



Good governance for
openness and accountability
in politics and governance

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Proposals for the improvement of the current state

Openness of the local self-government institutions in the region and in the Republic of North Macedonia

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Introduction

In cooperation with the partners from the regional network of CSOs “ACTION SEE”, Metamorphosis Foundation for Internet and Society has prepared the analysis of the level of transparency, openness and accountability of the local self-government institutions in the region of Western Balkans. This paper is 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 in the region through an objective measurement of openness of the local self-government institutions and to address recommendations for its improvement. Furthermore, our goal is to improve the respect of principles of good governance, where openness occupies a significant place and we believe that we share the same goals with the institutions involved in this research.

These recommendations for public policy, accompanied by a thorough analysis, constitute the third document of this character. Last year, following the implementation of the research, members of the network also made recommendations towards improving the openness of the monitored local self-government institutions.

Thorough analysis has been made based on the results of the research conducted in 2016, which provide an overview of the situation in the Republic of North Macedonia and the region, including perceived shortcomings and good practices in this area. Based on these analysis, recommendations and “roadmaps” were made in the past two years, i.e. in 2017 and 2018, in order to stimulate improvement in the specific areas covered by this research.

Members of the ACTION SEE network, basing their work on the findings and results of the penultimate monitoring, have improved and adapted the research methodology and indicators last year, hoping that the new information gathered will contribute to a higher quality of project results. The purpose of using new and improved indicators is to add new dimensions to the research and to contribute more effectively towards the improvement of the openness of institutions in the region.

Having prior knowledge, specific results and analysis of regional openness, and at the same time believing that the local self-government institutions will be guided by the presented steps for improvement of the situation in these areas and will work to improve them, we have decided to strive for a higher level of openness of the local self-government institutions in the region. Thus, in the last two years our research has been enriched with indicators that advocate for a higher standard of proactive transparency.

Openness of the Local self-government in the region

In comparison to the second year of measuring (2017) where the regional level of openness of the local self-government was 31%, the analysis of the results from the third year of measuring (2018) shows a minimal, yet still disappointing increase of the openness of the institutions with 36%. Having an increase of 5% of the regional level of openness, the local self-government institutions in the Western Balkans, however underachieving, have managed to exceed the results from the first year of measuring but generally remain at a non-satisfactory level.

Since the local self-government units (LSGUs) are the key institutions for citizens' service, it is of utmost importance that a bottom-up approach is used and that the reforms should start from the local level. Furthermore, as minimal changes or the 'status quo' of the level of openness may be perceived as insignificant and discourage the participation of the citizens in influencing the local policies, the results suggest that the situation remains alarming and that appropriate proactive measures must be taken at a local level.

On a more positive note, analyzing the local self-government in the Western Balkan countries individually, there is an increase in the level of openness in all of the countries except one. In comparison to the results from the previous year, significant progress can be noticed in the results of the level of openness of the local self-government in Kosovo, Albania and Bosnia and Herzegovina. Despite the improvement in the openness of the LSGUs in North Macedonia in comparison to the previous year, this year's results show that North Macedonia is on the last place with only 25%. Nevertheless, the level of openness of the local self-government in Serbia is the only one that marks a setback, which further shows the lack of commitment of these institutions in the promotion of openness in the previous period.

With the intention of contributing towards the establishment of a systematic approach towards increasing the openness and accountability of the institutions, and thus gradually improving the communication between the institutions and the general public at a local level, in continuation of this text, you can find the key shortcomings that the countries of the region have to eliminate in order to ensure openness in the work of the public administration at a local level.

