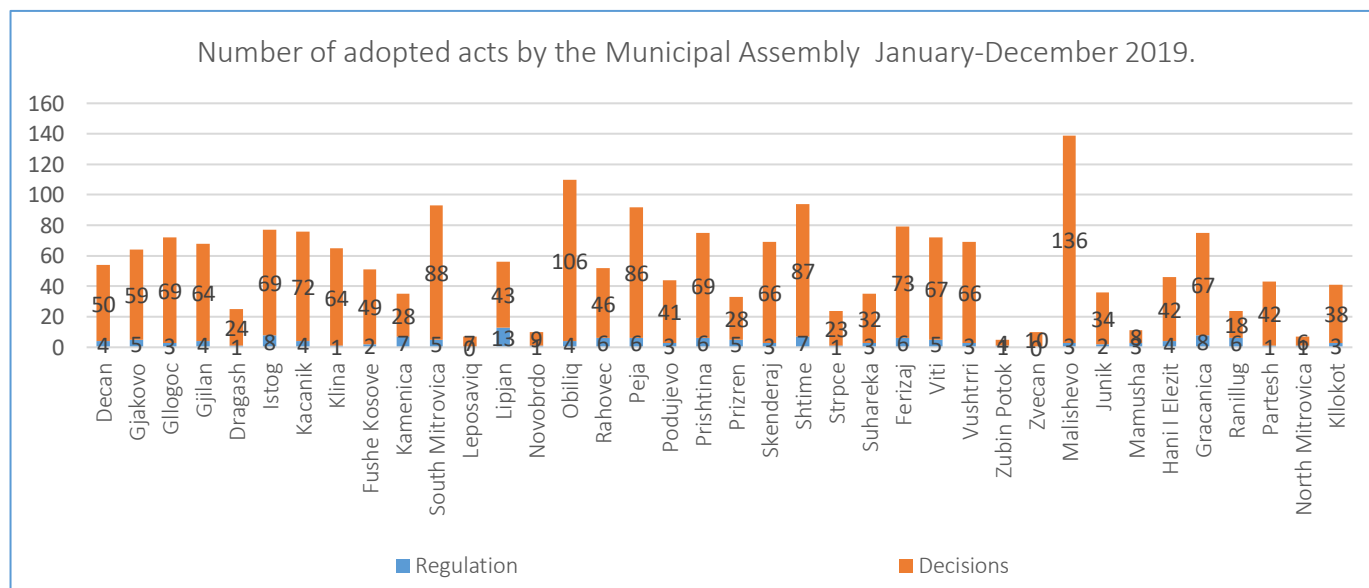


Chart 3: Number of adopted acts by the Municipal Assemblies, January-December 2019.

This chart reflects that the largest number of regulations are adopted by the Municipal Assembly of Lipjan, Shtime, Istog and Graçanica, whereas the largest number of decisions are adopted by Municipal Assemblies: Malishevo, Obiliq and South Mitrovica public services, etc. In this regard, the most passive municipalities were: Zubin Potok, Zvecan, North Mitrovica, Leposavic, Novobardo, Mamusha and Ranilug.

The process of administration of the requests of municipalities for the return of PAK properties- During this period, municipalities have presented a great number of requests to the central government, for the possibility of returning the immovable properties which are under the management of the Privatization Agency of Kosovo (PAK), as well as the properties which are managed by the central level institutions. The number of requests received by municipalities in the Ministry of Local Government Administration for 2018 was about 40, while in 2019 this number is lower, 19 in total.

Transparency and municipal accountability

Mayor's reporting - The Law on Local Self Government has determined the Mayor's responsibility to report on a regular basis or whenever required by the Municipal Assembly. Based on the paragraph j) of Article 58 of this Law, the Mayor is obliged to report to Municipal Assembly, especially on the economic and financial situation of the municipality and the implementation of investment plans, at least once in six months or whenever such a thing is required by the Municipal Assembly. The data show that during 2019, the number of the Mayor's reporting to the Municipal Assembly was 91, which are presented as follows:

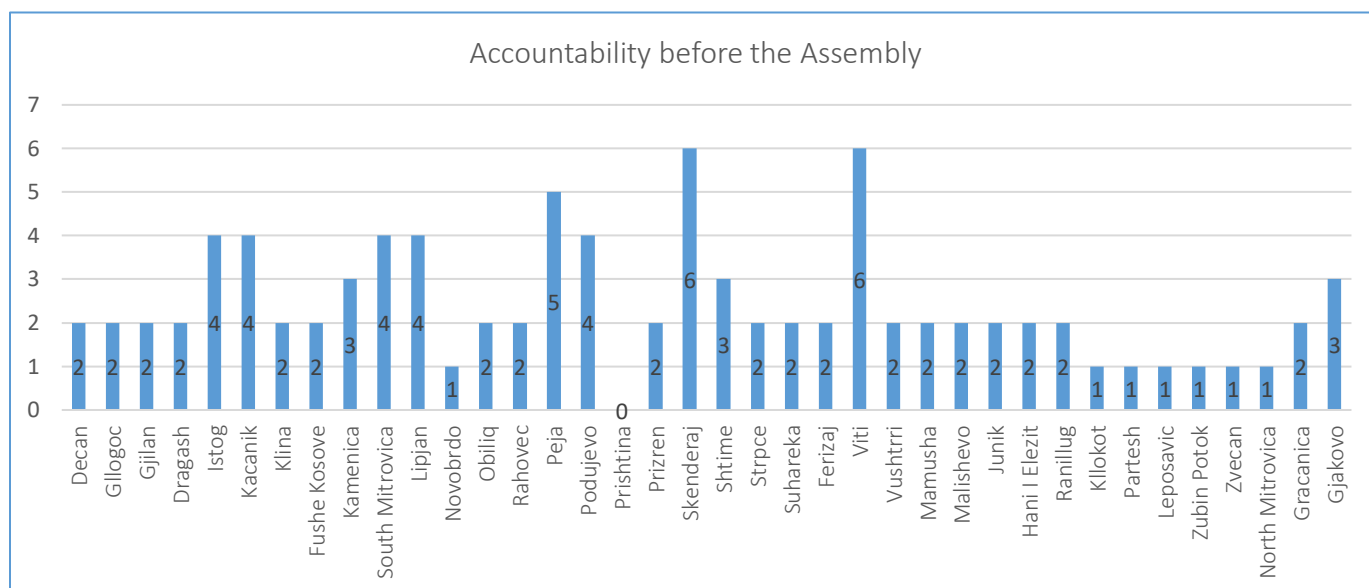


Chart 4: *The number of Mayor's reporting to the Municipal Assemblies.*

The diagram above reflects the data that in 29 municipalities, the mayors have fulfilled their legal obligation of reporting twice a year to the Assembly, even in 10 municipalities: Istog, Lipjan, Kacanik, Kamenica, South Mitrovica, Peja, Podujevo, Shtime, Vitina and Gjakova, mayors have reported more than twice. In 8 municipalities, the mayors have not fulfilled the legal obligation of reporting at least twice a year, as set out in the LLSG, the municipalities: Novobardo, Skenderaj, Klokot, Partesh, Leposaviq, Zubin Potok, Zvecan and North Mitrovica, because Mayors have reported only once, whereas the Municipality of Prishtina, did not report at all during this period.

Other forms of accountability are through direct questions and in written made by the members of the assembly to the executive. In order to enable the cooperation between the assembly and the executive, it is necessary for the Mayors and the Directors to be regularly present in the meetings of the assembly. A continuous mutual communication between the two bodies contributes to the local democracy, it increases the quality of decision-making and legality, expands the circle of stakeholders responsible for drafting applicable policies of general interest as well as generating segments of accountability within the municipal administration.

Public meetings with citizens - At local level, the mechanism of citizen participation in policy making is the basic principle of direct democracy. Municipalities are obliged to put into function standards set by administrative instruction no. 06/2018 on minimum standards for public consultation in municipalities through: direct meetings, public information, active involvement of citizens, groups of interests, mutual roundtables, usage of electronic information systems, as well as any other method through which the transparency will affect the advancement of local self-government.

According to the Law on Local Self-government every municipality shall hold at least twice a year public meetings, in which meetings could participate every person or organization of interest for the municipality. One of the meetings should be held during the first quarter of the year. In such meetings the municipal

representatives inform the participants on the activities of the municipality, whereas the participants could raise issues and make proposals to the municipal bodies. In 2019, the organization of comprehensive public meetings with citizens in municipalities was as follows:

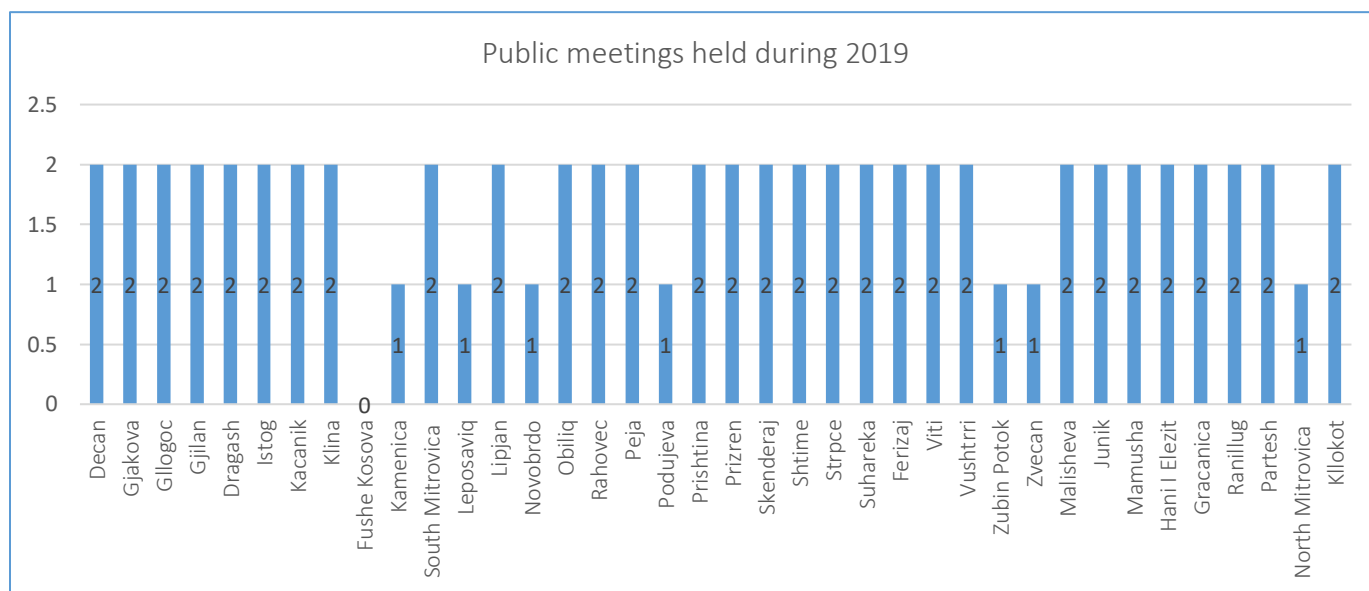


Chart 5: Number of public meetings with citizens in 2019.

