



Building New Municipalities

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Prishtinë, Kosovë

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Introduction

The local government reform process in Kosovo saw the creation of three new municipalities (Graçanicë/ Graçanicë/Gracanica, Kllokot-Vërbovc/ Kllokot-Vërbovc/ Klokot-Verbovac- Verbovac, Ranillug/ Ranillug/Ranilug and the to-be-enlarged municipality of Novobërdë/ Novobërdë/Novoberdo).

This has been one of the most significant developments for local governance in Kosovo. Yet, it is quite overlooked given the politicized debate that takes place regarding the creation of new Serb-majority municipalities. The experience of these new municipalities is very important to study and learn from in order to inform the further local government reform process.

As the creation of new municipalities set to intensify, there is a need for a depoliticized discussion of the benefits that the creation of new municipalities can bring to the citizens, regardless of ethnicity.

Our purpose is to conduct a series of studies on the evolution of these three municipalities, once they are created. To analyze their achievements, setbacks, challenges, as well as their perceptions among the citizens.

This report brings a very important insight to the process. It provides sound policy recommendations to decision makers and advocacy groups. And, it would help citizens understand better the implications of local government reform and what it means for them.

Among other recommendations for Kosovo, Special Envoy Martti Ahtisaari's 2007 Comprehensive Proposal for Kosovo Status Settlement included a detailed plan for decentralization process in Kosovo. The third Annex, the Annex on Decentralization granted extensive competencies to all of Kosovo's municipalities in areas such as education, health care, economic development, urban planning, and the provision of public services.¹

¹ United Nations Office of the Special Envoy for Kosovo (UNOSEK) 2007, Decentralization Fact Sheet. "The Comprehensive Proposal for Kosovo Status Settlement" Available from: <http://www.unosek.org/unosek/en/statusproposal.html> [accessed 15 November 2009]

The plan for decentralization also called for the creation of five new Serb-majority municipalities: Graçanicë/Gračanica, Klllokot-Vërbovc/ Klokot-Verbovac, Ranillug/Ranilug, Partesh/Partes and Novobërdë/Novoberdo.² In 2008, a number of laws were passed by the Assembly of Kosovo in support of these local governance reforms: the Law on Administrative Municipal Boundaries, the Law on Local Self Government, and the Law on Local Government Finance.³ In 2009, Municipal Preparation Teams in municipality of Gračanica/Graçanicë, Ranilug/Ranillug and Partesh/Partes, a joint effort between the International Civilian Office and the Ministry of Local Government Administration, and partially staffed by local citizens of Kosovo, including here citizens of different nationalities (Albanian and Serbs) were formed to begin assessing community needs and developing budget and personnel requirements for the new municipalities.

In November 2009, local elections were held across Kosovo, including in the new municipalities of Graçanicë/Gračanica, Klllokot-Vërbovc/ Klokot-Verbovac and Ranillug/Ranilug. Partesh/Partes elections were held in June 2010, and a date has not yet been set for northern Mitrovica.

Decentralization, including the creation of new municipalities, has been one of the most significant developments for local governance in Kosovo. Discussions of decentralization, particularly prior to the November 2009 elections, were characterized by a highly politicized debate centered on the creation of new Serb-majority municipalities, and misperceptions about decentralization have drawn more attention than its potential to improve local governance and public service delivery across Kosovo. The new municipalities were created (or enlarged) on a very short time line, and have begun the substantive work of governance relatively quickly. The performance of these municipalities has considerable implications for local governance in Kosovo, and it is therefore important to study and understand their functioning and progress in the initial months of their existence.

² United Nations Security Council (UNSC) 2007, *Comprehensive Proposal for the Kosovo Status Settlement* [S/2007/168/Add.1] Available from: http://www.unosek.org/docref/Comprehensive_proposal-english.pdf [accessed 5 December 2009]

³ Kosovo Official Gazette, (2008). List of Laws of President Ahtisari Package Available from: <http://www.ks-gov.net/gazetazyrtare/Documents/english-94.pdf> [accessed 28 May 2010]

This report offers an overview of the progress of the new or enlarged municipalities, as well as some of the current challenges faced in the implementation of decentralization. A thematic analysis is provided below, covering: the political composition and organization of the municipalities, the transfer of competencies, relations between new and mother municipalities, the provision of public services, collection of own-source revenue, implementation of projects, hiring of new municipal staff, functioning of the municipal assemblies, and general progress. The report concludes with several lessons learned from the establishment of these new municipalities, achievements so far, challenges that lie ahead, and recommendations.

