



Good governance for
openness and accountability
in politics and governance

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Proposals for the improvement of a current state

Openness of the local self-government in the region and Macedonia

METAMORPHOSIS
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ActionSEE



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Introduction

In cooperation with the partners from the “ACTION SEE” regional NGO network, Metamorphosis Foundation for Internet and Society prepared the policy paper in which we analyze the level of transparency, openness, accountability of the executive power in the Western Balkans region.

The paper represents a result of a comprehensive research, based on a scientific methodology, conducted by the members of the ACTION SEE network during the previous several months. The aim of our activities is to determine the actual state of play in the region through an objective measurement of the openness of the executive power and to address recommendations for its improvement. Also, we seek to improve the respect of the good governance principles, where openness occupies a significant place.

We believe these are the aims we share with the institutions covered by this research.

The public policy proposal, with annexed analysis, is the second document of this kind. Last year, after the research was conducted, the network members gave recommendations on improving the openness of government institutions.

Based on the results found by the 2016 research, several analyses that provide an overview of the state of play in the RM and the region have been made, including noted drawbacks and good practices in this area. On the grounds of these analyses, recommendations and roadmaps on improving the specific areas covered by the research were prepared as well.

Basing their work on the findings and results found by the last monitoring, the ACTION SEE network members began improving and adjusting the research and indicator methodology, hoping that the newly gathered information will contribute to higher quality research results. The purpose of using new and improved indicators is adding new dimensions to the research as well as more effective contribution for enhancing the openness of institutions in the region.

With our previous knowledge, concrete results and analysis of the regional openness, and hope that the institutions of the executive power will be guided by the presented steps for improving the state of play in these areas and will work on enhance it, we decided to pledge ourselves to a higher level of openness of the government institutions in the region. Therefore, this year's research has been enriched with indicators that strive for a higher standard of proactive transparency.

Openness of the local self-government in the region

Analyses of numerous indicators in the second year of measurements showed significant difference compared to the last year's results. Namely, the Albanian level of openness in 2016 reached only 12.12% while the 2017 measurement showed 27.55%, which demonstrates enormous work done by the local self-government in Albania in the past period. All other countries in the region have nearly decreased the percentage from the last measurement. That can be justified by the introduction of some new indicators this year as we believe to have more demanding research approach and more advanced level of urging the local self-government to fulfill indicators.

The regional level of openness of the local self-governments this year reached 31.5% which is 2.5% decrease compared to the previous measurement. Taking into account that the municipalities are the key institutions at citizens' service, having progressive work done at local level is of it utmost importance. The policy of openness must be a policy of all municipalities and it needs to find its place among other significant state policies. It is high time to start resolving this issue.

The decrease of the level of openness affects the level of citizen's engagement in local policies creation and the possibilities to influence and reshape the decisions made by the local self-governments.

Saying that the new indicators have made a more transparent research is one thing, however no improvements have been noted regarding the most important role they play in the society.

The regional **accessibility and access to information** level shows that still there are no reports from the public debates published on their websites, neither the reports from public consultations contain written explanations and provided answers, nor the information for which free access is approved (responses to FOI request) is published. Such low level of accessibility of the local self-governments in the region does not enable the citizens to be well informed and duly participate in the debates on issues of local interest.

In terms of **strategic management and awareness level in the region**, which is unsatisfactory, only 48.12% in 2017, Albania and Bosnia and Herzegovina have shown the highest improvements, with Albania having scored 20.09% in 2016 and surprising 63.21% in 2017. Regional specificity is that the local self-governments lack indicators of performance when developing their annual work programs and the work program of the Municipal Assembly. The results present are not coherent with the determination of the LSGU to work strategically if not followed by the indicators of performance. Such strategic approaches written only on paper, within the overall and general strategic papers, can be perceived as fulfillment of the legal obligation to develop annual work programs and a written plan setting out its objectives (Development Strategy).

In order to assure higher level of awareness, an action plan for implementation of the Development Strategy, which contains specific timeline, budget allocations and responsible implementing bodies, must be drafted. The annual budget is typically the key instrument used by the local self-government to translate its policies into action plan.

Therefore, budgets should not be available to the public just for the sake of it; they should also be accessible to the public in a way it can understand the objectives and manner of reaching the goals.

Instead of the expected progress in the area of **integrity**, institutions of LSGU in the region had even worse results compared to the previous year. Larger decrease of the level of integrity is considered due to not having foreseen several issues, one of which is conducting trainings/workshops or other educational activities for its officials on topics such as conflict of interest/prevention of corruption/whistleblowing in case of irregularities. Also, one of the main concerns remains the lack of a direct online communication channel available at the website through which citizens can raise concerns, complaints and file lawsuits. This is not only an indicator of the low communication opportunities, but also that there is no potential to transform the existing relations between the LSGU and the citizens, thusly improving the transparency and accountability. Notwithstanding, **transparency** is the place for an additional debate, especially when it comes to implementing all activities that need some kind of technical support, such as video streaming the Municipal Assembly sessions on their website, or video/audio records from Municipal Assembly sessions available on the website for at least 1 year.