The chart above shows that 37 municipalities have held 67 meetings with citizens. Of which 30 municipalities have organized 2 public meetings with citizens and 7 municipalities: Podujevo, Kamenica, Novo Brdo, Leposavic, Zubin Potok, Zvecan and North Mitrovica have organized only one meeting, while the municipality of Fushe Kosova did not hold any meeting.

In addition to these meetings, the municipalities have held also other meetings with citizens in smaller locations: quarters, villages and other settlements. Such forms of meetings were organized for discussing the draft-regulations, planes and budgetary issues, while giving the citizens the opportunity to make remarks, proposals and requests. According to the data in 34 websites of municipalities during this period have been published 234 notifications for debates/public hearings. Municipalities that have mostly held public debates on budget and draft regulations are: Glogovac, Gjilan, Kacanik, Klllokot, Lipjan, South Mitrovica, Prishtina, Suhareka/Suva Reka, Rahovec, Shtime, Vucitrn and Gjakova. Whereas, the notifications for public hearings with citizens have not been published in the websites of Leposavic, Zubin Potok, Zvecan and North Mitrovica.

Public meetings and other forms of public consultation should be held continuously during all phases of policy making in the municipality. In this regard, have been drafted also guidelines for minimum public consultation standards in municipalities, which entered into force in January 2019.

Official websites of municipalities - The functioning and the usage of the official municipal websites is regulated with the Administrative Instruction No. 01/2015 on Websites of Public Institutions. In 2018 it is implemented the project for redesigning of all municipal websites, in 2019 their changes have enabled the

integration of the intranet system in the municipal websites, where citizens can apply for civil status documents. Additionally it is allowed the access to search for construction permits, submitting of the citizen's requests in the field of community safety, as well as online broadcasting of municipal assembly meetings.

The sitemap enables an easier and quick access to all relevant published documents. The update of the municipal data is done continually, even though there is still need for improvement especially with regards to publishing of normative acts in official languages. According to the data, during this period, a total of 270 minutes of the municipal assembly meetings have been published in 29 municipal websites compared to 500 meetings held, out of 38 municipalities. The percentage of the publication of minutes of meeting is 54%. Whereas, 9 other municipalities: Leposavic, Obiliq, Strpce, Zubin Potok, Zvecan, North Mitrovica, Ranilug, Junik and Partesh have not published any of the minutes of municipal assembly meetings in this period.

Out of the total of 1890 adopted decisions from municipal assemblies, the municipalities have published 1887 decisions. Moreover, the municipalities have not published 3 acts, and the percentage of publication is 99.8%. The estimates take into account the data for 33 municipalities, since the level of publication in municipalities: Leposavic, Strpce, Zubin Potok, Zvecan and North Mitrovica is 0%. As regards the publication of regulations, the percentage of publication of approved regulations is 79%, while 8 municipalities or 21% of them have not published any regulation.

The municipalities have provided other information for the interested parties through their official websites. There are in total 104 financial documents published, and in this regard the municipalities that had better performance are: Peje and Suhareke. In contrary to these municipalities, the municipalities that have not published any budget documents are: Klokot, Mamusha, Partesh, Ranilug, North Mitrovica, Leposavic, Zubin Potok and Zvecan.

Access to public documents – Municipalities have shown a positive trend in providing access to public documents as required by legal entities as well as Ex-Officio when the law so requires. The number of submitted requests is 1101, of which 1062 requests were allowed the permit (or 96%), 28 were refused (3%), 11 were partially allowed (1.86%). In 5 municipalities there were no requests submitted: Dragash, Leposaviq, Zveçan, Klokot and Zubin Potok. The ratio between the number of requests submitted with the ones rejected is as follows: municipality of Klina out of 43 requests submitted for access to public document, 14 have been refused; municipality of Ferizaj out of 44 requests submitted, 4 were refused and 7 is allowed partially; Prishtine out of 88 requests submitted, 6 were refused; Malishevo out of 35 requests submitted, 1 was refused, municipality of Podujevo out of 34 requests submitted, 3 were refused, municipality of Vitina out of 56 requests submitted, 1 is allowed partially, municipality of Skenderaj out of 12 requests submitted, 1 is allowed partially, and municipality of Glogovc out of 16 requests submitted 1 is allowed partially.

Safety in Community

The Municipal Community Safety Council is an inter-sectorial advisory body responsible for safety issues at the local level. The functioning of Community Safety Councils is regulated by the Administrative Instruction No. 27/2012 MIA – 03/2012 MLGA on Municipal Community Safety Councils. As result of defining the functioning standards, there was an increase of institutional awareness for the importance of MCSC, the municipalities were engaged and focused also on the issues of general safety, including: public awareness of the nature of crimes, irregularities and violent behavior in local community; identifying citizens' concerns and representing citizens' views and concerns on crime issues. Therefore, during 2019 were held in total 186 MCSC meetings. In the chart below are presented the number of MCSC meetings by municipalities:

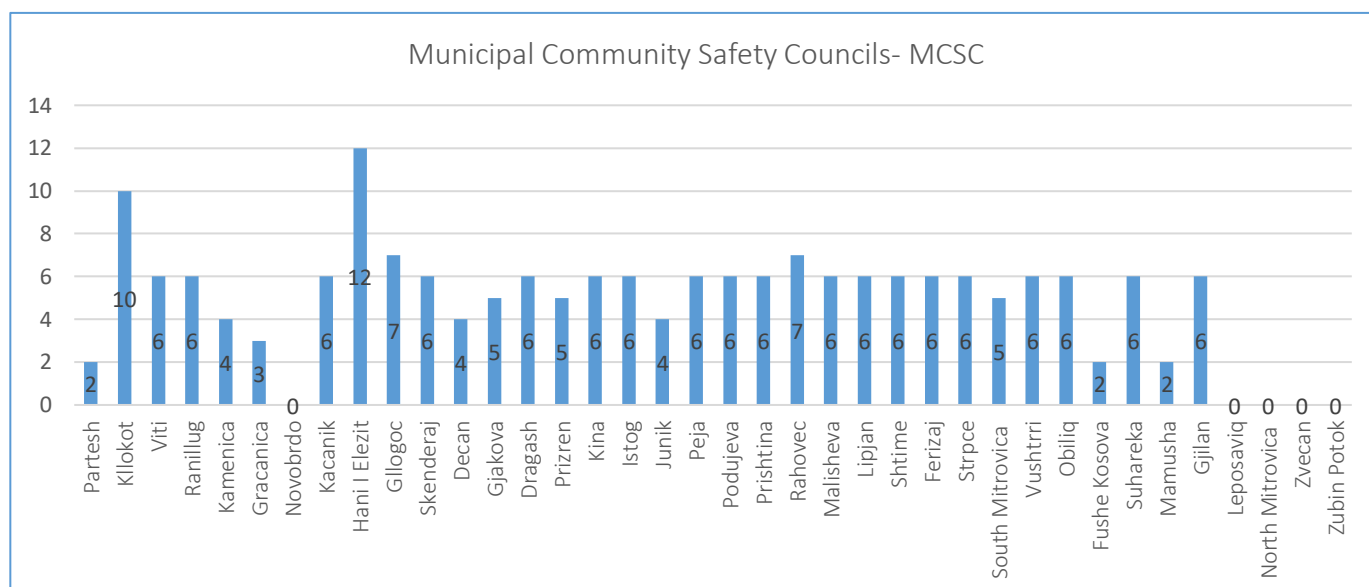
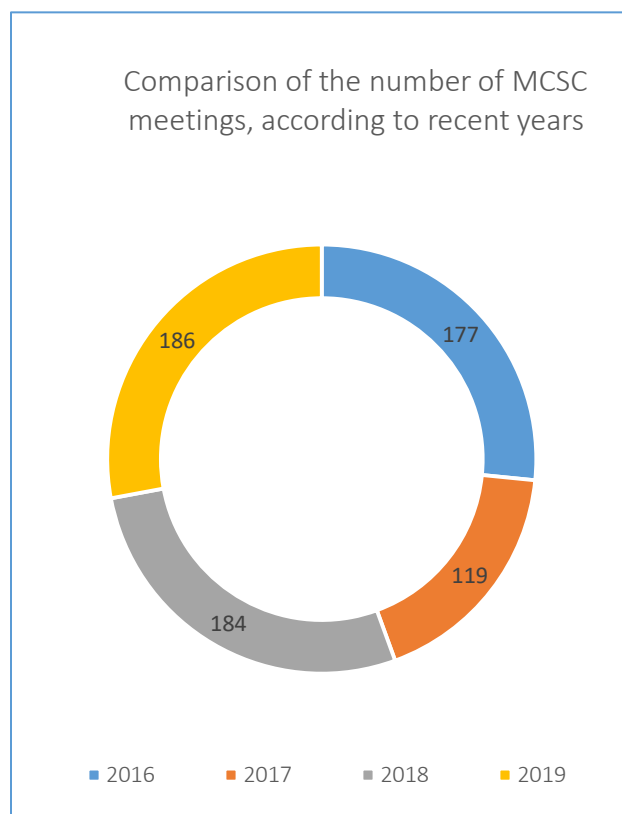


Chart 6: The number of MCSC meetings by municipalities, January-December 2019.