Background

Special Envoy Martti Ahtisaari's 2007 Comprehensive Proposal for Kosovo Status Settlement included a detailed plan for decentralization. Annex III of this Proposal granted extensive competencies to all of Kosovo's municipalities in areas such as education, health care, economic development, urban planning, and the provision of public services.⁴ The plan for decentralization also called for the creation of five new Serb-majority municipalities (Graçanicë/Gracanica, Klllokot-Vërbovc/ Klokot-Verbovac-Verbovac, Ranillug/Ranilug, Partesh/Partesh/Partes, and Mitrovica North) and the enlargement of one (Novobërdë/Novoberdo).⁵

In 2008, a number of laws were passed by the Kosovo Assembly in support of these local governance reforms: the Law on Administrative Municipal Boundaries, the Law on Local Self Government, and the Law on Local Government Finance.⁶ In 2009, Municipal Preparation Teams (a joint effort between the International Civilian Office and the Ministry of Local Government Administration) were formed to begin assessing community needs and developing budget and personnel requirements for the new municipalities.

⁴ United Nations Office of the Special Envoy for Kosovo (UNOSEK), (2007). Decentralization Fact Sheet. *The Comprehensive Proposal for Kosovo Status Settlement*. Available: <http://www.unosek.org/unosek/en/statusproposal.html> [accessed 15 November 2009]

⁵ United Nations Security Council (UNSC), (2007a). *Comprehensive Proposal for the Kosovo Status Settlement* [S/2007/168/Add.1]. Available from: http://www.unosek.org/docref/Comprehensive_proposal-english.pdf [accessed 5 December 2009]

⁶ Kosovo Official Gazette, (2008). List of Laws of President Ahtisari Package. Available from: <http://www.ks-gov.net/gazetazrtare/Documents/english-94.pdf> [accessed 28 May 2010]

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New Municipalities

The structure of all new municipalities is the same, and according to this structure the new municipalities have seven functional departments since their establishment:

1. Department of Administration and Personnel includes activities related to Territorial organization, personnel training and dealing with the administration of the municipality.
2. Department of Health and Social Welfare, includes activities related to primary health care, monitoring of the main center for family health care and other centers and issuing licenses, employment, pay and training of municipal social workers.
3. Department of Education, Culture and Sport includes activities related to managing preschool, primary, secondary schools and institutions for people with disabilities.
4. Department of Economics, Finance, Budget and Inspection includes activities related to development of municipal provision of finance and economics, monitoring procedures and budget execution system, maintenance of registers of the collected revenue from own sources, etc.
5. Department of Urban Planning, Cadastre and Geodesy includes activities related to monitoring and participating in the development of municipal plans of development and protection of forests, granting permission for the construction and their revocation, water management, public parks management, etc.
6. Department of Local Infrastructure.

Municipality of Graçanicë/Gracanica

The municipality of Graçanicë/Gracanica is the largest Serbian new municipality it is located in the central part of the Kosovo. The Graçanicë/Gracanica municipality covers 219 square kilometers, and it has 30,000 inhabitants.⁷

The municipality of Graçanicë/Gracanica held its election during the election for municipalities in November 2009, and met for the first time in its constitutive meeting on 29th of December 2009. Bojan Stojanović from the Independent Liberal Party was elected as Mayor. Mayor Stojanović and 15 assembly members were sworn in.⁸

The municipality of Graçanicë/Gracanica was the first municipality created from the process of decentralization. this municipality is still in the rented object, the place where the new municipal object will be is still unknown, and it depends on Kosovo's Government and donors to define the location for the new municipality.

Beside the object for the New Municipality, there is another challenge for this municipality. According to the director of health and social welfare department, the main problem is the staff and hiring.

In the framework of this municipality there are seven departments, six departments are functioning, and the seventh department of inspectorate is not created yet. But there are a lot of inspectors that are working in the department of urbanization.

There is a lack of the staff in this municipality. There is intended to work 307 employees, but actually there are only 155 people working in this municipality, and the call for application is open all the time.

There is a lack of capacities to implement the policies and make this municipality functional. The political staff is mainly from SLS political party, but on the other hand the lack of capacities has made the mayor to call experts from other political parties in Graçanicë/Gracanica in order to help and give their contribution.

⁷ Municipality of Gracanica – City: History Available at <http://kk.rks-gov.net/gracanice/City-guide/Geography.aspx> (22/11/2010)

⁸ Interview with Bojan Todorovic- Director of the Department of Health and Social Welfare in Municipality of Gracanica (July, 2010)

According to Mr. Tororovic the biggest challenges in this municipality are: Administration (lack of capacities), budget and finances (implementation of the intended budget for this municipality) and department of information and telecommunication (IT) which includes creation of the municipality web page where people can see all things about this municipality so every process will become more transparent.

Another challenge is the statute of this municipality. The problem with budget and its implementation because this municipality was formed from three different municipalities: Prishtina, Lypjan and Fushe Kosova.

The biggest challenge is economic development, and a clear strategy for economic development. According to the deputy mayor of Graçanicë/Gracanica municipality the strategy for economic and industrial development is almost ready. The implementation of this strategy is going to help citizens of Graçanicë/Gracanica in reducing unemployment level in this municipality.

