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

Department for European Integration and Policy Coordination

Work Report of the Ministry of Local
Government Administration
January - June 2023

Prishtine, July 2023

This report presents the work of Ministry of Local Government Administration for the period *January – June 2023*.

The report summarizes activities of all MLGA departments/organizational units focusing on four main areas, which constitute work objectives of the ministry according to the annual plan for the year 2023.

The Report is drafted by the Division for Policy Coordination.

The accuracy of the data is a responsibility of the Departments and organizational units of MLGA.

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Abbreviations

EA	European Agenda
AKM	Association of Kosovo Municipalities
WB	World Bank
BIRN	Balkan Investigative Journalism Network
COVID 19	Coronavirus – the pandemic
ECDC	European Center for Disease Prevention and Control
GIZ	German Society for International Cooperation
EI	European Integration
KIPA	Kosovo Institute for Public Administration
NIPH	National Institute of Public Health
LLSG	Law on Local Self-Government
MESTI	Ministry of Education, Science, Technology and Innovation
MFT	Ministry of Finance and Transfers
MIA	Ministry of Internal Affairs
MLGA	Ministry of Local Government Administration
SAA	Stabilization Association Agreement
MoH	Ministry of Health
OSCE	Organization for Security and Cooperation in Europe
LG	Local Government
NPISAA	National Program for the Implementation of the Stabilization Association Agreement
PQ	Central Government
OCMIAPA	Operational Center of the Ministry of Internal Affairs and Public Administration
CDPC	Centers for Disease Prevention and Control
SDC/DEMOS	Swiss Agency for Development and Cooperation
SIDA	Swedish International Development Agency
MPMS	Municipal Performance Management System
SVL	Strategy on Local Self-Government
EUs	Emergency Units
SLED	Strategy for Local Economic Development
UNDP	United Nations Development Programme
USAID	US Agency for International Development
OSP	Office for Strategic Planning

Introduction

Ministry of Local Government Administration (MLGA) based on its legal mandate, the objectives of the Strategy on Local Self-Government 2016-2026, and the Annual Work Plan for 2023, has carried out the planned activities for the period January-June 2023. The report reflects the achievements according to the areas defined in this plan, also integrated within the framework of the National Development Plan. The reported activities fall into five main work objectives, as follows:

- Increasing local economic development through financial support of municipalities based on performance;
- Advancement of inter-municipal, international municipal and cross-border cooperation;
- Advancement of policies and legal framework for local self-government;
- Increase of municipal performance, promotion of human rights and capacity development;
- Administration and finances, audit and procurement.

The annual report is based on reported data from the activities carried out by MLGA departments and units / divisions, such as:

- Department for Sustainable Municipal Development;
- Department for Inter-municipal and Cross-border cooperation;
- Department for European Integration and Policy Coordination;
- Legal Department and Monitoring of Municipalities;
- Department for Municipal Performance and Transparency;
- Department of Finance and General Services;
- Division for Public Communication;
- Internal Audit Division;
- Procurement Division.

Concerning the report methodology, reports from the respective units of the MLGA have been taken into account, which have been analyzed and set according to the objectives and activities set in the annual work plan. The report is based on the quantitative and qualitative indicators for the activities carried out and is a descriptive report on the activities of MLGA for the period January - June 2023.

Executive summary

Ministry of Local Government Administration has achieved to implement the activities foreseen with the annual work plan for the period January –June 2023. The annual plan is a document based on the main objectives of the Strategy on Local Self-government 2016-2026, and in other relevant documents of the government. During the one year-period a considerable progress has been made in the field of local economic development, such as: completing the legal and sublegal framework on local self-government, improvement of the efficiency of municipal services, strengthening of municipal transparency, promotion of gender equality, e-government, expanding of the cooperation with partners/donors through mutual projects, cooperation with the civil society, improvement of the inter-sectorial cooperation, inter-municipal cooperation, international municipal and cross-border cooperation, increase of professional capacities of municipalities and many other fields.