Accessibility and interaction with citizens

Looking at the regional level of openness of the local self-government in the Western Balkans through the prism of the 4 dimensions of the Openness Index (accessibility, awareness, integrity and transparency), it is the 'accessibility' level that stands out as the area where the majority of LSGUs have challenges in reaching better results with a fulfillment of 27% of the indicators. More specifically, the results show that it is the public consultations where the LSGUs score the lowest points as there is still the lack of plans, calls and reports from the public consultations and debates containing written explanations and provided answers published on their websites, as well as the lack of capacity building for civil servants on the concept of open data and instructions for using and publishing it. Another deficiency that can be noted in this regards is the lack of open calls for project proposals for CSOs during the last year, accompanied by decisions on the allocated funds and the results published on the official websites, including the scores awarded to all the applicants and an individual score list. Furthermore, the second aspect of accessibility which the LSGUs neglect the most is the provision of access to information, as there is a shortage of information about contact persons responsible for access to information of public importance available on the website, information/ civic bureaus that would serve as documentation centers or public databases, published responses to requests for public information, updated FOI guides published annually or a separate section for relevant FOI information on their websites. What comes off as repetitive is the absence of the conduction of trainings in the field of access to public information. On a more positive note, in comparison to last year's results, although still scarce, there is a slight improvement in the interaction with citizens, meaning that the LSGUs have started having active accounts on the social media, and fixed consultation hours with the President of LSGs.

As this dimension is one of the pillars for involving the citizens within the decision-making processes at a local level and the same is at a substandard level, it is impossible for the citizens to receive the appropriate information, receive it timely and in a manner that is understandable to them, thus impeding them from voicing out their needs through engaging in debates of issues with local interests.

Awareness and the strategic planning within the LSGUs

Alarmingly, when it comes to the awareness level in the region (49%), in comparison to the previous year, there has been a decline of 5% which is an indicator that the LSGUs do not take seriously their commitment towards strategically managing the institutions. In regards to the monitoring and evaluation within the LSGUs and having in mind that in most of the countries within the Western Balkans there is a legal obligation for the LSGUs to develop annual work programmes and reports for the Municipal Assembly and the President of LSGs, the results assert that there is a lack of usage of indicators of performance when developing these documents which is typical for the whole region.

This leads to the conclusion that determination of the LSGUs to work strategically is incoherent if the indicators of performance are not followed, which may further disprove the eligibility and importance of the LSGUs in the eyes of the general public if strategic approaches only figure on paper. High attention is also needed within the creation of the Development Strategy containing the timeline, budget allocations and responsible implementing bodies. This means that the LSGUs would need to focus more on the creation of a written action plan for the implementation of the Development Strategy of the LSGUs, in order for them to assure a higher level of awareness. Following the creation of such an action plan, besides making the action plan and the annual budget accessible to the public, the LSGUs should make sure that the documents are provided in an open data format and that they are compiled in a manner that is understandable for the wider audience which facilitates the public monitoring and acting on the progress and setbacks of the LSGUs.

Commitment towards Integrity

With a minor progress of 8% in the area of integrity (28%), the LSGUs in the region have demonstrated a slightly bigger commitment towards this aspect of openness in comparison to the previous years. This progress can be attributed to the existence of direct online communication channels and guidelines available at the official websites of the majority of the monitored LSGUs through which citizens can raise concerns, complaints and make appeals. This progress is an indicator of the advancement of the interaction between the institutions and the general public at a local level, which brings us to the conclusion that there is potential for transforming the existing relations between the LSGUs and the citizens that may further lead towards gradually gaining back the trust of the citizens, but it is strictly up to the institutions to take a more proactive approach towards advancement in this area. Nonetheless, the highest decline in the area of integrity persists to be the lack of capacity building of the civil servants on topics connected to conflict of interest, preventing corruption and whistleblowing in case of irregularities.

Transparency

Regardless of the general improvement of openness of the LSGUs through the prism of transparency (39%) by 6% in comparison to last year, transparency remains on the list of areas in need of additional focus and improvement. Minor progress, which is not enough to say that the transparency is effective, can be noticed within the aspect of the municipal budgets. More specifically, the progress can be noted through the submission of a draft decision on the budget to the Municipal Assembly at least 3 months prior the beginning of the fiscal year to allow for sufficient time for a proper review by the Parliament, holding public consultations on the draft annual budget and announcing them on the official websites as well as publishing the reports from the public consultations, and presenting detailed information on the level and composition of municipality debt.

However, where the majority of the LSGUs fail to reach the general standards is within publishing the citizens budget on their official websites which refers to the spending, and the transparent and understandable manner of distribution of funds. Nevertheless, in order for them to produce and publish these documents appropriately and timely, the LSGUs need to have the capacity to do so, which brings us to the next point.