The new municipality of Graçanicë/Gracanica has its own draft action plan for the structure of Graçanicë/Gracanica, and this plan is going to be implemented with financial support from Kosovo's Government, UNDP Kosovo, European Commission, etc.⁹

There are several projects in the Graçanicë/Gracanica municipality, the projects are divided in twenty seven (27) fields, in eighteen fields the projects are finished and ongoing, in six fields the projects haven't started yet.

The fields are divided in own municipal competencies (18 fields), for, example in the field of Local Economic Development (economic plan, infrastructure, assistance for existing business), in this field the projects are finished or ongoing, in the developed action infrastructure plan for 2010 (40 projects are already in implementation phase or completed), additional two (2) million Euro allocated by Kosovo's Government are to be spent on road infrastructure; Strategic Development Plan will be developed by the end of the year with the financial support from UNDP.

⁹ Meeting with Ivan Nikolic- Executive Director of CSD (Communiation for Social Development) Gracanica (June, 2010)

Enhanced municipal competences (3 Fields), for example Provision of secondary health care, including registration and licensing of health care institutions. Secondary health staff (195) has been transferred under competency of the new municipality. 120 of them signed contracts and process is still ongoing. Modern medical supplement worth 75.000 Euro has been purchased. For the purpose of establishment of Hospital 300.000 Euro has been purchased.

Delegated Municipal Competencies (6 fields), for example Cadastral records (records of all properties; municipal property register; ownership certificates; property transaction), Cadastral records from all three mother municipalities are handed over. UNDP equipped cadastral office with the necessary hardware/software. Cadastral office is receiving requests and issue documents to citizens as of July 1st. Training of staff by KCA is ongoing.

Kosovo's Government has allocated eight million Euros to support new municipalities. For Municipality of Graçanicë/Gracanica and Shterpcë/Sterpce are allocated 2 million Euros. And for Municipalities of Partesh/Partes, Kllokot/Klokot, Ranillug/Ranilug and Novobërdë/Novoberdo are allocated 1 million Euros per each municipality.¹⁰

Municipality of Partesh/Partes

The new Municipality of Partesh/Partes held its inaugural elections on 20th of June 2010 and the second round was held on 18th of July 2010. The very high turnout – over 62% – is an impressive demonstration of the success of establishing the new municipality in a majority Serbian inhabited region. Mayor of Partesh/Partes is elected Nenad Cvetkovic, who has not yet appointed its directors of the departments. Yet, the municipality is in the process of establishing the municipality structure.

Also Kosovo's Government has allocated one million Euros for Partesh/Partes municipality of they can use the money for whatever they want to invest in their municipality.¹¹

¹⁰ Kosovo's Government - Decision No. 01/ 142 (26/08/2010)

¹¹ Kosovo's Government - Decision No. 01/ 142 (26/08/2010)

Municipality of Ranillug

Ranillug is a new municipality which was created in the framework of the process of the decentralization proposed by Marti Ahtisaari, before that this municipality was part of the Kamenica municipality. Ranillug municipality was formed according to the Law on Administrative Municipal Boundaries of 20th February 2008. This municipality includes these villages: Bozevc, Ropotovo, Glogovac, Kormiran, Drenovo, Odevce, Pancelo, Rajonovac, and Tomance.

This municipality has 77, 62 kilometers square. The territory of Ranillug (if it was a municipality from the beginning) would be: in 1948: 6044 hectares, in 1953: 652 hectares, in 1961: 7122 hectares, in 1981: 5446 hectares and in 1991: 6057 hectares.

Municipality of Ranillug/ Ranilug had two elections in 2007 and 2009. In 2007 elections there was no interest from citizens that now live in Ranillug/Ranilug municipality to participate in the local and central elections. In 2009 elections were more positive because it was known that these elections are going to make a composition of the Municipal Assembly and will elect their own Mayor.

The Municipality of Ranillug/Ranilug began to work on 05th of January 2010, when the Municipal Assembly held its constitutive meeting¹². On this meeting, the Assembly has confirmed the mandates of the delegates and elected the chairman of the Assembly. The Assembly counts fifteen members, including the Chairman of the Assembly. In the present composition of Assembly there are two political entities Civil Initiative for the Municipality of Ranillug/Ranilug- **GIZOR** which counts eleven (11) members, while Kosovo-Metohian Serbian Party- **SKMS** counts four (4) members in the current composition of the Municipal Assembly of Ranillug/Ranilug. The Mayor of Ranillug/Ranilug is Gradimir Mikić who ran as an independent candidate.