In the framework of the development of policies for Local Self-Government, the focus has been placed on the monitoring of the Strategy for local economic development, and a report has been prepared regarding the implementation of the action plan for the Strategy for Local Economic Development. The National Program for Local Economic Development 2023-2029 has been drafted, and the public and preliminary consultation procedure has been finalized.

Programs for financing capital projects of municipalities are one of the main instruments of direct support of municipalities in the field of economic development. MLGA has prepared the criteria for financing municipal projects in the field of inter-municipal cooperation and infrastructure projects. Also, the criteria for financing projects within the program for support for infrastructure projects for communities have been prepared. After the application of the municipalities within these two programs, there selected 29 beneficiary municipalities.

During this period, the Ministry of Local Government Administration has given great importance to the advancement of the municipal performance system and the performance-based grant scheme. MLGA has coordinated activities with municipalities regarding the necessary documents for application for the Municipal Performance Grant, as well as the draft agreements of understanding for the financing of projects by MPG have been prepared. The MLGA has received the financial opinion from MFLT, on 12.04.2023, thus the completed case was approved by the Government. From this grant have been financed in total 14 projects from capital investments in municipalities, thus the grant beneficiaries were 6 municipalities based on the criteria for benefiting the grant.

In the period January - June 2023, MLGA continued the activities related to the support of municipalities for inter-municipal and international cooperation. MLGA continued the activities with donors, respectively with the OSCE regarding the implementation of joint activities for the year 2023. The criteria for financing municipal projects in the field of inter-municipal cooperation have been prepared. In the framework of inter-municipal cooperation and international municipal cooperation, a total of 13 initiatives for cooperation have been implemented. Also, in this time period, the cross-border cooperation has continued as part of the three programs: Kosovo - Albania, Kosovo - Macedonia and Kosovo – Montenegro.

As for the World Bank M4Y project, January 30, 2023 was the official closing date of the project, thus according to the agreement between the World Bank and MLGA, the project was extended for another 18 months until July 31, 2024. With the restructuring of the project for the second round, it was agreed for the project to expand its coverage with some new municipalities which will be selected based on the agreed criteria.

The Ministry of Local Government Administration has also given special focus to the development and advancement of legislation according to the legislative program for 2023 and other documents, which are in

the process of being drafted and supplemented/amended, as follows: 3 draft laws, 5 instructions administrative and 1 ex-post assessment.

In the period January - June 2023, after holding the extraordinary elections in the four northern municipalities, 38 municipalities have been functioning, holding regular meetings. Municipal assemblies have held 270 meetings, of which 208 regular meetings, 28 extraordinary meetings, 2 urgent meetings and 32 solemn meetings. During this period, a total of 899 acts were accepted, of which 85 regulations and 814 decisions of the municipal assemblies. Out of a total of 899 acts, MLGA has evaluated 389 acts, while another 510 acts have been sent to the line Ministries. Thus 76 illegal acts were found, of which 6 acts were re-examined, while 2 acts were sent to the Ministry of Justice.

Regarding the preliminary consultation of the acts of the sectoral ministries and their compatibility with the legislation for local self-government, a Working Group has been established within the ministry which is responsible for reviewing the acts for prior consultation and continuously accepts acts from the line ministries for prior consultation. Whereas, in regards to the notification letters sent to the municipalities, during this time period, 87 requests and 15 complaints from natural and legal persons were received and evaluated, along with 3 requests for preliminary consultation.

In order to reflect the activities developed by the municipal assemblies, the Report on the functioning of the municipal assemblies for the period January - December 2022 has been drafted and published.

MLGA has led a very important process for addressing the obligations of the municipalities arising from the European agenda. In this time period, the Report on the fulfillment of the obligations of the municipalities from the European Agenda for the period January-December 2022 has been drafted. Based on the data provided, during the year 2022 the municipalities of the Republic of Kosovo have managed to fulfill 64% of the activities in the field of political criteria, 81% in terms of economic criteria, and in the field of European standards they have realized 63% of the activities. The overall level of fulfilling the obligations of the municipalities from the European agenda for 2022 is 69%.