Failing to reach the standards in publishing organizational information, the LSGUs demonstrate a low performance in this aspect which is not only attributed to the general lack of strategic approach towards openness evident in the context of open data formats information published on their official websites, but the setback that has been made in comparison to the previous year. The results show that there is a need for a bigger focus to be put on the adopting and publishing of relevant documents such as strategies, procedures and policies of the LSGUs, annual working programmes and work reports of the LSGUs and Municipal Assembly, as well as relevant information such as the salaries of the public officials, the shares of public enterprises held by the LSGUs, the sale and/or rental of property, and video/audio records from Municipal Assembly sessions from at least 1 year. The lack of timely and proactive publishing of this data, although debatable, could possibly be attributed to the need for a capacity building of the civil servants and/or technical support as it is perhaps the lack of skills and knowledge that cause a major barrier in meeting higher standards. The capacity of the civil servants to produce relevant and comprehensive documents and to be able to publish them in an open data format further influences the level of commitment to making the information accessible to the public.

In conclusion, while most of the countries within the Western Balkans face similar challenges on a local level, it is the obligation of the LSGUs to create individual tailor-made strategies having in mind the local reality and the existent good practices, but also the moment of securing uniformity of openness of the LSGUs within the country.

Openness of the local government (municipalities) in the Republic of North Macedonia

Local government in the Republic of North Macedonia meets only 25% of the indicators of openness, analyzed in the areas of transparency, accessibility, integrity and efficiency. This average assessment, which is well below the average of the region, shows a low level of engagement and commitment by municipalities to meet the openness standards. This index shows an alarming state of openness of the local government, given the essence of the existence of municipalities - they should serve the citizens, base transparency on open data and information, have clear procedures for participatory decision-making as well as clear procedures for obtaining public services, but also to explain in detail for what have they used the public money available to them and how they have improved community life¹.

The standards on transparency, accountability and citizen participation at local level in the country are set out in several documents: Law on Local Self-Government, Law on Free Access to Public Information, Code of Ethics for Local Officials, Code of Ethics for Civil Servants, Law on Prevention of Corruption, Law on Conflict of Interest etc.

1)

- 2) National Open Government Partnership Action Plan (2018-2020) Available at <https://bit.ly/2lB8W3l>

Within the research conducted in the period November 2018-February 2019, it was assessed

- 3) whether the calls for public procurement, contracts, annexes and selection decisions from the conducted public procurement, as well as the public procurement plans were published.

- 4) Portable Document Format

The National Action Plan for Open Government Partnership (2018-2020) states that in order to improve the transparency of municipalities, a control panel for municipalities has been introduced, which is a software solution that will download the most important financial data on municipal operations, available at <http://indikatori.opstinskisoveti.mk/Home/Index> but at the time of writing of this public policy document, the e-board does not contain any data.

- 6) Budget document intended for the unskilled public.

Law on Public Procurement ("Official Gazette of the Republic of Northern 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) applied during the measurement period.

- 8) According to the Law on Public Procurement, an "Electronic Public Procurement System" has been established, which is the only computerized system available on the Internet, and it is used to enable greater efficiency in the field of public procurement.

- 9) In addition, E-Transparency Standards for Local Self-Government have been prepared in the same direction- municipalities should publish information and data on their websites in narrative form and in the form of open data. Available at <https://bit.ly/2k1tmsG>

For the fourth time, the creation of the National Action Plan for Open Government Partnership (2018-2020) has set the priority "Transparency at Local Level", and the foreseen commitments set the goal to improve the enabling environment at local level², which means participation of citizens in decision making, improving the quality of services that are within the competence of the local self-government through involving citizens in solving problems, facilitating access to information and services and enabling greater social inclusion of persons with disabilities at the local level. However, in order to overcome the alarming situation in local government it is necessary to remove the previously identified risk for the sustainability of the Open Government Partnership initiatives taken at local level, i.e. to allocate funds to municipalities to implement the commitments.