Priorities of Municipal Assembly

¹² Municipality of Ranillug. Municipality Background. Available at: <http://kk.rks-gov.net/ranillug/Assembly.aspx>

Municipal Assembly has its own draft-plan for development policy of municipality, and this plan will be converted into a detailed strategy. Regarding to the infrastructure the new object of Municipal Assembly is ready and the staff has started to work. According to the mayor of Ranillug/Ranilug Municipality, Mr. Mikic the main problem is the budget, because from 682.000 Euros that are planned for this municipality 632.000 are spent for the payment of the staff. He also said that the economic development and investments are going to be the main challenges of this municipality. Until now just few donation were from USAID, but there is a lack of investments such as capital investments, which will improve the life of the citizens.¹³

So the priorities of this municipality will be:

- Removal of the parallel structures in this municipality
- Hiring of the youth people in thins municipality
- Development of agriculture as the main potential resource for economic development
- Bringing new investments from abroad and development of economy
- Activate of the Non-Governmental Organizations to help the young people with different activities.

There are several projects in the municipality, the projects are divided in twenty seven (26) fields, in ten fields the projects are finished and ongoing, in ten other fields the projects haven't started yet.

The fields are divided in own municipality competences (12), for example Urban and rural planning (municipal, urban & regulatory plan), the municipality is under the establishment phase yet, and nothing has been done in this direction.

Enhanced Municipal Competences (2 fields), for example enhanced participatory right in the appointment of PS commander, new police station is planned for Ranillug/Ranilluk.

¹³ Meeting with Gradimir Mikic – Mayor of Ranillug Municipality (August/2010)

Delegated Municipal Competences (6 fields), for example Cadastral records (records of all properties; municipal property register; ownership certificates; property transaction, Hardware/ Software has been taken from mother municipality. Software to be installed from KCa and network needs to be created with them.

Also Kosovo's Government has allocated one million Euros for municipality of Ranillug/ Ranilluk they can use the money for whatever they want to invest in their municipality.¹⁴

Municipality of Kllokot-Vërbovc/Klokot-Verbovac

Municipality of Kllokot-Vërbovc/ Klokot-Verbovac is located in Anamorava region, before it became a municipality Kllokot-Vërbovc/ Klokot-Verbovac was part of Vitia Municipality.

Municipality of Kllokot-Vërbovc/ Klokot-Verbovac has 2336 hectares. The process of decentralization has created the municipality of Kllokot-Vërbovc/ Klokot-Verbovac which includes three villages: Mogilla, Verbovac and Grncar. If we count Mogilla, Verbovac, and Grncar as a part of Kllokot-Vërbovc/ Klokot-Verbovac from the beginning than we can conclude that Kllokot-Vërbovc/ Klokot-Verbovac in 1948 had 3049 hectares, in 1953 had 3452 hectares, in 1961 had 3593 hectares, in 1971 has 3960 hectares, in 1981 had 4149 hectares, and in 1991 had 3972 hectares.

This municipality was formed according to the Law on Administrative Municipal Boundaries of 20th February 2008.

The Municipality of Kllokot/Verbovac¹⁵ started functioning with the inaugural session of its municipal assembly on 15th of January 2010.¹⁶ The mayor is Saša Mirković, from the Independent Liberal Party (SLS). SLS also won the majority of the seats in the assembly, ten out of 15. The municipality has a surface of 23 square kilometers, consisting of four villages with 4500 inhabitants.¹⁷

¹⁴ Kosovo's Government - Decision No. 01/ 142 (26/08/2010)

¹⁵ Municipality of Kllokot. Municipality Background. Available at: <http://kk.rks-gov.net/kllokoti/Home.aspx>

¹⁶ Meeting with Sasha Mirkovic – Mayor of Klokot Municipality, (January 2010)

¹⁷ Ibid.

The creation of Kllokot-Vërbovc/Klokot-Verbovac Municipality was seen with a skeptical eye, both from Serbian and Albanian community, but according to Sasha Mirkovic the municipal aim is to serve all citizens and break the ethnical barriers, then to make their life easier. And then to continue and face the biggest challenges for this municipality such as: economic development, fight the corruption, etc.

The municipality of Kllokot-Vërbovc/ Klokot-Verbovac have its own draft action plan which will be a development strategy in the future based on the resources that this municipality has. For example the Kllokot-Vërbovc/Klokot-Verbovac Spa which has two buildings (old building and the new building). The other resource is the export of the mineral carbonated water of Kllokot-Vërbovc/Klokot-Verbovac, these resources are going to help the economic development of this municipality and will decrease the level of the unemployment. The main resource for economic development is agriculture based on the fact that Kllokot-Vërbovc/Klokot-Verbovac is a rural area.¹⁸

This municipality was supported from Kosovo's Government and foreign investors. The Ministry of Local Governance gave 480.000 to support this municipality and European Union 200.000. According to the deputy mayor Mr. Refik Halili these investments are more than welcomed in this municipality.¹⁹

There are several projects in the municipality, the projects are divided in twenty seven (26) fields, in sixteen fields the projects are finished and ongoing, in two fields the projects haven't started yet. Other example of not finished projects is the local economic development (economic plan infrastructure, assistance to existing business) in this field nothing has been done so far.