The data above show that MCSC were more active in holding the meetings in municipalities: Hani i Elezit/Dj. Jankovic, Kllokot, Glogovac, Rahovec and Suhareka. Compared to the minimum criterion required by the relevant administrative instruction, 20 municipalities have fulfilled the legal obligation by holding 6 or more meetings, whereas 11 other municipalities did not meet the obligation and 4 municipalities: Leposaviq, North Mitrovica, Zvecan and Zubin Potok have not established yet the Municipal Community Safety Council.



Compared to previous years, during 2019 there was an increase of activities by MCSC. According to statistics, in 2016 there were 177 meetings of MCSC held, in 2017 there were 119 meetings (due to the elections), and in 2018 there were 184 MCSC meetings held, and in 2019, there were a total of 186 meetings.

MLGA during 2019, while developing the information systems has also created a special access to municipal websites, which allows the public to report online on safety issues, submitting questions and requests regarding safety, as well as receiving responses from the municipal authorities. This system must be applied by the responsible municipal Officials, in order that the information reported by the citizens to be able to be administered by the responsible institutions, and as a result to have an improved general safety situation in the community.

Chart 7: Comparison of the number of MCSC meetings, according to recent years.

In addition to MCSC, in 23 municipalities are established also Safety Action Teams (SAT). During this period SAT held 42 meetings. These Teams should be established in another 15 municipalities: Fushe Kosove, Klllokot, Zvecan, Gjakova, Mamusha, Novo Brdo, Ranilug, Zubin Potok, Decan, Kacanik, Skenderaj, Peja, North Mitrovica, Leposavic and Strpce. With regards, to the Local Public Safety Councils (LPSC), they are functional in 24 municipalities, and during this period in question, they have held 178 meetings. The LPSC is not yet functionalized in 14 municipalities: Zubin Potok, Ranillug, Gjakova, Zvecan, South Mitrovica, Hani i Elezit/Dj. Jankovic, North Mitrovica, Leposavic, Strpce, Dragash, Junik, Kacanik, Mamusha and Novo Brdo.

The Municipal Assemblies and the Mayors, should be focused more on safety priorities, and especially in the operation of MCSC, as the main body for representing citizen's security needs. Additionally, the municipalities should increase the number of meetings of this Council, by at least achieving the minimum criteria specified in the Administrative Instruction.

Supervision of municipalities

Supervision of legality of the work of municipalities, is a competency of central authorities depending on which field this function is exercised. In principle, MLGA is the supervisory authority of municipalities, unless the supervisory responsibility is given by law to another responsible ministry or institution, dealing with this particular area. The review of delegated competences is exercised by the central government body that has delegated them". The process of administrative review of municipal acts is regulated in details by the

Regulation (GRK) No-01/2016 on Administrative Review of Municipal Acts. During 2019, a total of 2038 adopted acts by the municipal assemblies, went through the process of review of legality (148 regulations and 1890 decisions). Below it is presented the chart with the data from the process of review of legality of municipal acts.

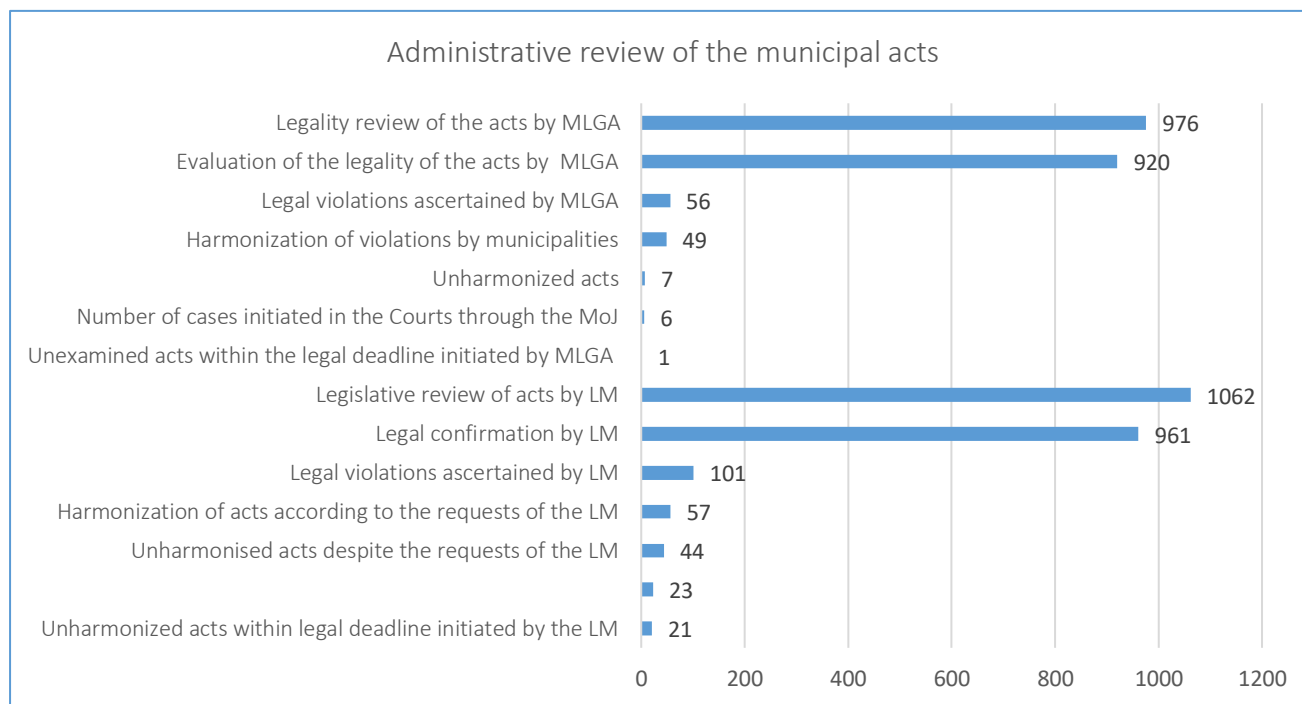


Chart 8: *The process of administrative review.*

The above diagram shows that Municipal Assemblies have approved a total of 2038 acts, of which MLGA has reviewed the legality of 976 acts or 47.8%, while 1062 acts have been reviewed by line ministries (52.1%). There are in total 157 violations, of which 56 ascertained by MLGA and 101 from the line ministries. In this process the municipalities have achieved to harmonize in total 106 acts, whereas 51 acts remain unharmonized with the law or 2.5% of the total adopted acts. In this regard, the Ministry of Local Government Administration has initiated the procedures of judicial opposition through Ministry of Justice for 29 acts of municipal assemblies as follows: Vushtrri (1), Gjakovo (4), Lipjan (3), Skenderaj (3), Decan (3), Prishtina (9), Malishevo (2), Gracanica (1), Prizren (1), Gjilan (1) and South Mitrovica (1). The municipalities that have not harmonized the acts even after the request for review from the supervisory body are: Prizren (2), Malishevo (1), Ferizaj (1), Gjilan (1), Dragash (1), Decan (2), Shtime (1), Istog (1), South Mitrovica (1), Junik (1), Kamenica (1), Vitina (1), Klokot (1), Gracanica (1), Ranilug (1), Strpce (1), Glogoc (2), Gjakova (1) and Fushë Kosova/K.Polje (1).

EUROPEAN AGENDA

Implementation of the Stabilization and Association Agreement is one of the most important priorities of the Republic of Kosovo, which was signed by the Republic of Kosovo and the European Union and entered into force on April 1, 2016. The Assembly of the Republic of Kosovo on March 10, 2016 has approved the National Program for Implementation of SAA, which obliges the state institutions to perform all the required obligations in this process. Municipalities as a special level of state administration have their responsibility in meeting the standards required by the European Union. In this direction, the MLGA with the aim of coordinating the activities in this field at local government level, during 2019 has undertaken several actions for addressing and meeting the obligations arising from the European integration Agenda, as:

- The program of municipalities in this area is structured based on three main integration criteria: a) political, b) economic and c) European standards criteria.
- Municipalities have provided information in this regard based on the individual plans drafted by MLGA, which include obligations under National SAA Implementation Program, local government challenges identified by the Country Report and other relevant documents.
- Based on the data provided by municipalities, during 2019 municipalities of the Republic of Kosovo have managed to realize 71% of activities in the field of political criteria. In terms of fulfilment of economic criteria, the municipalities have managed to realize 71% of the criteria and in the field of European standards they have realized 66% of the activities. The overall level of realization of obligations of municipalities deriving from the European agenda for 2019 is 69%, as follows:

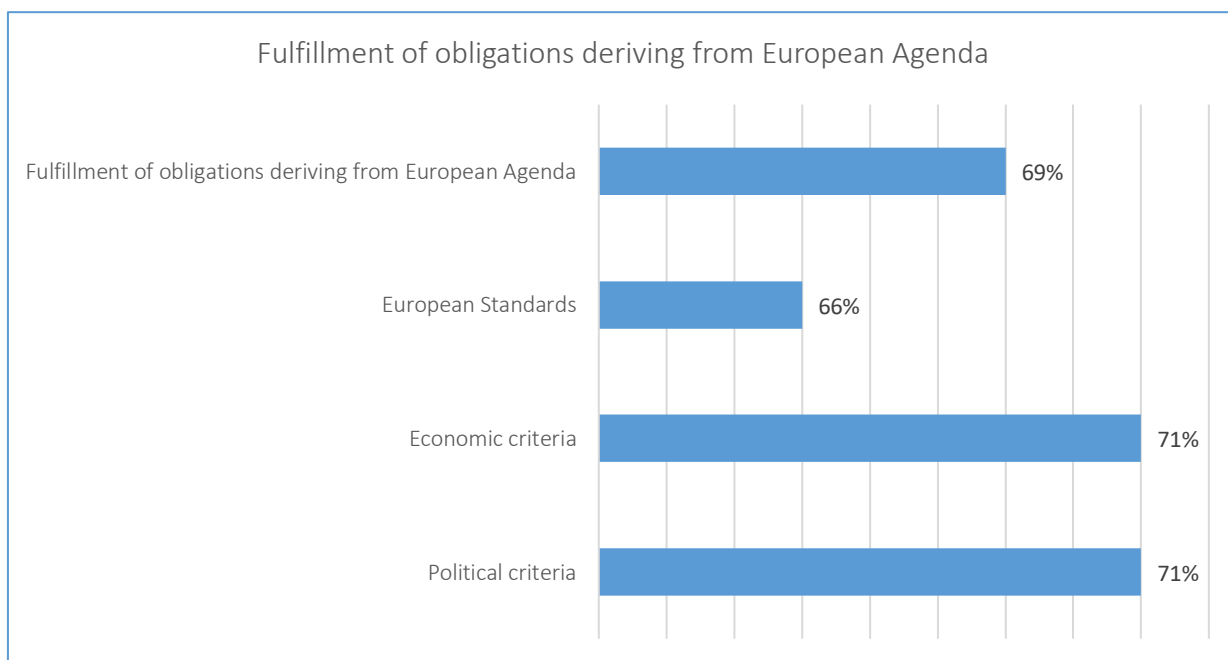


Chart 9: Fulfillment of obligations deriving from European Agenda

Political criteria

The stability of institutions in democratic governance, respect of human rights and the rights of non-majority communities is one of the main chapters of a country that should be fulfilled in relation to European integration. Fulfillment of the political criteria is an obligation which needs to be met by Kosovo, as a potential candidate for EU membership. In this part of the report are included the data on municipal activities from the political field, while focusing on: strengthening the local public administration, cooperation with the civil society, fighting terrorism, fighting corruption, fighting for human rights and non-majority communities, gender equality, children's rights, property rights, protection and promotion of Cultural Heritage as well as other relevant fields.

One of the main fields that is part of the political criteria is also the functioning of the local public administration. During 2019 several activities were undertaken to provide the necessary capacities for the local government administration, to increase the quality of public services for citizens, to provide these services with the lowest cost and in real time, to increase the efficiency and transparency, to promote e-government, and to build more effective accountability mechanisms for the approach to citizens.

As part of the measures for capacity building of human resources, the municipalities have drafted the program and the training database. The training program is drafted by 33 municipalities, besides 5 municipalities: Klokot, Mamusha, North Mitrovica, Shtrepce and Zubin Potok, which have not fulfilled this obligation. Regarding the implementation of capacity building program, according to the data 30 municipalities have organized different trainings. 28 trainings were held on average for 2019 municipalities in these municipalities, or an average of 30 officers for each municipality..

During this period, the municipalities have undertaken concrete actions that non-majority communities to be involved in the public administration by enforcement of applicable laws regarding the employment rights of non-majority communities, encouraging them to be involved through awareness campaigns, as well as strengthening the role of the municipal office for communities and returns. According to the data, the number of employees from non-majority communities in the public institutions is approximately 10% in 32 municipalities. In addition, 6 municipalities: Gjakova, Gllogoc, Mamusha, Junik, Kacanik and Klllokot did not provide data.

Municipalities have cooperation also with civil society organizations. A large network of non-government organizations function and are engaged in projects that aim to improve the life of the citizens. From the data presented, the majority of municipalities have provided financial support for NGOs projects. The number of NGOs project supported by 32 municipalities is 942 projects, whereas 6 municipalities: Zubin Potok, Klllokot, Partesh, North Mitrovica, Leposaviq and Shtrepce did not finance any NGO projects in this period.

The implementation of national strategy for preventing violent extremism as well as the strategy against terrorism has been extended also at local administration level. The municipalities have undertaken

concrete actions for raising the awareness of citizens against radicalism that may lead to violent extremism. Such campaigns have been organized in 23 municipalities, through activities such as: awareness campaigns, activities in the field, regular meetings with members of MCSC, meetings with representatives of religious communities etc. On the other side, 15 municipalities: Malisheva, Ranillug, Zubin Potok, Zvecan, Pristina, Podujevo, Gracanica, Junik, Klina, North Mitrovica, Leposaviq, Strpce, Vushtrri, Mamusha and Novo Brdo did not undertake any action/activity to raise the awareness of citizens against radicalism that may lead to violent extremism.

Regarding the declaration of assets, in 34 municipalities is reported for 1449 municipal Officials that have declared the assets, whereas there are no data provided from 4 municipalities: Ranillug, Mamusha, Partesh and North Mitrovica. In 35 municipalities, it was not reported for cases of conflict of interest when municipal Officials declared the assets, while in 3 municipalities: Decan, Skenderaj and Zvecan there were 97 cases. Based on the Law on Local Self-government (Article 38), members of the Municipal Assembly shall be excluded from the decision-making if any issue where personal or material interest may arise, and they are obliged to declare the conflict of interest. In this regard, in 32 municipalities there were no declarations of conflicts of interest by the members of assemblies, whereas in 6 other municipalities: Zveçan, Mamusha, Lipjan, Decan, Skenderaj and Kacanik there were 75 cases of declaration of conflict of interest.

In order to improve the operational aspects of the administrative work, the decision-making responsibility, strengthening of internal control and improvement of the service quality, the municipalities have drafted the Local Integrity Plans. These plans are drafted by 20 municipalities, whereas in 18 municipalities: Gjakova, Ranilug, Gjilan, Zubin Potok, Klokot, Zvecan, Pristina, Prizren, Kamenica, Decan, Dragash, Junik, North Mitrovica, Leposavic, Strpce, Obiliq, Mamusha and Novo Brdo, still remain to draft it. In addition to this, 13 municipalities have appointed the responsible Officials to report on the implementations of Local Integrity Plans, whereas 25 municipalities: Gjakova, Malisheva, Ranillug, Gjilan, Zubin Potok, Klokot, Hani i Elezit/Dj.Jankovic, Prishtina, Prizren, Podujevo, Fushe Kosova/K.Polje, Mitrovica, Kamenica, Decan, Dragash, Gracanica, Junik, Klina, Rahovec, North Mitrovica, Leposavic, Strpce, Obiliq, Mamusha and Novo Brdo, still have not appointed the responsible Officials to report on the implementations of Local Integrity Plans. Also 6 municipalities have published in their websites the reports on the monitoring of the implementation of the Local Integrity Plan.

Municipalities have continued their activities in the field of protection of human rights. 22 municipalities have drafted the Municipal Regulation on Child Protection, whereas 216 municipalities: Klokot, Partesh, Zvecan, Mamusha, Novo Brdo, Obiliq, North Mitrovica, Leposaviq, Malisheva, Ranilug, Zubin Potok, Strpce, Dragash, Gracanica, Junik and Klina, still have not adopted these Regulations. Also, 7 municipalities have drafted the Strategy against Domestic Violence, while 31 municipalities have not yet drafted: Shtime, Ferizaj, Malisheva, Ranilug, Zubin Potok, Istog, Klokot, Hani i Elezit/Dj.Jankovic, Partesh, Zvecan, Pristina, Prizren, Podujevo, Fushe Kosove/K.Polje, Mitrovica, Kamenica, Viti, Deçan, Glllogoc, Gracanica, Junik, Kaçanik, Klina, Rahovec, North Mitrovica, Leposavic, Shterpce, Vushtrri, Mamusha, Novo Brdo and Suhareka. The municipal authorities have undertaken measures also for preventing domestic violence. In 21 municipalities it is reported for 617 cases of violence on gender basis, therefore 13 municipalities have established the Municipal Councils for Protection of Domestic Violence Victims and 39 meetings were held.

During the reporting period, 15 cases of sheltering and compensation of victims trafficking were reported in 7 municipalities: Ferizaj, Prizren, Mitrovica, Viti, Fushe Kosove/K.Polje, Lipjan and Glogoc, while 31 municipalities did not report any case of sheltering.

Mechanisms for protection of community rights have a special support at local level. In 27 municipalities it is allocated the budget for protection of minority communities, in amount of 11,028,780.00 €. Additionally, there is an advanced normative body to promote language diversity in municipalities. Currently the Regulation for usage of languages is drafted only in the municipality of Ranillug and Zveçan. The professional staff for translation is recruited in 26 municipalities, while 1 municipality (Podujevo) partially, whereas 13 other municipalities: Gjilan, Zubin Potok, Hani i Elezit /Dj. Jankovic Kamenica, Glogoc, Gracanica, North Mitrovica, Leposavic, Obiliq, Mamusha and Novo Brdo do not have a specific translation staff.