But most importantly, the Civic Budget, which refers to the spending as well as transparent and understandable way of distribution of funds, is not published on the website. The issuance of such reports is essential for the local self-governments.

They need to have the capacity to produce such reports on a regular basis, and the production of Civic Budgets also serves to institutionalize the LSGU's commitment to presenting its policies in a manner that is accessible to the public. In terms of public spending it is essential to have prior debates and the proposed decision on the budget ought to be we've put "3 months prior the beginning of the fiscal year" as an indicator that the LSGU have to fulfill, but they haven't. The deadline may vary from country to country but all agree that the call for participation in budgetary public consultations has to be published on the municipal website beforehand. An interesting specificity in this regard is that this is not everywhere perceived as part of the transparency principle, but rather as "whether a legislative provision exists". Namely, if there is no legislative provision that prescribes publishing of quarterly/semi-annual report on work the of a municipal assembly, then they do not perform any analyses of the work done.

Moreover, the information on names, positions and contacts of civil servants available on the website is a part of the improvement of the situation that can be noticed in some of the countries, but it's not enough to say that transparency is effective.

- 1) Standards on transparency, accountability and civic participation on local level have been established in several documents: Law on Local Self-Government, Law on Free Access to Public Information, Code of Conduct for Local Officials, Code of Conduct for Civil Servants, Law on Prevention of Corruption, Law on Conflict of Interests, etc.

Lack of strategic approach to **openness** is still evident in the context of open data formats information that has to be published on their websites. In large number of cases, there is still no expression of openness and transparency in relevant documents (strategies, procedures or policies) related to the issues. Lack of internal policies and aspiration to work on improvement of these areas is clearly reflected in the provision of information on the shares of public enterprises held by the municipality.

The recommendation that the strategic documents and annual action plans addressing the development of openness must be adopted remains. It is necessary for the countries to plan development but also to secure uniformity of openness of LSGU.

Openness of the local self-government units (municipalities) in the Republic of Macedonia

The openness of the local self-government in the Republic of Macedonia is low. Municipalities fulfil mere 24% of the indicators of openness. Given that the essence of the existence of the municipalities is to serve the citizens, we have set the indicators to show whether they base the transparency¹ on publishing information on their work without request; whether shared information is in open format; whether they have established clear procedures and mechanisms for participative decision-making; whether they have established and published clear procedures on receiving public services; whether they are accountable when explaining what the public money on their disposal has been used on; how and in what way they have improved life of communities with decisions they have made. We measured the openness using basic principles of openness, therefore the result on the openness of the local self-government is a red flag, both from regional and individual country's viewpoint. In fact, the average index of openness of the local self-government in Macedonia has reached 24%, which is below the average index of openness of the local self-governments in the entire region, which stands at low 31%. Openness varies significantly from municipality to municipality, hence the best ranked municipality fulfils 54% of the openness indicators, while the three most poorly ranked municipalities reach mere 10% of the openness indicators.

With regard to the four principles of accessibility, transparency, integrity and effectiveness, which served as baseline for this research, the fulfillment of the indicators of integrity stands at the lowest level, that is, the Macedonian municipalities meet only 7% of indicators. This means that the municipalities have no information on published instructions and guidelines for citizens regarding the manner of raising concerns and lodging complaints on the work of the administration online; no plans on integrity or any other internal policy on fight against corruption (which includes measures for prevention and elimination of various form of corruptive and unethical conduct within the institution) are published; missing information on education of employees about prevention of and protection from corruption, prevention of conflict of interest and ways of protection of whistleblowers.

- 2) Law on Budgets ("Official Gazette of the Republic of Macedonia" no. 64/2005; 4/2008; 103/2008; 156/2009; 95/2010; 180/2011; 171/2012; 192/2015 and 167/2016).

An in-depth view of the subcategories of the index of accessibility shows the internment of the municipalities in multiple areas: (1) the index of access to information has only 20% fulfillment (the measuring has been conducted by providing access to information that will help the citizens understand the procedure of asking for public information, easily find contact information of the municipal official in charge of the free access to information requests, see the already requested information by other citizens as published, which will reduce the time needed for receiving information); (2) interaction with citizens stands at humble 30% fulfillment of criteria (municipalities demonstrate insufficient interaction with citizens on social networks, only a few publish monthly newsletters for citizens on their work, and only two municipalities have published fixed consultation hours during which citizens can arrange a meeting with the head of the Council of the municipality); (3) the fulfillment of the indicators of realizing public consultations stands at insignificant 2% (meaning there is a lack of announcements on organizing public debates for citizens on issues of local interest, there is no information on planned public consultation hours with citizens on municipal policies published beforehand, minutes from meetings with citizens are not published, calls and decisions on awarding funds to civil society organizations are not published).