The fields are divided in own municipality competences (17), for example Urban and rural planning (municipal, urban & regulatory plan), Viti/Vitina hand over its Urban Plan (also includes cadastral are of Kllokot/Klokot, Verboc/Verbovac) UNDP will develop Urban Plan based in Viti/Vitina Urban Plan.

Enhanced Municipal Competences (2 fields), for example enhanced participatory right in the appointment of PS commander, new police station is planned for 2010.

¹⁸ Interview with Alan Packer – Official from International Civilian Office (ICO) (November 2010)

¹⁹ Interview with Refik Halili- Deputy Mayor of Klokot Municipality (November 2010)

Delegated Municipal Competences (6 fields), for example Cadastral records (records of all properties; municipal property register; ownership certificates; property transaction, Hardware/ Software by UNDP (30.000 Euros), Training staff by KCA, this project is still ongoing.

Also Kosovo's Government has allocated one million Euros for municipality of Klllokot/Klokot-Verboc/Verbovac they can use the money for whatever they want to invest in their municipality, they couldn't implement any project and for this reason this project is postponed for 2011²⁰

Transfer of Competencies

The success of transferring competencies from the Central Government to the local governments in the new municipalities, and the speed of the process, will be a good indicator of the performance of the whole decentralization process in Kosovo. The transfer of competencies from the central government to municipalities remains one of the biggest challenges of decentralization. While a number of competencies have been transferred to the municipalities, not all have been accompanied by the necessary funding, leaving municipalities to absorb the costs.²¹ In some cases, the autonomy of municipalities is still limited (despite the transfer of competencies) by additional factors, such as centrally imposed limits on the number of employees the municipality can hire, and limits on salaries for municipal employees, which among other things may limit the ability of municipalities to cooperate in the provision of public services.²² The transfer of competencies is complex, long-term, and requires coordination, oversight, and tracking at the central level. It is also essential that municipal officials receive the necessary training and certification to take on their new responsibilities, something that should be facilitated by the central government.

The biggest concern is the process of transfer of the competences from mother municipalities to the new municipalities, this process is going very slow and there is a

²⁰ Kosovo's Government - Decision No. 01/ 142 (26/08/2010)

²¹ International Monetary Fund Report: Republic of Kosovo Next Steps in Fiscal Decentralization (March 2010)

²² International Monetary Fund Report: Republic of Kosovo Next Steps in Fiscal Decentralization (March 2010)

lack of willingness from mother municipalities to give their powers and from new municipalities to take these competences.²³

The Law on Self-Local Government sets a clear framework of competencies for the municipalities, which includes 25 areas where local government can use their power.

The transfer of competencies is a legal obligation, but the new municipalities must devote considerable human and logistical resources to implement the projects in those areas.

It is necessary also to reach agreement with the former municipalities, where the new ones belonged, to transfer competencies from those gradually according the development of capacities in the new municipalities. Those competencies address different areas such education, local economic development, tourism and health. The process of transfer of the competences is going very slow, this is happening for the unwillingness by the mother municipalities to drop out of these powers, and in the other hand is the readiness of the new municipalities to get these powers. It is therefore necessary that the Ministry of Finance and Economy and the Ministry of Local Governance oversee the implementation of these laws, and their impact on the use of municipalities' powers.

The transfer of competencies is complicated in some areas by the existence of the parallel structures. In the area of education, for example, the new municipalities are working to formalize the employment of teachers, who were previously paid without contracts/formal employment agreements by Prishtina/ Pristina.²⁴ Also in this line, it will be challenging to bring the schools in the Serbian areas under the legitimate authority of the new municipalities. It remains to be seen whether teachers in the parallel education system will be willing to formalize employment with the new municipalities. This is an area that may require continued attention as the municipalities work to achieve full competence in providing education for their citizens. However, it is an issue which should be addressed primarily by the Government of Kosovo and Belgrade, as opposed to the municipalities. Moreover, the new municipalities can be engaged in their community to address this challenge and to have

²³ Meeting with Paivi Nikander- Official from International Civilian Office (ICO) (November 2010)

²⁴ Interview with Deputy Mayor of Gracanica, (April 2010)

a dialogue with the parallel structures in education sector, and also in health sector as well.

Mother Municipalities

The relations between mother municipalities and the new one should not be the same as a standard municipality-municipality relationship, but a partnership to address challenges and to have cooperation for a better performance of the new municipality must be a key for them. Mother municipalities are still performing certain functions (issuing official documents, collecting certain types of revenue), because the new municipalities have a lack of staff and they are in the transitional phase until the capacity to perform such tasks. In the case of revenue collection (e.g. property taxes), mother municipalities are collecting this until such time as the new municipalities are certified to take over collection, and until then should be transferring the funds every thirty days.²⁵ Here it is important for the Ministry of Finance and Economy to engage in training the staff of municipalities in tax collection and on Kosovo's laws on taxes.