Effective implementation of cultural heritage legislation has been part of the ongoing engagement of municipal bodies. According to the data, the Plan for Protection of Cultural Heritage is drafted by 3 municipalities, while it was not drafted by 35 municipalities: Vitina, Istog, Klokot, Hani i Elezit/Dj.jankovic, Partesh, Zvecan, Pristina, Prizren, Podujevo, Fushe Kosove, Mitrovica, Kamenica , Gjakova, Gjilan, Ferizaj, Shtime, Vushtrri, Obiliq, Suhareka, Skenderaj, Malisheva, Mamusha, Novo Brdo, Ranilug, Zubin Potok, Decan, Glogoc, Gracanica, Junik, Klina, Peja, North Mitrovica, Leposavic. Regarding the definition and treatment of perimeters, protected areas, protected surfaces and marking of cultural heritage assets, 25 municipalities have undertaken the marking of heritage assets, marking of protected and cultural areas. During this period there are 5 cases of illegal constructions were identified in the protected zones in municipalities: Prizren, Klina and Skenderaj, for which the respective procedural measures have been taken. Also 10 municipalities have set up monitoring equipment for the security of cultural heritage sites of the Orthodox Church.

Two established Councils in Rahovec and Prizren have continued to be functional, such as: the Council for Village Hoqe e Madhe and the Task Force for the Historical Center of Prizren. The Municipality of Prizren has allocated the fund in amount of 57,020,00 € for the Cultural Heritage Council for the Historical Center of Prizren, whereas the Municipality of Rahovec has allocated 22,743.00€ for the Village Hoqe e Madhe. In the Municipality of Prizren have been appointed the responsible persons to inspect the illegal constructions in the protected area of the city, the Task Force has identified the buildings that were constructed in violation of the Law on the Historic Centre.

During this period, 24 municipalities have undertaken activities for awareness raising and for promotion of cultural heritage protection as: holding various meetings of awareness raising, distributing brochures for the purpose of informing and raising awareness of citizens on protection and cultural heritage, organizing of exhibitions in the field of cultural heritage, workshops, etc. while 14 municipalities: Ranillug, Gjilan, Zubin Potok, Mitrovica , Fushe Kosove, Klokot, Hani i Elezit/Dj. Jankovic, Zvecan, Dragash, Glogoc, Rahovec, Mitrovica North, Strpce and Novo Brdo have not organized such campaigns.

Economic criteria

The economic development remains one of the top priorities at the country level. Economic policies constitute the essence of the program of almost all state administration mechanisms, including municipalities that have an indisputable role in this regarding 2019, the implementation of the Local Economic Development Strategy has started, while amendments to the law on local government finances, were made. These structural changes involve the respective options affecting the financial sustainability of municipalities, creation of conditions for business development, increasing capital investments, balancing investment according to real assessments, efficient use of municipal property for the external investments, as well as in many other influence sectors.

Regarding the concrete activities in this area foreseen in the municipal plans, during 2019 in 28 municipalities were provided necessary conditions for operation of one stop shops, which facilitate provision of services for businesses, including their registration. While in 10 other municipalities is remained to complete the structure of these centers, by extending their network in other municipalities as well: Ranillug, Zubin Potok, Pristina, Klokot, Partesh, Zvecan, Junik, North Mitrovica, Leposavic and Mamusha. According to data from 32 municipalities, in 2019 were opened 9149 new businesses, whereas 1216 businesses were closed in municipalities.

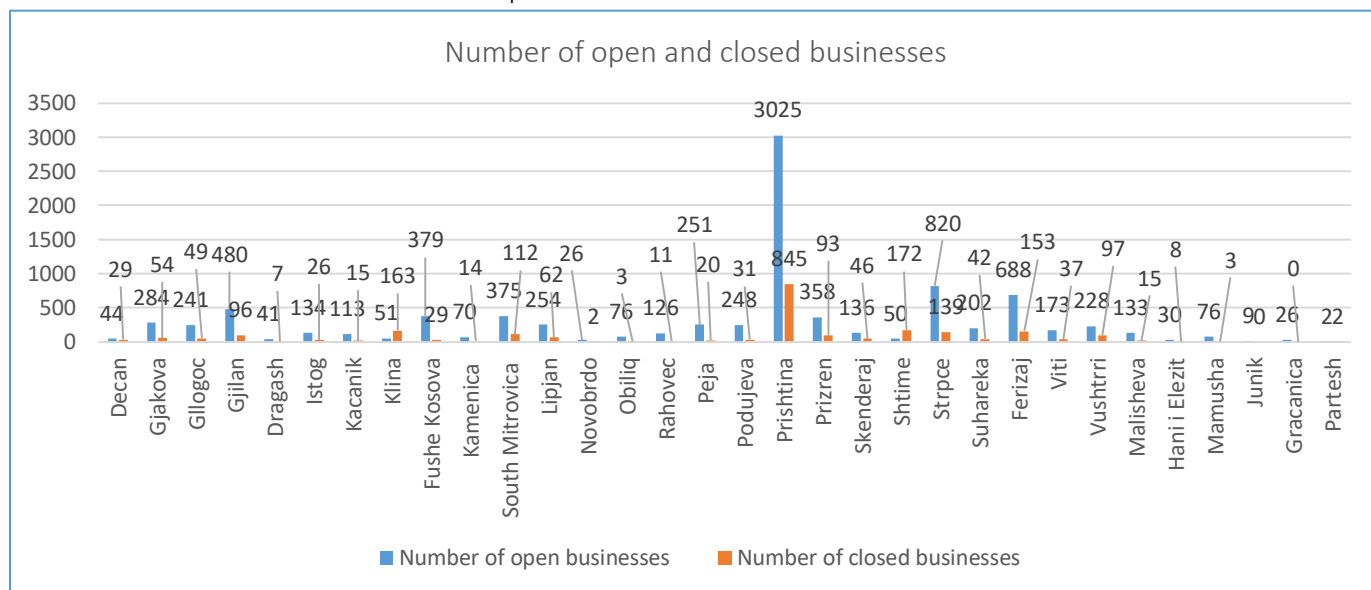


Chart 10: Number of open and closed businesses in 2019.

In most municipalities, challenges that hinder the conditions for doing business, are considered: unstable market to launch their products, unfavorable business loans, lack of strategic and direct investments from abroad, lack of business subsidies for the new jobs, the unreliable competition, the informal economy, high cost of operation and the lack of skilled labour force. In this regard, 23 municipalities have drafted Strategies for Local Economic Development. Only from the category of business subsidies, according to data for 16 municipalities, a considerable number of businesses have benefited a total value of 623,428.30 euro. To influence the fight against informal economy, about 58 market inspectors are engaged in municipalities.

Municipalities are focused on improving public finance management, because spending of funds in the category of capital expenditures, still remains a challenge.

In terms of better quality management, 31 municipalities have approved the Action Plan for the implementation of auditor recommendations, with the exception of Ranillug, Prishtina, Partesh, Klllokot, Gračanica, Decan and North Mitrovica. The support of the business was also done through provision of municipal property for use in the realization of investment projects. According to the data, 32 municipalities have registered the immovable property.

European Standards

The agricultural sector remains the main component of local economic development, for which municipalities have provided substantial financial support. 14 municipalities have drafted the Plan for Agriculture and Rural Development, also 33 municipalities have supported 8057 farmers, while this policy should also be practiced by the municipalities: Ranillug, Zubin Potok, Klllokot, Zvečan and North Mitrovica.

Farmers' information centers are operational in 33 municipalities, where about 2545 farmers were trained, during the reporting period. Training centers for farmers should also be established in the municipalities of: Zubin Potok, Hani i Elezit/Dj. Jankovic, Zvečan, North Mitrovica and Leposavic. During the reporting period, about 2709 applications for protection of agricultural land have been submitted to municipalities. According to the data, in 16 municipalities agricultural inspectors were systemized. So far only 3 municipalities have drafted the Rural Land Management Plan.

A number of activities has also undertaken in the field of energy. The Energy Efficiency Plan has been drafted in 32 municipalities. In order to develop these plans 6 municipalities should undertake actions: Prishtina, Klllokot, Gračanica, North Mitrovica, Ranilug and Malisheva. 78 trainings were held in the area of efficiency, while capacity building should be objective for 9 other municipalities: Gjakova, Ranilug, Zubin Potok, Fushe Kosove, South Mitrovica, Strpce, Klllokot, Gračanica and North Mitrovica.

Municipalities have marked progress in establishing local mechanism for anti-discrimination law enforcement. About 27 municipalities have appointed the anti-discrimination officer, in compliance with legal obligations. This issue remains unenforceable in 11 municipalities: Zubin Potok, Podujevo, Kamenica, Decan, Glllogoc, Kacanik, Rahovec, North Mitrovica, Leposavic, Mamusha and Obiliq which have not yet appointed an officer.

In order to facilitate provision of services to citizens, the municipalities have paid particular attention to establishing offices for provision of free legal aid, which under the legislation in force were established through regional offices in 7 regions. According to data, offices of free legal aid were made operational in 4 regions: Gjakova, Ferizaj, Mitrovica and Gjilan. According to data the number of those who have sought legal aid during the reporting period, is 1679 persons.

Regarding the field of personal data protection, the relevant municipal data protection officer has been appointed in 37 municipalities, whereas in 1 municipality (Zubin Potok) he has not been appointed yet. Also, the personal database has been functionalized in 32 municipalities, whereas in 6 municipalities, namely Istog, Klokot, Zvecan, Mamusha, North Mitrovica and Leposaviq has not been functionalized yet. In addition, the physical security of documentation (*physical guard, camera installation, grids and safes, etc.*) has been improved in 36 municipalities, whereas 2 municipalities, namely North Mitrovica and Ranilug is not at the desired level.