Transparency

The principle of **transparency**, which implies that information on organizational setup, budgeting and public procurement procedures are publicly available and published on the websites of the municipalities, is met by 31% of the indicators. That is, the fulfilment of the transparency index is influenced by the published information on municipal **budgets** (34%), information on the **organizational structure** of municipalities (31%) and information on **public procurement**³ (30%). It can be noted that the fulfilment of the indicators in the subcategory transparency of budgets is in the first place on the fulfilment scale, but it should be noted that only one third of the municipalities have consistently published the adopted budgets in the last three years in protected PDF⁴ files, which makes it difficult for citizens to search. Again, only one third of the municipalities have the practice of publishing semi-annual budget execution reports through which citizens receive accurate information on revenues and expenditures during the year⁵.

Unfortunately, there is no practice of publishing Citizens' Budgets⁶ of the municipalities, which deprives citizens of their ability to understand the budget in a simple way through graphs and illustrations, i.e. what are the sources of funds in their municipality and what are their priorities.

The low fulfilment of the indicators in the sub-category of public procurement (30%) is affected by the obligation by the Law on Public Procurement⁷ according to which municipalities publish this information on the electronic public procurement system⁸, but according to the international transparency standards, the information should be also published on the websites of the institutions⁹. Less than half of the monitored municipalities (Bogovinje, Brvenica, Čaška, Demir Hisar, Gazi Baba, Kočani, Kratovo, Mavrovo and Rostuše, and Strumica) publish the ongoing public procurement calls on their websites. While only half of the monitored municipalities publish the Public Procurement Plan for the current year. In addition, from the assessed sample of municipalities, only 20% publish the public procurement decisions on their own websites (Bogovinje, Brvenica, Demir Hisar, Gazi Baba, Kratovo and Strumica).

Given that the activities of the municipalities are closely linked to public spending, last year's recommendation remains the same - municipalities should thoroughly advance their accountability in publishing public procurement information, i.e. publishing public procurement plans, appeals and decisions that will join the good practice established by the municipalities of Bogovinje, Brvenica, Demir Hisar, Gazi Baba, Kratovo and Strumica.

On the other hand, the low fulfillment of the indicators in the sub-category of organizational structure (31%) is influenced by the practice according to which only half of the municipalities publish the information related to the names, positions and contacts of the officials, i.e. only half of the municipalities publish the municipal organograms.

Difficult accessibility and minimal consultation with citizens

When analyzing the principle of **accessibility**, which includes respecting procedures and ensuring free access to information, active transparency, and accessibility of information through the mechanism of public consultation and interaction with citizens, municipalities fulfill a modest 19% of the indicators. This average is obtained from the subcategory of the **Access to Information Index**, which municipalities meet with 17% of the indicators, the subcategory of the **Interaction with Citizens Index** which is met with 31% of the indicators, and the subcategory of the **Public Consultation Index** that meets only 11% of the indicators.

Namely, the lowest fulfillment of the indicators in the sub-category of public consultation indicates that municipalities do not publish plans, calls or public consultation reports with stakeholders that contain written explanations of the proposals, which are accepted or rejected. In addition, this is affected by the non-publishing by the majority of municipalities of the calls for project proposals by the CSOs, as well as the decisions regarding the allocation of funds to CSOs, accompanied by a ranking list of results.

Another shortcoming evident in the subcategory of the Access to Information Index, and that repeats for the third year in a row, is the lack of publication of guidelines by municipalities for easier understanding of the law and procedure for access to public information at a local level. There is also a missing section on their websites that deals with free access to information, where citizens can quickly and simply find the contacts of their authorized public official responsible for access to information or get acquainted with the answers already given to requests for free access to public information. However, the recommendation given in the Comprehensive Plan of Good Governance for State Institutions¹⁰ remains, with regard to municipalities publishing information which is their obligation under Article 10 of the Law on Free Access to Public Information. This actually refers to active transparency, that is, information that should be published without being requested, such as decisions made by the Municipal Councils, decisions made by the Mayors, minutes of the sessions of the Municipal Councils, the Statute of the municipalities, the Rules of Procedure of the Councils, etc.

10] Available at <https://bit.ly/2lO56nv>

Regarding the fulfillment of the indicators in the subcategory of the Interaction with Citizens Index, although it is at the highest level compared to the other two subcategories, it is still unsatisfactory, as the majority of municipalities do not publish fixed timetables for the presidents of the Municipal Councils in which they would consult with citizens. Given that involving citizens in decision-making processes at a local level is an essential element of local democracy, it is necessary in the future for municipalities to enable citizens to receive relevant information in a timely manner that is understandable to them. This will enable expressing their needs and highlighting problems of local interest. Also, municipalities must improve communication with citizens through social networks, as well as monthly publishing of newsletters for citizens on the work of municipalities.