In order to improve their transparency, municipalities, which meet humble 31% of the indicators under the index of transparency, have to provide and promote the publication of decisions made by the Councils of the municipalities, decisions made by mayors, minutes from sessions of the Councils of the municipalities, Statute of the municipalities, Rules of Procedure of the municipalities, but also to publish information on the organizational structure, work budget for the current year, and previous years as well, final trial balances and the access to information on public procurements.

Improvement of the budget transparency of municipalities

The Law on Budgets² stipulates the principle of transparency which includes accessibility of the public in all phases of preparation and execution of the budget. For municipalities, this means they are obligated to be transparent before and held accountable by the public during the entire budget process. Out of the municipalities covered by this research, only two have published a call for civic participation in public consultations on budget creation on their websites.

- 3) The second draft National Action Plan on open government partnership (2018-2020) states that "there is a need of providing institutional and easier access to information on the work of the local self-government, especially in terms of realization of public finances as well as spurring the inclusive approach when it comes to decision-making". Available at <http://mioa.gov.mk/?q=mk/documents/open-government-partnership>, page 35
- 4) <http://www.mkbudget.org/docs/GragsanskiBudgetFinalS.pdf>
- 5) Although the control e-board, a software that takes the most important financial data on municipalities' work, has been launched, at the time of preparation of this policy paper, the e-board did not feature any data. Available at <http://indikatori.opstinskisoveti.mk/Home/Index>
- 6) Law on Public Procurements ("Official Gazette of the Republic of Macedonia" no. 136/2007, 130/2008, 97/2010, 53/2011, 185/2011, 15/2013, 148/2013, 160/2013, 28/2014, 43/2014, 130/2014, 180/2014, 78/2015, 192/2015, 27/2016, 120/2016, 165/2017 and 83/2018)
- 7) Pursuant to the Law on Public Procurements, Electronic System for Public Procurements has been established, which is the sole computer system available online used to provide greater efficiency and economy regarding the public procurements.
- 8) In addition, E-transparency Standards have been prepared in this regard, information and data to be published by municipalities on their website both in a narrative and open data form. Available at http://civicamobilitas.mk/wp-content/uploads/2018/03/Standardi-za-e-transparentnost_MK.pdf

Three quarters of the municipalities publish the adopted budgets and final trial balances, but in protected pdf format which makes them difficult to be searched. Generally, municipalities have underdeveloped budget transparency³, hence there isn't a single Macedonian municipality covered by this research that publishes a Civic Budget, which is basically a budget document⁴ for citizens (non-expert public) that helps them understand the sources of funds in their municipalities as well as the priorities that money will be spent on in a simple manner through infographics and illustrations. Only a third of the municipalities publishes the semi-annual reports on budget execution⁵, which offer the citizens precise information on the revenues and expenditures during the year. All of this contributes to municipalities' humble fulfillment of the index of transparency, budget transparency subcategory, which stands at 37%.

Municipalities don't have the practice of publishing the annual Plans on public procurements and decisions of the conducted public procurements

On average, municipalities have a score of humble 15% under the indicators in the transparency of public procurements subcategory, part of the index of transparency. This score is affected by the obligation laid down in the Law on Public Procurements⁶ pursuant to which municipalities publish such information on the electronic system⁷ for public procurements, but according to the international transparency standards, information ought to be also published on the website of the institution itself⁸. Half of the analyzed municipalities do not publish the Plan on public procurements for the current year. Moreover, 80% of the municipalities covered by this research do not publish the decisions of the conducted public procurements on their websites. Owing to the fact that municipalities' activities are closely linked to the spending of public money, municipalities have to thoroughly advance their accountability in this regard, that is, to publish plans on public procurements, decisions, contracts, annexes to contracts as well as other municipal expenditures.

Open data

In 2012, when the first Open Government Partnership (OGP) national action plan was still in the making, the state presented its readiness by establishing the "Open data at local level"⁹ priority, in order to strengthen the local commitments on promoting transparency, fight against corruption, strengthening civic participation and using new technologies to provide more efficient and more responsible local authorities. For that purpose, it created measures for opening the data on the part of municipalities and establishing joint open data criteria through a unified approach by municipalities. However, generally speaking, the assessment of the sustainability of initiatives under the OGP at local level was at risk in the past due to the shortage of municipal funds¹⁰.