The transfer of records from the mother municipalities to the new ones is a major undertaking. While this seems to be relatively uncontroversial in most cases (with the notable exception of Vitina/Vitia), it is likely to be a slow and cumbersome process, and particularly complicated in instances where cadastral zones have been split.²⁶ Regarding the transfer of records, an inter-municipality agreement between line ministries and mother and new municipalities has been signed.²⁷ Central oversight can help to ensure that the transfer of records and revenues continues to progress, and problems like in the Marigona Residence between the Municipalities should be avoided. Urban development is a dynamic process, and the construction permits issued by mother municipalities should have been directly accepted by the new municipalities. The best solution is that both sides create joint commission to transfer the records and to avoid problems.

²⁵ Meeting with Barry Reed- Representative of Effective Municipalities Initiative, 9 April 2010

²⁶ Meeting with Lori Dando – International Civilian Office, 12 March 2010

²⁷ Meeting with Barry Reed - Representative of Effective Municipalities Initiative, 9 April 2010

Concerns have been voiced about mother municipalities still issuing construction permits for land that is no longer theirs, but belongs instead to the new municipalities. This too should be monitored to ensure that the authority of the new municipalities is not undermined, as construction issues are considered by joint commissions.

Performance/Provision of Public Services

The performance of the new municipalities in public services depends very much from mother municipalities, support by the central institutions and the capacities of those municipalities. First, mother municipalities need to transfer records and projects to the new municipalities. Second, the central institutions should offer support to the municipalities to achieve better performance in offering better public services. The Ministry of Internal Affairs should support the municipalities with training on Civil Registration and issuing documents, and also offer the needed techniques and space to perform their duties. Third, the municipalities should be engaged in recruiting qualified staff and have a clear vision how to develop their human capacities in different areas, to perform public services.

Regarding official documents, the new municipalities will be unable to provide official documentation until records have been transferred by mother municipalities, and their officials have been certified for responsibilities such as the collection of property taxes. However, at least one new municipality hopes to be able to begin providing documents within the next month.²⁸ UNDP is providing assistance in this area by contributing 100,000 Euro in support of Municipal Cadastral Offices in the new municipalities.

In the area of waste collection, USAID has been providing assistance to the new municipalities by contracting for this service, but is donating both garbage trucks and waste bins to all of the new municipalities, which plan accordingly to assume responsibility for this service when the current contract expires in several months.²⁹

Provision of Water and Electricity services is a central/regional responsibility. However, the new municipalities are beginning or implementing projects to improve the existing infrastructure and therefore improve the overall quality and reliability of these services.

²⁸ Interview with Refik Halili- Deputy Mayor of Klokot/Vrbovac, 12 April 2010

²⁹ Meeting with representative of Effective Municipalities Initiative, 9 April 2010

Improved public service delivery is one of the espoused benefits of decentralized governance, and it is critical to take all necessary measures to realize this. It will therefore be useful to have some measure of citizen satisfaction with services in the new municipalities, especially given the emphasis that was put on such improvements in the run-up to the November 2009 elections.³⁰ In this regard, the MLGA and USAID/EMI launching of the Municipal Performance Measurement System, on which municipal officials are currently being trained,³¹ should offer useful insight into citizen views on the performance of municipalities on a range of public services.

Own Source Revenue

The new municipalities still have some way to go before they are able to begin collecting own-source revenue. Records must be transferred from the mother municipalities, and necessary legal and administrative infrastructure needs to be put in place. Officials also require training and certification in the assessment and collection of various fees/charges, a process that has begun in at least some areas.³² Not just transferring records, but also during the registration of the population and economies, it is necessary to have an updated register of all sources in the municipality.

In order to realize any meaningful fiscal autonomy from own-source revenue, it will also be important for municipalities to seek creative and sustainable ways to generate income – ways that do not rely on, e.g., industry planned, financed, and supervised by the central government.

Projects

Since their establishment, the new municipalities have been moving ahead with the implementation of projects, primarily in the area of infrastructure. The new

³⁰ Kosovo Institute for Policy Research and Development (KIPRED), (2009). *Decentralization in Kosovo I: Municipal elections and the Serb participation*. Available from:

http://www.kipred.net/site/documents/Decentralization_in_Kosovo_I.pdf (accessed 12 January 2010)

³¹ Effective Municipalities Initiative Newsletter, 6 April 2010. Available from: http://emi-kosovo-rti.org/repository/docs/2010_April_2_EMI_NEWSLETTER_English.pdf (accessed 26 April 2010)

³² Interviews with Deputy Mayor of Klokot/Vrbovac (12 April 2010), Deputy Mayor of Gracanica (13 April 2010)

municipalities have a need to develop strategic development plans and strategies, which should include projects that will make possible economic development and increase and development of local infrastructure. The new municipalities should draw on the relevant parts of local development strategies from their mother municipalities, in order to avoid losing time in presenting projects to donors. Also a development partnership with mother municipalities and other areas should be priority to enable joint-projects, which are easier to get financial aid.