MLGA has continued to support municipalities in the implementation of policies in the field of human rights. In this period, the annual report on human rights for 2022, the analysis of the assessment of the capacities of municipal structures and municipal officials to work with marginalized groups and the report for municipalities for protection against discrimination for the period January-June 2023 have been drafted.

MLGA has started the process of digitalizing municipal services through the development of the E-MUNICIPALITY platform. This platform will be at the service of citizens to increase their participation in decision-making at the local level, and will be at the service of the municipalities themselves for the digitalization of municipal services. Thus MLGA, as the leader of this process, has started with the development of the first phase of the platform E-MUNICIPALITIES, which is now in the second phase of the bidding process.

MLGA has provided continuous information to the public, media, civil society, foreign international organizations, as well as interested parties regarding the developed activities. However, regarding open government as one of the basic principles of the work of the Government of the Republic of Kosovo, at the initiative of the MLGA, the Government of the Republic of Kosovo has decided to start drafting the National Action Plan for open government as part of the Open Government Partnership - OGP. The National Action Plan 2023-2025 has been drafted and has gone through two processes of preliminary consultation and public consultation and has been approved by the Government.

The Ministry of Local Government Administration has continued with the involvement of civil society in the drafting of policies and legislation for local self-government and in the implementation of the strategy for local self-government 2016-2026. Also, the cooperation with the Consultative Forum for Local Government has continued.

The budget of MLGA for the year 2023 (based on the report dated 30.06.2023) together with the Donation (93 Council of Europe and WB-World Bank) is €10,904,096.29. From this amount, for the period January - June, €467,471.80 or 4.70% of the budget was spent from the consolidated budget. The amount of €53,835.66 or 55.20% of the budget was spent from the 93 Council of Europe donation category, while the amount of €174,591.80 or 20.19% was spent from the WB-World Bank donation. In total, the MLGA Budget + Donations (93 Council of Europe and WB-World Bank) for the January-June period was spent in the amount of: €695,899.26 or 6.38% of the budget. According to the data in the period January-March 2023, the number of employees is 112, of which 15 employees are political staff and 97 civil servants. Of the 97 civil servants, 45 are men or 46.39%; and 52 women or 53.61%. Whereas, in terms of ethnicity, there are: 86 Albanians or 88.86%, 9 Serbs or 9.28% and 2 Turks or 2.06%. Regarding leadership positions, 1 secretary (acting) is a woman, 2 department heads are women and 9 heads of division heads. While men are: 4 heads of department and 7 heads of division. For the field of audit, the report of the second semester of 2022 and the annual report of the work of IAU for 2022 have been drafted.

I. Increase of local economic development through financial support of municipalities based on performance

The activities implemented within the first objective, are grouped into 3 main areas as follows:

- Drafting of policies for local economic development;
- Financing of municipal projects;
- Management of municipal performance.

1.1. Development of the strategic framework for local economic development

MLGA on an annual basis monitors and reports on the implementation of the action plan of the Strategy for Local Economic Development (SLED) 2019 - 2023. For this purpose, a letter has been sent to the municipalities and line ministries to report on the implementation of the activities resulting from the action plan of SLED. The data were received from 31 municipalities and from the line ministries, and the action plan report was prepared, which was sent to the Office for Strategic Planning (OSP).

Regarding the drafting of the National Program for Local Economic Development 2023-2029, the final draft of the SLED has been prepared and the same has completed the public and preliminary consultation phase and is in the process of organizing the next meeting with the working group to discuss the comments received from the public consultation process. Meanwhile, regarding the preparation of recommendations for the improvement of the municipal budget processes, a letter was prepared with the proposals of the MLGA and the same was sent to the office of the Minister of the Ministry of Finance, Labor and Transfers.