Meanwhile, through initiatives of civil society organizations, e-transparency standards in the local self-government units¹¹ have been developed, which determine the information that has to be published on municipal websites, as well as data sets that have to be published in open data format¹².

Additionally, guidelines on open data have been given to the local self-government units¹³, but the research has found that the municipalities meet humble 17% of the open data indicators, which approximate the regional average. Serious commitments have to be made in the future for municipalities to open their data because it not only increases transparency, but also affects the increase of civic engagement in policy creation.

Effectiveness of the local self-government

Municipalities demonstrate a humble score of 16% under the indicator of effectiveness, which sublimates the achievements of the conducted monitoring and evaluation of policies implemented by the municipalities; obligations in terms of reporting and strategic planning. This "achievement" is twice lower than the regional average of fulfillment of the index of effectiveness of the local self-governments which stands at 49%. Municipalities have the best score under the reporting subcategory (95%), because the public enterprises and mayors are legally obligated to report to the Council of the municipality about their work. Furthermore, municipalities have met 22% of indicators under the strategic planning subcategory, because only 1/3 of them have adopted development strategies with clearly determined development objectives. Municipalities have shown greatest inefficiency under the monitoring and evaluation subcategory, which stands at insignificant 3%. They have no achievements in this area due to the fact that municipalities do not develop and do not publish indicators of efficiency that will measure municipalities' fulfillment of their objectives, obligations and tasks in accordance with their work plans.

- 9) This practice of openness at local level continued in the second (2014-2016) and third (2016-2018) OGP national action plan, the projected measures have been extended and anticipated establishing new forms of proactive communication between municipalities and citizens; establishing institutional forms of cooperation between local authorities and citizens; establishing e-services; establishing transparency and open data standards useful for citizens; enhancing the functionality of mechanisms for institutional consultation at local level; enhancing the delivery of social services at local level through cooperation with civil society organizations.
- 10) Report of IRM, available at <https://www.opengovpartnership.org/documents/macedonia-end-of-term-report-2014-2016>
- 11) E-transparency Standards in the local self-government units, available at http://civicamobilitas.mk/wp-content/uploads/2018/03/Standardi-za-e-transparentnost_MK.pdf
- 12) Open data is data in machine readable format that can be used freely and at no cost, with the possibility to be reused and redistributed by anyone, without limits.
- 13) Guideliness for open data in the local self-government units, available at http://www.cup.org.mk/publications/Nasoki%20za%20otvorenini%20podatoci_MK.pdf

Methodology of research

Openness represents a key condition of democracy since it allows citizens to receive information and knowledge, necessary for an equal participation in political life, effective decision-making and holding institutions accountable for policies which they conduct.

Around the world institutions undertake specific activities with the aim to increase their transparency and accountability to citizens. The Regional Index of Openness was established in order to define to which degree citizens of the Western Balkans receive opportune and understandable information from their institutions.

The Index of Regional Openness measures a degree up to which institutions of Western Balkan countries are open for citizens and society and it is based on the following four principles: (1) transparency, (2) accessibility, (3) integrity and (4) effectiveness.

The principle of transparency includes that organizational information, budget and procedure of public procurements are publicly available and published. Accessibility is related to ensuring and complying with procedures for a free access to information, improving accessibility of information through a mechanism of a public debate and strengthening interaction with citizens. Integrity comprises a mechanism for prevention of corruption, conducting code of ethics and regulations of lobbying. The last principle, effectiveness, refers to monitoring and evaluation of policies conducted by institutions.

Following international standards, recommendations as well as examples of good practice, these principles are further developed through special quantitative and qualitative indicators, which are evaluated on the basis of: accessibility of information on the official websites of institutions, quality of a legal framework for individual issues, other sources of public information and questionnaires delivered to institutions.

By using more than 110 indicators per institution we have measured and analyzed the openness of all municipalities in the region and collected over 1000 pieces of data. The collection of data was followed by a process of data verification, which resulted in standard error of +/- 3%.

ActionSEE is a network of civil society organizations that jointly work on promoting and ensuring government accountability and transparency in the region of South-East Europe, raising the potential for civic activism and civic participation, promoting and protecting human rights and freedoms on the internet and building capacities and interest within civil society organizations and individuals in the region in using technology in democracy promotion work.

Metamorphosis Foundation is an independent, nonpartisan and nonprofit foundation based in Skopje, Macedonia. Its mission is to contribute to the development of democracy and increase the quality of life through innovative use and sharing of knowledge. Our guiding values are openness, equality and freedom. Program areas that Metamorphosis operates in are:

- Social Innovations
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