The community rights protection mechanisms have been established in all municipalities with the exception of the municipality of Zubin Potok, where the Municipal Office for Communities and Returns is not yet functional. Municipalities are among the most significant actors to create the relevant conditions for the successful and sustainable reintegration of repatriated persons. From the reporting of 33 municipalities, we can see that 16 municipalities have adopted the Municipal Plan for Sustainable Reintegration of Repatriated Persons, while in 17 municipalities: Malisheva, Gjilan, Ranilug, Zubin Potok, Prishtina, Mitrovica, Viti, Klokot, Zvecan, Glogoc, Junik, Klina, North Mitrovica, Leposaviq, Vushtrri, Suhareka and Novo Brdo has not been drafted yet. During the reporting period, the number of returnees registered in the municipalities is 3823, while in 13 municipalities 276 requests for equipment with civil status documentation, were submitted. Verification of the repatriated persons' requests was done by the Municipal Civil Status Offices, the Communities and Returns Offices, and the Municipal Commission for Reintegration. There was a large number of applications for benefit from the reintegration fund, around 343 applications. Consequently, in the 11 municipalities: Gjakova, Kamenica, Klina, Fushe Kosove/K.Polje, Novo Brdo, Rahovec, Peja, Prizren, Skenderaj, Strpce and Zubin Potok, 106 houses were reconstructed for returned persons. In addition, in 18 municipalities were submitted 301 applications for business development by repatriated persons,

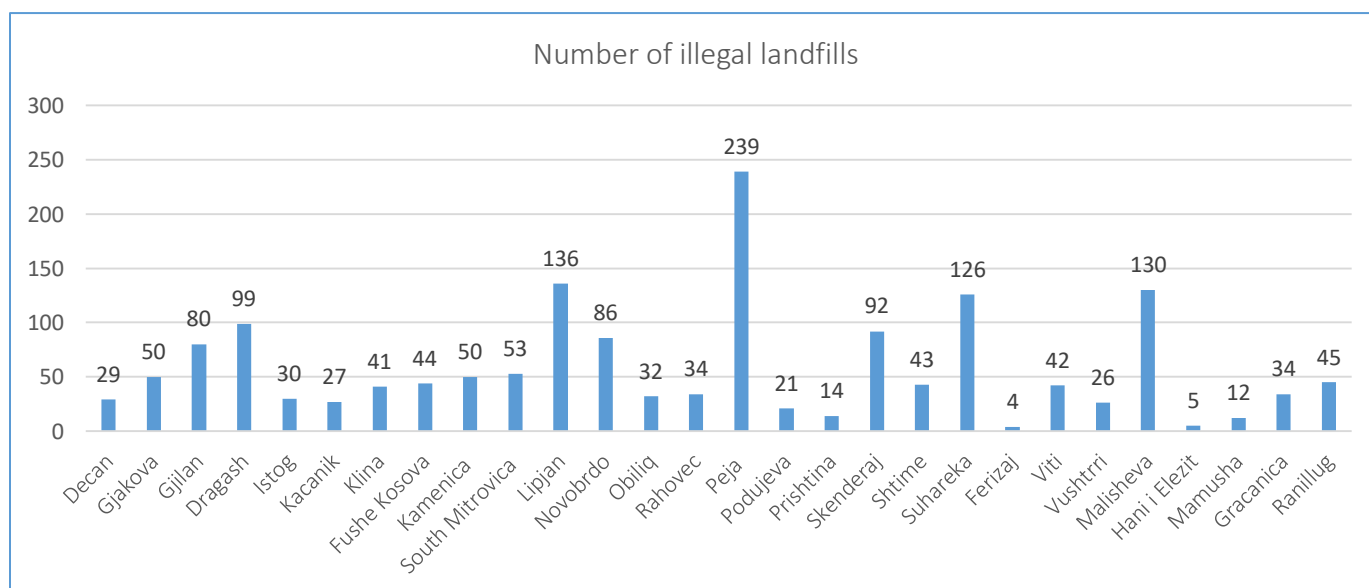
Measurable actions have been undertaken to implement the Strategy for Roma and Ashkali community. The Local Action Plan for the Integration of RAE Community has been approved by 15 municipalities. This plan is expected to be drafted in all municipalities where members of this community live. There are 6 municipalities where none of RAE community members live (Ranilug, Glogoc, Kacanik, Junik, Hani i Elezit and Partesh). According to data from 15 municipalities, the number of registered persons from the Roma, Ashkali and Egyptian community is 1199. The awareness-raising campaigns organized by the municipalities have impacted on increasing the number of applications to register. Thus, in 13 municipalities were organized 103 awareness raising campaigns.

Combating narcotics has taken the attention of municipalities, in order to achieve results in reducing the number of drug users and preventing their impact especially in schools. Municipalities have undertaken many activities through: lectures held in schools by pedagogues and school psychologists and cooperation with the police and community security forums.

Municipalities are responsible for provision of pre-primary, primary and secondary education. A large part of them have planned the budget for scholarships for pupils and students. The number of beneficiaries of these scholarships in 26 municipalities, is 2777 pupils / students. Youth support through funding programs

should also be a priority in municipalities: Ranilug, Zubin Potok, Leposaviq, Lipjan, Novo Brdo, Strpce, Zvecan, Mamusha, Klokot, Gracanica, Partesh and North Mitrovica. The data of 26 municipalities, show that a total of 570 children were included preschool institutions. The problem of school dropout of Roma, Ashkali and Egyptian community has been evident over the years, according to data from 13 municipalities, the number of school drop outs from this community is 225 pupils, in this regard only 5 municipalities have drafted the Action Plan for non- enrolment and drop-out from education from non-majority communities. Vocational education is a special field with perspective that will impact on employment growth and economic development in the country. In 32 municipalities, 90 vocational schools operate in different branches such as: Electrical and Mechanical Engineering, Construction, Economics etc. Municipalities: Zubin Potok, Klokot, Hani i Elezit/Dj.Jankovic, Mamusha, North Mitrovica and Junik do not have such schools.

Municipalities are facing with many difficulties in the field of environment, waste collection, air pollution and illegal landfills. Despite the legal competencies of the municipalities in the field of air protection, the Air Quality Action Plan, no municipality has drafted it. On the other hand, 31 municipalities have approved the local waste management plan, but it remains to be drafted in municipalities: Mamushë, Dragash, North Mitrovica, Strpce, Malishevo, Ranilug and Zubin Potok. Municipalities have also undertaken awareness-raising campaigns on environmental protection. According to data in 23 municipalities were organized 152 awareness-raising campaigns, whereas 15 municipalities; Ranillug, Gjilan, Zubin Potok, Dragash, Kaçanik, Kamenica, Lipjan, Peja, Podujevo, Strpce, Zvecan, Mamusha, Junik, Klokot and North Mitrovica have not held any awareness campaign. Despite this, the number of illegal landfills is enormous, there are 1624 illegal landfills in 28 municipalities. Regarding the number of inspections for the implementation of Anti-Smoking Law, in 23 municipalities were imposed 1952 fines. While, during the reporting period 128 fines



were imposed in 8 municipalities and in 2 other municipalities as: Skenderaj and Fushe Kosove/K.Polje, 187 warnings were made.

Chart 11: Number of illegal landfills in municipalities.

There is an interest of municipalities for inter-municipal and international-municipal cooperation. During this period 27 Inter-Municipal Cooperation Initiatives were undertaken by 29 municipalities. These initiatives were undertaken with the purpose of cooperation in the area of prevention, respond and recovery from natural disasters and other disasters.

Regarding the international municipal cooperation, within this process, 8 agreements have been reached between the municipalities: Lipjan - Civita dhe Frascineto (Itali), Fushë Kosova - Civita dhe Frascineto (Itali), Rahovec - Civita dhe Frascineto (Itali), Gjiilan - Iowa Sioux City, Peja - (Iowa) Johnston, Gjakova- (Iowa) Fort Dodge, Vushtrri - (Iowa) City of Norwalk and Prishtina - (Iowa) City of Des Moines. Education, culture, sport, tourism and economic development are subject of cooperation in these agreements. An initiative was also undertaken by municipality: Rahovec - Vlora (Albania), Rahovec, Istog, Gracanica, Kamenica and the cities of IOWA, Peja - Durres (Albania) - Ulcinj (Montenegro) - Bujanovc (Serbia) - Tetovo - (Macedonia) - Zare (Croatia) , Hani i Elezit - Celano (Italy), Viti - Kirchhain (Germany), Podujevo - Velbert (Germany) which aims to initiate the agreement between municipalities for cooperation in the field on economic, technological, cultural, youth, sport, cultural and social heritage issues, under the framework of UN agenda for 2020.

LOCAL FINANCES

Municipalities have numerous sources of funding, which they freely dispose of in the exercise of their competences in accordance with applicable laws. Municipal financial resources are required to be equivalent to the municipal competencies, set out in the Law on Local Self-Government. Local finances are an integral part of the MTEF as a 3-year strategic document drafted on the basis of the Government priorities and objectives. The principles, criteria and formulas applied for the allocation of government grants for financing the municipalities, as well as the participation are based on the Law on Local Government Finance.

The financial resources of a municipality consist of: the municipality's own source revenues, operating grants, grants for enhanced competences, transfers for delegated competences, extraordinary grants, financial assistance from the Republic of Serbia, and revenues from municipal borrowing. Municipalities should apply the applicable provisions of the Law on Public Financial Management and Accountability, when accessing these financial resources. Municipal own source revenues are the financial means collected from taxes, fees, penalties, payments for public services provided by the municipality, rents from immovable property owned by the municipality, revenues from the sale of municipal assets, those from municipal enterprises, co-payments from education and health services, etc..

This section of the report provides important data for the planning of municipalities' own source revenues for 2019, realization of revenues and spending of municipal budgets.

Planning Own Source Revenues

For 2019, the planning of own source revenues was in the amount of € 87,000,000.00. Compared to the planned revenues for 2018 in the amount of € 81,498,030.07, the planning for 2019 was higher for € 5,501,969.93 or expressed in percentage 6.75%.