- The report of the municipalities' expenses for the year 2022 has been drafted;
- The report of the own revenues of the municipalities for the year 2022;
- The annual report of capital investments for projects for 2022

1.2. Financing of municipal projects

Programs for financing capital projects of municipalities are one of the main instruments of direct support of municipalities in the field of economic development. MLGA has prepared the draft criteria for financing municipal projects in the field of inter-municipal cooperation and infrastructure projects. The call for applications from municipalities for project financing has been published and within this call, 26 applications from 18 municipalities have been received, then the final report of the evaluations of the applications by the evaluation committee has been finalized and the beneficiary municipalities have been notified. Also, during this period, draft agreements of understanding were prepared with 13 beneficiary municipalities and the schedule of technical meetings with the municipalities for the contracted projects was prepared.

Regarding the program for support for infrastructural projects for communities in the municipalities, the criteria for project financing have been prepared, 38 applications have been received from 16 municipalities, then the final report of the evaluations of the applications by the evaluation committee has been finalized and the beneficiary municipalities have been notified. Also during this period, 17 agreements of understanding were

signed between MLGA and municipalities with 9 beneficiary municipalities. After the signing of the Memorandums of Understanding, the municipalities will start with the procurement procedures and then the monitoring of the projects will begin. Regarding these projects, the Budget and Finance Division is currently in the process of preparing the commitments of funds. For these projects, a technical meeting was held with the municipality of Ferizaj and a plan was drafted for meetings with the other 9 beneficiary municipalities, while field visits to verify the progress of the works will be carried out after the signing of the contracts by the municipalities with the Economic Operator.

In the framework of the co-financing with the donor for the grant scheme based on the municipal performance, in cooperation with the Municipal Performance Department, activities were coordinated with the municipalities regarding the documents needed for the application for projects for the Municipal Performance Grant. Documents for financial opinion have been prepared and forwarded to MFPT and approved by Government decision No. 12/138 dated 12.4.2023.

During the January-June period, at the request of the external auditors, the physical examination of 3 projects financed in the municipality of Obiliq for the year 2022 was coordinated and meetings were held with the external auditor regarding the project management process. The summary report of capital investments (2008 - 2022) and the report of the last three years (2020 - 2022) of capital investments are currently in process of being drafted.

1.3. Assessment of municipal performance

During this period, the Ministry of Local Government Administration has paid great importance to the advancement of the municipal performance system and the performance-based grant scheme. MLGA has coordinated activities with municipalities regarding the necessary documents for the application for projects for the Municipal Performance Grant, as well as the draft agreements of understanding for financing of projects by MPG have been prepared. MLGA sent the case to MFLT for a financial opinion. The financial opinion was received, and on 12.04.2023 the completed case was approved by the Government. From this grant, a total of 14 projects have been financed from capital investments in municipalities, 6 municipalities have benefited from the grant according to the grant's benefit criteria. In the first part of 2023, trainings were held for the use of the Electronic System of MPMS, for all municipal officials for the fields that are part of the Municipal Performance Management System. In the wake of preparations for the start of municipal performance reporting, a regular meeting was held with the municipal performance coordinators. In order to complete the legal framework in the first six months, the Administrative Instruction for MPMS was drafted and approved.

II. Advancement of inter-municipal, international municipal and cross-border cooperation

The activities carried out under this objective are:

- Strengthening the inter-municipal and international municipal cooperation;
- Implementing cross-border cooperation programs;
- The World Bank project "Municipalities for Youth".

2.1. Inter-municipal and international municipal cooperation

In the period January - June 2023, MLGA continued the activities related to the support of municipalities for inter-municipal and international municipal cooperation for the year 2023. The activities with the donors,

respectively with the OSCE regarding the implementation of joint activities for the year 2023 have continued. The draft criteria for financing municipal projects in the field of inter-municipal cooperation were prepared.

