

1. PHARE 1999
2. CARDS 2001-2004

Country

fYR Macedonia

Implementation period

2002-2006

Funding

€40 million

Results

- Stronger capacity of municipalities to provide services to citizens
- Stronger capacity of central government to lead the decentralisation reform
- Improved infrastructure facilities in municipalities

Coordinator

Ms. Päivi Nikander
European Agency for
Reconstruction
Email: paivi.nikander@ear.eu.int

Contact person

Mr. Vasilis Vasilatos
Dame Gruev 14, Skopje
Tel: (+ 389 2) 3290 848
Email:
vasilis@eupharemlsg.org.mk
contact@hillado.org.mk
Nikola Tesla 11, Skopje
Tel: (+ 389 2) 3091 457

Supporting local self-government

Decentralisation process in full swing

In last five years fYR Macedonia has moved towards the decentralisation of government powers to municipalities. The adoption of a strategy for the reform of local self-government provided the first impetus and the adoption of the Law on Self-Government continued the process. The Law on Territorial Organisation of Local Self-Government was adopted in 2004, under which the number of municipalities was reduced from 124 to 84. The next phase will be the process of deciding which assets and human resources will be transferred, with the transfer of competencies expected to start in July 2005. Consequently, municipalities will become responsible for a range of competencies, including public services, urban and rural planning, and local finance.

EU aid is delivered through a local government programme, whose objective is to accelerate reform and support sustainable local governance.

The multi-dimensional and cross-sectoral process of decentralisation reform needs to involve all stakeholders in a dialogue. A part of that dialogue has been conducted in EU-funded conferences, workshops, seminars and study visits for those involved in designing the reform. In addition, policy advice has been given to the Government in the formulation of strategies and plans. Furthermore, policy advice has involved field research on the views and interests of stakeholders. Technical assistance will also be provided for the establishment of a single accounting system to be used by the Ministry of Finance and municipalities.

Helping municipalities to meet the challenge

Many municipalities need assistance in meeting the challenge ahead, as their staffing and operational capacities are often limited. Since early 2002, the EU has been assisting municipalities to take on their new responsibilities.

Twenty-six Municipal Pilot Projects are concrete examples of how to improve local government. The objective was to make municipalities more effective and ensure citizens' participation in decision-making. They also created a visible platform for the Government to communicate the benefits of the decentralisation to citizens through 22 Citizen Service Centres providing access to registration and licensing documentation. In addition, the Association of Financial Officers established a municipal accounting system as a financial management tool for municipalities.

ZELS, the association of units of self-government, is playing a crucial role in the decentralisation process. Therefore, a business plan for ZELS was prepared. It recommends strengthening the sustainability of the Association through: enhancement of its advocacy activities; membership in international organisations and associations; improvement and invoicing of services provided; and the development of the organisational structure and operational resources.

In 2005, new urban planning departments will be formed in municipalities consisting of staff already working in municipalities and those to be transferred from line ministries. The EU supports this process with equipment, hardware and software, in parallel with a training programme to enable new units to work effectively. The training of 600 municipal employees will include knowledge transfer and organisational restructuring. Knowledge of the municipal staff will be updated in juridical and technical terms on one hand.

Establishing a stronger local government infrastructure

Local contractors have been constructing some 76 small-scale infrastructure projects in the fields of water supply, sewerage and local roads in selected municipalities. The relevance and purpose of this programme goes beyond the simple construction of facilities. It aims at improving infrastructure in the areas most in need and contributes to balanced economic development. It also strengthens the co-operation between central government and municipalities as well as improving the capacity of municipalities to address their own needs.