Realization of own source revenues

Municipalities collect own source revenues in two forms: a) revenues collected directly by the municipality (as a municipal activity), and b) revenues collected by the central level (indirect revenues) which are then transferred to municipalities as an integral part of the own source revenues. Realization of direct and indirect revenues for 2019 was € 89,259,105.16, of which € 77,813,475.88 were direct revenues and € 11,445,629.28 were indirect revenues. If this value is compared to the total planned value, in the amount of € 87,000,000.00, then we see that the realization has reached the level of 103%. The collection of direct own source revenues for 2019 in the amount of € 77,813,475.88 compared to collection of similar kind revenues for 2018 in the amount of € 70,996,498.41, is higher for € 6,816,977.47, or 9.60%.

According to the official data from the Kosovo Financial Management Information System - KFMIS, Treasury Department – MoF, during the period January-December 2019 municipalities of the Republic of Kosovo have collected € 77,813,475.88 direct own source revenues, or 89% from the annual planned level of € 87,000,000.00.

Based on the percentage of own source revenue collection, municipalities have the level of realization, as follows:

- Municipalities that have the highest level of realisation of own source revenues, over 100%, are: Fushë Kosova/K.Polje, Klina, Skenderaj, Junik, Hani i Elezit /Dj. Jankovic and Kllokot;
- Municipalities that have realized own source revenues with percentage of 80-100% are these municipalities: Glogoc, Lipjan, Obiliq, Prishtina, Shtime, Gracanica, Prizren, Rahovec, Malisheva, Mamusha, Decan, Istog, Gjakova/Djakovica, Junik, Vushtrri, Gjilan , Strpce, Ferizaj/Urosevac, Partesh, Peja, Mitrovica and Vitina;
- Municipalities that have realized own source revenues from 60% - 70% are: Podujevo, Dragash, Kaçanik, Kamenica and Ranilug;
- Own source revenues of 0-50% were generated by the following municipalities: Leposavic, Zubin Potok, Zvecan, North Mitrovica and Novobrd.

The categories that have the greatest impact on the increase of own source revenues are:

- *Revenues from property taxes*, which during 2019 was collected in the amount of € 27,312,960.00, is bigger for € 3,040,897.00 compared to 2018, which was € 24,272,063.00;
- *Municipal revenues for construction permits*, where in 2019 the amount of € 17,950,283.00 was collected, which is higher compared to the same period of 2019 (2,401,335.00€);

- *Revenues from the use of public property*, where in 2019 the collection was realized in the amount of € 5,779,699.00, compared to 2018, where the collection has reached the amount of € 5,606,447.00, it is noticed that, there is a slight increase in the level of revenues collection from the change of land destination.

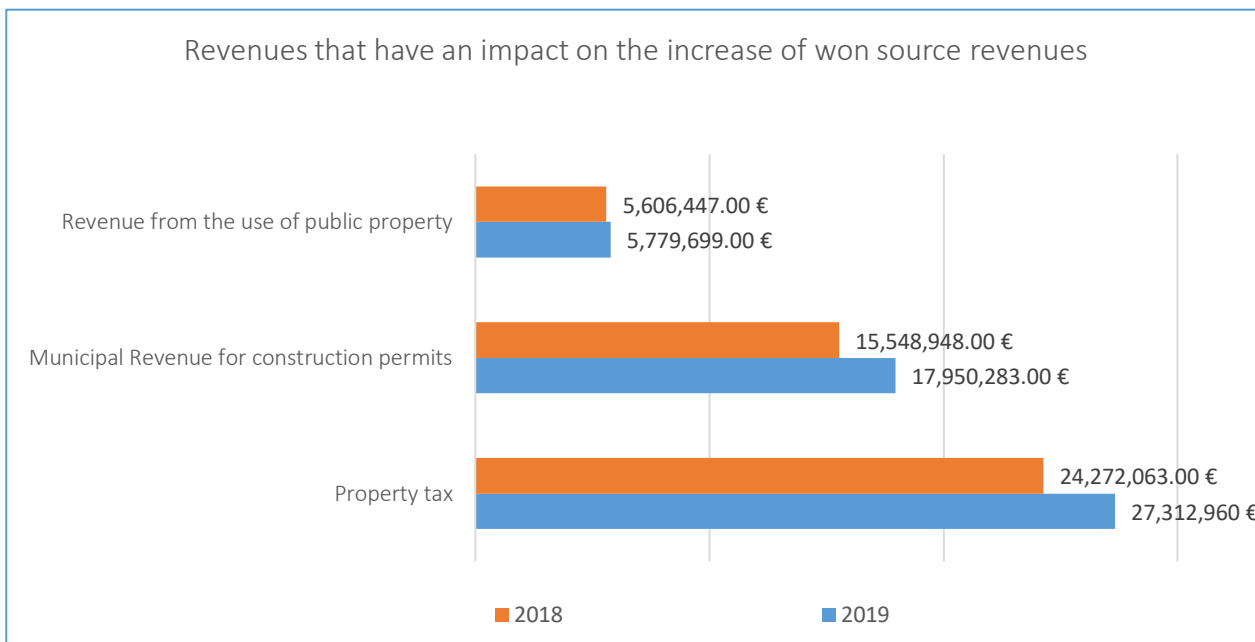


Chart 12: Comparison of revenues that have an impact on the increase of own source revenues during 2018 - 2019.

Municipal budgeting for 2019

Based on official data from the Kosovo Financial Management Information System (KFMIS) - Department of Treasury - Ministry of Finance, the Municipalities of the Republic of Kosovo for 2019 have spent their budgets in the total value of 503,970,478,79 or 88 % of the planned budget in the amount of € 573,581,115.13. Based on the latest state of the annual reports in KFMIS, for 2019 Kosovo municipalities had a budget of € 573,581,115.13 available, or Kosovo municipalities had budget available in the amount of € 573,581,115.13 more than in 2018, which was in the amount of € 523,191,914.34.

Expenses compared to the budgeting

The budget of the municipalities of the Republic of Kosovo by economic categories in general was spent as follows:

- **The category of salaries and wages:** according to the data, the budget planned for this category was € 272,948,986.87, while € 263,431,795.36 or 97% was spent. Compared to the budget in all municipalities, 69-100% was spent, with the exception of north municipalities: Leposavic (69%) and North Mitrovica (71), while the municipalities that spent 100% of the budget in the category of salaries and salaries are: Novo Brdo, Gracanica, Klllokot and Ranilug.

- **The category of goods and services:** according to the data, the budget planned for this category was € 69,574,108.57, while € 64,168,158.58 or 92% was spent. Compared to the planned budget, was spent at 61% - 100%, where Raniluk municipality has the lowest percentage of spending in the category of Goods and Services with 61%, Kamenica with 77% and Vushtrri with 78%. While municipalities that have spent 100% of the budget in the category of Goods and Services, are: Gračanica, Mamusha, Peja, Leposaviq, North Mitrovica, Hani i Elezit/Dj. Jankovic and Klllokot.
- **The category of municipal expenditures:** According to the data, the budget planned for this category was € 11,590,051.68, while € 10,230,938.14 or 88% was spent. Compared to the budgeting, was spent at the level of 7-100%. Municipalities with the lowest percentage of expenditures, compared to the budgeting are municipality of Zubin Potok (7%), Zvecan (9%) and North Mitrovica (44%). Whereas, municipalities that achieved the highest percentage of budget execution of 100%, are: Malishevo, Mamusha, Decan, Istog, Leposaviq, Novo Brdo, Ferizaj/Urosevac, Vitina, Hani i Elezit/Dj. Jankovic and Klllokot.
- **The category of subsidies and transfers:** In this category, € 23,869,542.85 planned during this period, while € 21,968,208.72 or 92% were spent. The data show that, compared to the budgeting was spent 90 - 100% in 29 municipalities, in 2 municipalities was spent at the level of 80 - 89%; in 4 municipalities was spent at 70-79%; while in 3 municipalities was spent at the level of 10-63%.
- **The category of capital expenditures (non-financial assets), according to the data in this category,** the planned budget was € 195,598,425.16, while € 144,171,377.99 or 74% was spent. Compared to the budgeting, was spent at 90-99% in 14 municipalities, 80-89% in 13 municipalities, 62-77% in 8 municipalities; and in 2 municipalities was spent 44% respectively 54%.

If we compare the economic categories, then we can see that the category of wages and salaries was spent most up to 97%, while the economic category of goods and services; subsidies and transfers has reached up to 92%; Municipal Utilities was spent 88%, compared to the budget available, the economic category of capital expenditures is less spent up to 74%. The municipalities with the lowest percentage of budget execution are the municipality of Prishtina with 71%, the municipality of Zvecan with 76% and the municipality of Zubin Potok with 77%. The municipality with the highest percentage of budget execution is the municipality of Klllokot with 100%, then Vitina with 99%, and Hani i Elezit/Dj. Jankovic with 98%.

Auditor's opinion for the municipalities of the Republic of Kosovo

Auditor's opinions on municipalities are different, according to years. The type of opinion that was most often given in 2017-2018 is unmodified opinion with emphasis of matter, which was given in 25 municipalities in 2017 and in 32 municipalities in 2018. Then the qualified opinion with emphasis of the matter that was given to 9 municipalities for 2017, while for 2018, this type of opinion was received by only 3 municipalities. In addition, no municipality has received a qualified opinion, in 2017 and 2018. As well, no municipality has received an adverse opinion in 2017 and 2018, 4 municipalities have received an unmodified opinion in 2017 and in 2018, 3 municipalities received an unmodified opinion. The opinion that

enables municipalities to start the procedures for municipal loan, should have two consecutive years (the last two years) the unmodified opinion. Only the Municipality of Viti and Ranilug have the unmodified opinion, for two consecutive years. Below you can see the overview of data related to auditor's opinion according to municipalities and years.