Gračanicë/Gracanica, for example, has turned its capital investment plan into a color brochure, "Action Plan for Capital Investments, Gračanicë/Gracanica 2010," which includes construction plans and pictures of proposed project sites. Current priorities in Gračanicë/Gracanica include infrastructure, culture, youth development, and education. The municipality is also working on repairing the main road and cleaning up the Gracanka River. Completed projects include social housing buildings and the road from Gračanicë/Gracanica to Laplje Selo.³³

Current priorities in Klllokot-Vërbovc/ Klokot-Verbovac-Vrbovac include improvement of the sewer system, water and electricity infrastructure, and municipal roads (primarily the main road connecting the three villages of Klllokot). To supplement the funding available from its budget and additional allocation from the MLGA's decentralization contingency fund, the municipality is working directly with several international donors, including one expressing an interest in agricultural development.³⁴

In Ranillug, a water supply project for the villages is planned to be implemented this summer. A donation has been received from the Czech Republic for an environmental project: the cleaning of a river bed in one of the municipal villages, and there are plans to implement similar projects in other villages. Additional projects under consideration include: improvement of public lighting in one settlement, clean-up and removal of illegal dump sites and containers, a health care center that will serve four villages, and a road paving project. All projects are pending the commitment of international donors.³⁵

³³ Interview with Deputy Mayor of Gracanica, 13 April 2010

³⁴ Interview with Deputy Mayor of Klokot/Vrbovac, 12 April 2010

³⁵ Ranillug 3rd Ordinary Assembly Session, 9 April 2010

Hiring

In all new municipalities, the mayors have appointed department heads and deputy mayors. The three new municipalities are engaged in advertising for and hiring civil service positions. The Ministry of Economy and Finance has provided some guidance as to positions that should be given top priority (mainly administrative and finance positions).

Gračanicë/Gracanica has hired forty employees, and is working on hiring the remaining twenty-two by the end of April.³⁶ Klokot has gone through the advertisement and selection process for c. twenty employees, and will soon publish vacancy notices for another twenty (Although the municipality is able to hire up to fifty-five employees, lack of office space has been a limiting factor.)³⁷ Novo Brdo has not yet begun hiring the additional employees it has been allocated as a result of its enlargement.

There seems to have been a significant level of interest from all ethnic communities in the vacancies that have been advertised so far.³⁸ It's necessary that the hiring should not discriminate any ethnic group, and the positions should be allocated according to the legal requirement for proportional ethnic representation at the municipal level. Selection criteria such as experience and educational background should be taken seriously into consideration during the selection procedure.

Interpreters are among the new staff being hired by the municipalities, and constitute a critical category in terms of municipal capacity building. General capacity for translation appears to be low, and is particularly important when municipalities (and municipal assemblies) are comprised of members of different ethnic communities. The provision of documents (draft and final) for consideration by assembly members and publication or distribution to citizens in both official languages also requires the support of a skilled translation staff.

Municipal Assembly

Assemblies met immediately upon constitution of the municipalities, and have been meeting at least once a month since then. Although mayors, deputies, and some

³⁶ Interview with Deputy Mayor of Gracanica, 13 April 2010

³⁷ Interview with Deputy Mayor of Klokot/Vrbovac, 12 April 2010

³⁸ Interviews with Deputy Mayor of Klokot/Vrbovac (12 April 2010), Deputy Mayor of Gracanica (13 April 2010)

directors have more political experience, many assembly members came in with little to no experience with the conduct of assembly meetings. Various organizations³⁹ have provided training to assembly members on the conduct of assembly meetings and the respective roles of participants, and there has been a marked improvement from initial meetings.⁴⁰ Focus of future training may include encouraging familiarity with relevant laws, public outreach, and the timely provision to citizens of information on municipal meetings and activities.⁴¹ Also the assemblies should be engaged in a dialogue with the community and civil society to enable a transparent municipal assembly and to include the needs of the community in their agenda.

General Progress

The new municipalities have passed their foundational documents, including municipal statutes and capital investment plans. Graçanicë/Gračanica and Klllokot-Vrbovac assemblies passed their statutes immediately. Ranillug/Ranilug formed a committee to review the statute drafted by the Municipal Preparatory Team, and approved a modified statute at its third ordinary session.⁴² Novo Brdo still needs to approve its municipal statute. Hiring and training of new employees continues, with the establishment of administrative, financial, and legal infrastructure a priority.