As part of the inter-municipal cooperation, during this period, a total of five (5) initiatives for inter-municipal cooperation were realized, and the three (3) monthly report on Inter-municipal Cooperation Initiatives and Agreements for the Municipalities of the Republic of Kosovo has been prepared.

As for international municipal cooperation, during this period a total of eight (8) international cooperation initiatives were implemented, three (3) international municipal cooperation agreements were signed, three (3) international municipal cooperation agreements were evaluated as well as the three (3) monthly report on International Municipal Cooperation Initiatives and Agreements for the Municipalities of the Republic of Kosovo has been prepared.

2.2. Implementation of cross-border cooperation programs

The cross-border cooperation has continued as part of three programs: Kosovo - Albania, Kosovo - Macedonia and Kosovo - Montenegro, under IPA II, 2014 - 2022.

2.2.1. IPA II Programme Kosovo-Albania 2014-2020

Within the framework of the IPA II Kosovo-Albania 2014-2020 Program, has continued the implementation and monitoring of cross-border projects such as:

- *“Pathway towards an efficient use of local natural resources”*, has continued for a duration of 30 months (April 2022 - October 2024), in the Municipality of Kurbin and the municipality of Suhareka in a total value of €420,167.00. For this project, a monitoring visit to the project was carried out in May 2023 according to the plan of monitoring visits agreed with the Operational Structure of Albania and the EU Delegation in Tirana. Information regarding the project has also been received from the Joint Technical Secretariat (JTS);
- *“Enhancement of Biodiversity in Drini River Basin through Integrated watershed Management – BIODRINI”* implemented from February 2022 for a duration of 24 months in the Municipality of Kukes and the municipality of Rahovec in a total value of €462,104.50. For this project, a monitoring visit was made to the beneficiaries of the third call. Information regarding the project has also been received from the Joint Technical Secretariat (JTS);
- *“Eco - Tourism Routes in the Cross-Border Area for the Promotion of Alternative Tourism (ECO-ROUTES)”* implemented from March 2022 for a duration of 24 months in the Municipality of Kukes and the municipality of Rahovec in a total value of €470,482.00. The monitoring visit to the beneficiaries of the third call was carried out on May 18, 2023 in Tirana. Information regarding the project has also been received from JTS.
- *“Bridging Tourism through Cultural Heritage and Smart Solutions in Lezha and Gjakova”* implemented from April 2022 for a duration of 30 months in the Municipality of Lezha and the municipality of Gjakova in a total amount of 453,245.00 Euro with co-financing (385,258.00 EUR from IPA funds) within the third call with the theme related to the encouragement of tourism and the promotion of natural and cultural heritage. For this project, a monitoring visit was made to the project of the third call on May 19, 2023 in Lezha, also information regarding the project was received from JTS.

During the January-June period, the EU delegation announced the 4th Call for project proposals on February 20, 2023 and the call was open until May 22, 2023. Two information sessions were held for potential applicants in the program area (Lezha, Albania and Rahovec, Kosovo). The Annual Implementation Report (AIR) 2022,

the Work Plan for 2023 and the Communication and Visibility Plan for 2023 have been drafted. Also, the IPA III Programs 2022 - 2027 have been approved and published on the official website of the European Commission.

In the framework of the management of the TAGC technical assistance contract, there were completed activities such as: the second bilateral meeting in Tirana, the narrative and financial report for the Kosovo part was prepared and sent to the OS of Albania, the regional forum organized by CBIB+ was held, and it is planned a study visit in Lisbon, in July 2023. Also during this period, the IPA III Programs 2022 - 2027 have been approved and published on the official website of the European Commission.