There is a lack of integrity policies

The principle of **integrity** includes mechanisms to prevent corruption and conflicts of interest, where municipalities meet barely 16% of the indicators. The fulfillment of the indicators is at a very low level, and is affected by the non-publication of integrity documents / policies / plans or any other internal anti-corruption policy (which includes measures to prevent and eliminate various forms of corrupt and unethical behavior within the municipalities). Only the municipality of Strumica has published an integrity plan on its website.

Efficiency

The last principle, **efficiency**, refers to the monitoring and evaluation of policies implemented by municipalities, the process of strategic planning and reporting to the Municipal Council. Following the international standards, recommendations and examples of good practice, the availability of information on the municipal websites has been assessed, but the answers to the questionnaires completed by the municipalities have also been used as a source of information.

Municipalities are weakest in meeting the **efficiency** indicators - 14%, which comprise the subcategory of **policy monitoring and evaluation** where they meet insignificant 5% of the indicators, the subcategory of **strategic planning** where they meet only 8%, and the subcategory of **reporting to the Municipal Council** where they meet high 95%. Municipalities' compliance with the performance indicators is 3.5 times lower than the regional average of 49% fulfillment of the Municipal Efficiency Index.

Municipalities are best rated in terms of the sub-category of the index that relates to reporting to the Municipal Council due to the legal obligation of municipalities to develop annual work programs and because public enterprises and mayors are required to report to the Municipal Council on their work.

The modest fulfillment of the indicators in the sub-category of Strategic Planning of 8% is because only 3 of the evaluated municipalities have adopted development strategies with clearly defined development goals, but none of them contain a timeframe, budgetary implications and no responsible bodies for its implementation. In the sub-category of monitoring and evaluation, municipalities are most inefficient and meet minimum and insignificant 5%. There are no achievements in this segment as municipalities do not develop and do not publish performance indicators that will measure how municipalities achieve their goals, obligations and tasks in accordance with the annual work plans. Therefore, the recommendation made in the Comprehensive Good Governance Plan for State Institutions regarding the development of strategies with clearly defined development goals, measures and indicators, budgetary implications and responsible bodies for their implementation remains to be implemented.

Research methodology

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

Institutions around the world are taking specific actions to increase their transparency and accountability towards citizens. In order to determine the extent to which the people from the Western Balkans receive timely and understandable information from their institutions, a regional Openness Index was developed.

The regional Openness Index measures the extent to which institutions of the Western Balkans are open for citizens and society, based on the following four principles: 1. transparency, 2. accessibility 3. integrity and 4. awareness. The principle of transparency implies that organizational information, budget and public procurement procedures are published and are publicly available. Accessibility is related to ensuring and respecting procedures for free access to information, improving accessibility of information through the mechanism of public debates and strengthening the interaction with citizens. Integrity includes mechanisms for the prevention of corruption, implementation of the Code of Ethics and regulation of lobbying. The last principle, awareness, is related to the monitoring and evaluation of policies which are conducted by the institutions.

Following the international standards, recommendations and examples of good practices, these principles are further developed through specific, quantitative and qualitative indicators, which are evaluated on the basis of: information accessibility on the official websites of the monitored institutions, the quality of the legal framework for specific questions, other sources of public informing and questionnaires delivered to the institutions.

The measuring was conducted from December 2018 until the end of March 2019. The process of data collection was followed by a data verification process, resulting in a standard error of +/- 3%. Based on the results of the research, we developed a set of recommendations and guidelines for the institutions.

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 for Internet and Society is an independent, nonpartisan and nonprofit foundation based in Skopje, Republic of North Macedonia. Its mission is to contribute towards the development of democracy and towards increasing the quality of life through innovative use and sharing of knowledge. Our guiding values are openness, equality and freedom.

The program areas that Metamorphosis operates in are:

- Media for Democracy
- Education for Innovation
- Social Accountability
- Human Rights Online

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