Progress can also be considered in terms of citizen perceptions prior to and following the creation of the new municipalities. Although no formal surveys have been conducted, municipal officials have reported a change in the attitudes of citizens toward the concept of decentralization and the creation of new municipalities. One reported significant resistance at the beginning of the process, but a more accepting attitude now toward officials in the new municipality, a change he attributed to the fact that the new municipality is demonstrating its commitment to citizens' welfare by installing internet and new sports halls in schools and working on a number of other infrastructure and social welfare projects. The parallel institutions, on the other hand, have been critical of decentralization but have not offered constructive alternatives. An

³⁹ Including the Association of Kosovo Municipalities and USAID EMI

⁴⁰ Meeting with representative of Effective Municipalities Initiative, 9 April 2010

⁴¹ Meeting with representative of Effective Municipalities Initiative, 9 April 2010

⁴² Ranillug 3rd Ordinary Assembly Meeting

official in another municipality reported a similar shift in the attitude of citizens, again as a direct result of the visible projects the new municipality is already undertaking.

Lessons Learned

In the creation of the new municipalities, outreach to citizens could have been done earlier and more effectively; the lack of an active outreach program (not only to provide an overview of decentralization, but also to counter perceptions that “decentralization is for the Serbs”) probably made things harder than they needed to be, in terms of political resistance encountered. This was compounded by the pro-active approach of Vetëvendosje in reaching out to villages earlier and more actively than the central government with slogans like “Decentralization equals Partition, equals War.”

Visible projects and the promise of jobs to be created by new municipal civil service positions, at the local level seem to have proven capable of overcoming some of the political resistance to the creation of the new municipalities. The impact of “quick impact projects” and visible investments was likely greater due to the long period of neglect and lack of development most of the new municipalities had experienced for more than a decade.

Achievements and Challenges

The three new municipalities of Graçanicë/Gračanica, Kllokot-Vërbovc/ Kllokot-Verbovac-Vrbovac, and Ranillug/Ranilug have been established and begun work in a relatively short time. Their progress, as detailed above, has been significant. While much remains to be done in terms of building municipal capacity and improving infrastructure, the new municipalities seem to be on their way to establishing the necessary legal infrastructure and building the human and technical capacity required for a functioning local government. For that reason, the Government, International Community and Civil Society as well should support the municipalities in every step, to achieve success in creating functional municipalities.

A number of challenges remain for the new municipalities. The transfer of competencies from the central government, as well as the transfer of records from mother municipalities, would benefit from continued oversight in order to maintain momentum and facilitate an improved understanding of the respective roles of central and municipal counterparts in a decentralized system. Ambiguities in the delineation of central and local competencies must be clarified/ resolved as the process of implementation continues. Municipal officials can also play a role in establishing constructive relations with central counterparts by demonstrating their capacity to use resources and make decisions in a transparent and accountable manner. Relations between the new municipalities and mother municipalities will remain a challenge, and joint-projects and activities should be priorities to enable a gradual transfer of records, projects and strategies that affect the new municipalities.

The relationship between parallel structures and their new counterparts has yet to be fully understood. Until now, it seems they have adopted an approach of no official contacts, although they might talk unofficially. But that should not last long, as a dialogue which will be affected by the political will of Prishtina/Pristina and Belgrade/Beograd, should enable a compromise for the good of the citizens.

For the new municipalities to be seen as viable by their citizens, it will be important for citizens to continue to see a genuine effort on the part of municipal leaders to serve the needs of all communities in their municipalities, and to provide transparent and accountable governance at the local level. At the same time, active civic engagement should be encouraged, in order for citizens to realize the benefits of decentralization that extend beyond an improvement in the provision of public services. Bringing government closer to the people is most meaningful when citizens avail themselves of opportunities to participate in the municipal decision-making process and make their views known to municipal leaders.

Recommendations

A follow-up study at a later stage will be important in order to assess the continued progress of the new municipalities. A study after one year of existence of the new municipalities would offer additional insight in a number of key areas, including: the ability of the municipalities to maintain momentum in finding resources for and implementing infrastructure improvements; the growing capacity of the new municipalities to provide public services and collect own-source revenue; the interest of citizens in participating in public debates and influencing decision-making; and the continuance and/or completion of the transfer of competencies from the central government and the transfer of records from mother municipalities.

In addition, the following actions should be taken:

To the central government:

1. Continue to support the new municipalities with resources.
2. Provide prompt assistance when needed, if municipalities (capacity building or developments) do not understand their competencies.
3. Work to reduce existing legal ambiguities.
4. Work with new and mother municipalities to ensure a smooth transfer of competencies.
5. Offer training in different areas like procurement, education and health management and financial management, etc.

To the international community:

1. Continue to provide assistance to the new municipalities.
2. Assist new municipalities in infrastructure projects.
3. Assist mother municipalities in compensating for lost own revenue.

To the new municipalities:

1. Continue with the adoption of legal documents (municipality statutes, development strategies, etc)
2. Complete the process of hiring staff.
3. Expedite the process of issuing documents to citizens.

To Civil Society:

1. Become more engaged to support human resources of the municipalities.
2. Monitor the work of the municipalities, especially of the assembly, with focus how the community's needs are taken in consider, and the respect of the ethnic composition.
3. Support the departments of the municipalities in drafting projects, presenting to donors and project management.

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