2.2.2. IPA II Programme Kosovo-Macedonia 2014-2020

As part of the IPA II Program CBC Kosovo-Macedonia 2014-2020 - the implementation and monitoring of cross-border projects has continued, under the IV Call such as:

- *"Pilot interventions for wastewater treatment and solid waste management in the cross-border region"* Novo Berde – Gjorgje Petrov, as part of the project, a monitoring visit to the project was carried out during the months of May and June 2023 by the operational structure of Kosovo and North Macedonia and the staff of the Joint Technical Secretariat regarding the progress of the projects and according to the plan of monitoring visits;
- *"CBCEcoKid"*; Ferizaj – Çairi, as part of the project, a monitoring visit was made to the project during the months of May and June 2023 by the operational structure of Kosovo and North Macedonia and the staff of the Joint Technical Secretariat regarding the progress of the projects and according to the plan of the monitoring visits. This project is expected to be completed in August 2023;
- *"Reviving crafts and building culture for joint touristic development"*, Prizren – Tetove – the implementation of this project is continuing.

For the management of the Grant Contract for Technical Assistance and the organization of joint meetings within the program during the period January-June 2023, activities such as: *the 11th meeting of the Joint Monitoring Committee (JMC) as well as training for the members of the Committee and the operational structure from the two countries, two bilateral meetings were held between the two operational structures and the Joint Technical Secretariat in Skopje, the third interim report for the period January 6, 2022 - January 5, 2023 regarding the Grant contract (2019/410-322) was sent to the EU Office, the procedures for the preparation of new technical assistance have started, the financial report for 2022 has been approved, continuous support has been provided for project beneficiaries as well as the reporting of indicators in the regional database.*

Also during this period, training was held for the beneficiaries of the IV Call, the Annual Implementation Report (AIR) for the year 2022, and the Work Plan for the year 2023 together with the Communication Plan were drafted and approved.

2.2.3. IPA II Programme Kosovo-Montenegro 2014-2020

Within the IPA II Program CBC Kosovo-Montenegro 2014-2020 - during this period the implementation of cross-border projects of the second Call continued, such as:

- *"Creation of Employment opportunities in Agriculture"* Podgorica, Tuz and Istog, Peja, this project has completed its activities, thus the closing conference was held on June 27, 2023. The project has had an impact on increasing access to the labor market and strengthening the capacity of women, youth and the unemployed to generate income from agriculture. The capacities of the target groups have also been improved through capacity building activities through trainings, internships, mentoring, as well

as provision of necessary equipment for agriculture and facilitation of networking with buyers of agricultural products.

- *"Cross-border actions for the reproductive health sector"*, this project is being successfully implemented, contributing to the improvement of the capacities of public health institutions as well as the quality of reproductive health services in the cross-border region. The third monitoring visit was held on June 15, 2023.
- *"Tourist center for a better tourist offer in less developed mountain countries"* Andrijevica (Montenegro) and Decan (Kosovo). The third monitoring visit was held in Andrijevica on July 3, the project leader and in the municipality of Decan on July 4, 2023 to see the progress achieved. The project is expected to be completed in September 2023. Through this project, a new mountain hut has been built in Bjeshe e Nemuna in Decan, while the existing hut in Krivi Do in Andrijevica has been repaired and equipped. In addition, the project will include an additional tourist offer around these two centers, which will include local villages.

For the management of TAGC and the organization of joint meetings within the Program, activities were carried out such as: *the meeting of the Joint Monitoring Committee, the bilateral meeting between the operational structure of Kosovo and Montenegro, the training for secondary procurement was held for the staff of the CBC and the controlling body in Podgorica, the training was held by Interact for the staff of the CBC and JTS "Communication under IPA CBC - Storytelling, the workshop was held with journalists in the framework of the promotion of the CBC program in the areas of the program that included visits to the projects of the I and II call in Decan, Klina, Gjakova and Peja, the meeting of the Joint Steering Committee was held where the narrative and financial report December 2021 - April 2023 was approved; monitoring visits were held to three projects of the second call and 6 monthly reports have been drafted for the implementation of the TAGC.*

Regarding the contracting of the projects of the third call, 11 projects were contracted within the framework of the III call and the ceremony for the allocation of grants/contracting of the projects of the III call was held on March 17, 2023 in Peja.