Auditor's opinion	Years	Municipalities
Unmodified opinion	2017	Viti, Peja, Lipjan and Ranillug (4 municipalities)
	2018	Viti, Stimlje and Ranillug (3)
Unmodified opinion with emphasis of matter	2017	Prishtina, Prizren, South Mitrovica, Gjakova, Gjilan, Gracanica, Strpce, Stimlje, Skenderaj, Decan, Fushë Kosova/K.Polje, Glllogoc/Glogovac, Hani i Elezit/Dj.Jankovic, Junik, Istog, Kacanik, Kamenica, Novobrd, Obiliq, Partesh, Podujevo, Vucitrn, Zubin Potok, Zvecan and North Mitrovica (25 municipalities)
	2018	Skenderaj, Mamusha, Malishevo, Klinë, Kamenica, Kacanik, Junik, Hani i Elezit/Dj.Jankovic, Dragash, Decan, Rahovec, Glllogoc/Glogovac, North Mitrovica, Obiliq, Zvecan, Zubin Potok, Suhareka, Prizren, Podujevo, Peja, Partesh, South Mitrovica, Lipjan, Leposavic, Klllokot, Istog, Gracanica, Gjilan, Gjakovo, Fushë Kosova/K.Polje and Prishtina (32 municipalities)
Qualified opinion with emphasis of matter	2017	Dragash, Klina, Klllokot, Malishevo, Mamusha, Rahovec/Orahovac, Ferizaj/Urosevac, Suhareka/Suva Reak and Leposaviq (9 municipalities)
	2018	Strpce, Novobrd and Ferizaj/ Urosevac (3 municipalities)
Qualified opinion	2017	
	2018	
Adverse opinion	2017	
	2018	

Table 1: Reflects the Auditor's Opinion on the Municipalities of the Republic of Kosovo 2017 – 2018.

Recommendations:

- The system of telepresence should be functionalized in the municipalities: Leposaviq, Zubin Potok, Zvečan and North Mitrovica;
- The Political and Finance Committee should be more active in municipality of Prizren;
- Meetings of the Committee for Communities should be more intensified in the municipality of Kacanik;
- Municipalities: Zubin Potok, Zvečan, North Mitrovica, Leposavic, Novo Brdo, Mamusha and Ranillug should be more active in adopting the Assembly acts;
- Mayors of the municipalities: Novo Brdo, Skenderaj, Klllokot, Partesh, Leposavic, Zubin Potok, Zvečan, North Mitrovica and Prishtina should meet the minimum criteria of two reportings to the Assembly;
- Municipalities of Podujeva, Kamenica, Novo Brdo, Leposavic, Zubin Potok, Zvečan, North Mitrovica and F. Kosova / K. Police should held at least two public meetings per year according to Article 68.1 of the LLSG;
- Websites should be functionalized in the municipalities: Leposavic, Zubin Potok, Zvečan and North Mitrovica;
- Municipalities: Leposavic, Obiliq, Strpce, Zubin Potok, Zvečan, North Mitrovica, Ranilug, Junik and Partesh duhet should publish the minutes of assembly meetings in thier official the websites;
- Budget documents should be published on the websites by the municipalities of Klllokot, Mamusha, Partes, Ranilug, North Mitrovica, Leposavic, Zubin Potok and Zvečan;
- Municipalities: Zvečan, Zubin Potok, Leposavic and North Mitrovica should establish the Municipal Community Safety Council;
- The minimum standard of the Administrative Instruction No.27 / 2012 MUP - 03/2012 MLGA for the Municipal Community Safety Councils should be met and that six (6) or more meetings, should be held by municipalities: Partesh, Kamenica, Gračanica, Novo Brdo, Deçan, Gjakova, Prizren, Junik, Fushë Kosova and Mamusha;
- Municipalities: Fushë Kosova/K. Polje, Klllokot, Zvečan, Gjakova, Mamusha, Novo Brdo, Ranillug, Zubin Potok, Deçan, Kaçanik, Skenderaj, Peja, North Mitrovica, Leposaviq and Strpce should establish the Operational Teams for Safety (OTS);
- Municipalities: Zubin Potok, Ranillug, Gjakova, Zvečan, South Mitrovica, Hani i Elezit/Dj. Jankovic, North Mitrovica, Leposavic, Strpce, Dragash, Junik, Kaçanik, Mamusha and Novo Brdo should establish the Local Councils on Public Safety;
- Municipalities: Prizren, Malishevaë, Ferizaj, Gjilan, Dragash, Deçan, Stimlje, Istog, South Mitrovica, Junik, Kamenica, Viti, Klllokot, Graçanica, Ranillug, Strpc, Glllogoc, Gjakova and Fushe Kosovo/K.Polje should harmonize their Acts conform the request for reconsideration by the Supervisory Authority;
- Municipalities: Klllokot, Mamusha, North Mitrovica, Strpce and Zubin Potok should establish a training program ;
- Municipalities: Gjakova, Ranillug, Zubin Potok, Kamenica, Peja, Vucitrn, Klllokot and North Mitrovica should implement the program on capacity building;
- Municipalities: Zubin Potok, Klllokot, Partesh, North Mitrovica, Leposavic and Strpce should provide financial support to NGO projects;
- Municipalities: Ranillug, Mamusha, Partesh and North Mitrovica should provide data regarding assets declaration;

- Municipalities: Gjakova, Ranillug, Gjilan, Zubin Potok, Klllokot, Zvecan, Prishtina, Prizren, Kamenica, Deçan, Dragash, Junik, North Mitrovica, Leposaviq, Strpce, Obiliq, Mamusha and Novo Brdo should draft Local Integrity Plan;
- Municipalities: Gjakova, Malisheva, Ranilug, Gjilan, Zubin Potok, Klllokot, Hani i Elezit/Dj.Jankovic, Prishtina, Prizren, Podujeoë, Fushë Kosova/K.Polje, South Mitrovica, Kamenica, Decan, Dragash, Graçanica, Junik, Klina, Rahovec, North Mitrovica, Leposaviq, Strpce, Obiliq, Mamusha and Novo Brdo should appoint the officials responsible, who reports on the implementation of the Local Integrity Plan;
- Municipalities: Klllokot, Partesh, Zvecan, Mamusha, Novo Brdo, Obiliq, North Mitrovica, Leposaviq, Malishevo, Ranilug, Zubin Potok, Strpce, Dragash, Graçanica, Junik and Klina should draft the Municipal Regulation for the Protection of Children's Rights;
- Municipalities: Dragash, Rahovec and North Mitrovicë should provide data on systematization of women in managerial positions;
- Municipalities: Klllokot, Junik, Zvecan and Mamusha should organize awareness campaigns, roundtables, seminars on awareness and improvement of women's property rights;
- Municipalities: Ranillug and Zveçan should draft the Regulation on the use of official languages ;
- Municipalities: Viti, Istog, Klllokot, Hani i Elezit/DJ.Jankovic, Partesh, Zveçan, Prishtina, Prizren, Podujevo, Fushë Kosova/K.Polje, Mitrovicë, Kamenicë, Gjakovë, Gjilan, Ferizaj, Shtime, Vushtrri, Obiliq, Suhareka, Skenderaj, Malisheva, Mamusha, Novo Brdo, Ranillug, Zubin Potok, Decan, Glllogoc/Glogovac, Graçanica, Junik, Klina, Peja, North Mitrovica, Leposaviq, Strpce dhe Dragash should draft the Plan on Protection of Cultural Heritage
- The structure of One Stop Shop centers should be completed, by extending their network in the municipalities: Ranillug, Zubin Potok, Prishtina, Klllokot, Partesh, Zvecan, Junik, North Mitrovica, Leposavia and Mamusha;
- Municipalities: Ranillug, Prishtina, Partesh, Klllokot, Graçanica, Decan and North Mitrovica should adopt the Action Plan for the implementation of auditor recommendations ;
- Municipalities: Zubin Potok, Hani i Elezit/Dj.Jankovic, Zveçan, North Mitrovica and Leposavic should establish training centers for farmers;
- Municipalities: Prishtina, Klllokot, Graçanica, North Mitrovica, Ranillug and Malishevo should draft the Energy Efficiency Plan ;
- Municipalities: Zubin Potok, Podujevo, Kamenica, Decan, Glllogoc/Glogovac, Kacanik, Rahovec, North Mitrovica, Leposaviq, Mamusha and Obilic should appoint an official for protection against discrimination;
- Municipalities: Prishtina, Peja and Prizeren should functionalize free legal aid offices;
- The municipality of Zubin Potok should appoint an officer for the protection of personal data;
- Municipalities: Malisheva, Gjilan, Ranillug, Zubin Potok, Pristina, South Mitrovica, Viti/Vitina, Klllokot, Zvecan, Glllogoc, Junik, Klina, North Mitrovica, Leposavic, Vucitrn, Suhareka and Novobrdó should draft a sustainable reintegration plan for repatriated persons;
- Municipalities: Ranilug, Zubin Potok, Leposaviq, Lipjan, Novo Brdo, Shrpce, Zvecan, Mamusha, Klllokot, Graanicanica, Partesh, North Mitrovica should prioritize youth support through funding programs;
- Municipalities: Mamusha, Dragash, North Mitrovica, Strpce, Malisheva, Ranillug and Zubin Potok should draft a local Waste Management Plan;
- Municipalities: Ranillug, Gjilan, Zubin Potok, Dragash, Kacanik, Kamenica, Lipjan, Peja, Podujevo, Strpce, Zvecan, Mamusha, Junik, Klllokot and North Mitrovica should undertake awareness campaigns regarding environmental protection.

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