For the implementation package for the projects of the third call, trainings were held for the beneficiaries of the third call, the implementation seminar and training for secondary procurement in Podgorica, training for reporting & training for publicity and visibility.

For the implementation of IPA III 2021-2027, a draft Financial Agreement for IPA III for the period 2021-2027 was drafted and sent by the Operational Structure of Montenegro to the Operational Structure in Kosovo for notification. This agreement after being sent by the Office of the European Union in Kosovo to the National Coordinator for IPA (NIPAC) must be approved/ratified by December 31, 2023.

During this period, the Annual Implementation Report (AIR) for 2022, and the Work Plan for 2023 together with the Communication Plan were drafted and approved.

2.3.4 Checking of Cross-Border Cooperation programs

For the financial check and verification of the funds of cross-border cooperation programs, in accordance with EU rules and standards and applicable local laws, the annual plan of on-the-spot check visits has been prepared and approved, and the same has been shared with the Finance Directorate and Contracting of EU Funds in the Ministry of Finance of Montenegro (CFCU/MNE), 2 visits to the project site were carried out: CFCU/MNE 148, CFCU/MNE 152, all contracts of beneficiaries from the III (third) call for proposals have been accepted and the preparation of tables for the reporting deadlines for each contract, the third report for verification CFCU/MNE 149 has been completed. Meanwhile, the project reports are in the process of verification of expenses: CFCU/MNE 148, CFCU/MNE 152, CFCU/MNE 150, and CFCU/MNE 151, a confirmation letter was prepared for the Contracting Authority regarding acceptable and non-acceptable expenses from the

beneficiaries of the second call, 6 field visits of the projects of the second call were carried out and 3 site visits of the projects were carried out: CFCU/MNE 151, CFCU/MNE 152, CFCU/MNE 148.

Also, during this period, all the documents received by the beneficiaries of the second call were archived and maintained, based on the aforementioned rules.

2.3. Implementation of the World Bank project “Municipalities for Youth”

The project 'Municipalities for Youth - Component I' or M4Y Project is a \$2.7 million grant provided by the Japanese Government through the Japan Social Development Fund (JSDF), which is administered by the World Bank.

The project aims to increase socio-economic opportunities for marginalized youth (15-24 years) in Kosovo. Through this project, the selected municipalities will address the socio-economic needs of young people, financing the initiatives that originate from them, with the aim of increasing cooperation between young people and local institutions, for solving community problems. The project is being implemented in 10 selected municipalities. The objective of the project is to improve the socio-economic inclusion of at least 3,000 marginalized young people in vulnerable communities in Kosovo through civic engagement and raising their capacities and skills. Over 2,200 applications for training have been accepted from young people, of which 1,500 have been trained in soft skills and project management. Out of 200 targeted youth-led initiatives, 93 have been selected as winners and have started implementing projects. Out of 500 young volunteers who have been selected and trained, 258 are ready to engage in volunteer activities. Of the total of 93 distributed initiatives, 35 are in the range of 1-4,000 USD and 58 are in the range of 6-15,000 USD. Meanwhile, 24 community initiatives are implemented by youth NGOs and 69 by informal youth groups. Most initiatives focus on youth employment and micro-entrepreneurship. January 30, 2023 was the official closing date of the project, where according to the agreement between the World Bank and MLGA, the project was extended for another 18 months until July 31, 2024. With the restructuring of the project for the second round, it was agreed that the project would expand the coverage with some new municipalities which will be chosen based on the agreed criteria.

III. Advancement of policies and legal framework for local self-government

The activities carried out during this period that are related to the fulfillment of the objective 2 of the Work Plan for 2023, which have been extended in the direction of:

- Drafting of planned draft laws and bylaws;
- Prior consultation of sectoral acts;
- Regular meetings with municipalities;
- Monitoring of municipalities;
- Addressing and implementing obligations from the European agenda;
- Policy coordination;
- Prepared reports.

3.1. Drafting of legal acts and bylaws

The Ministry of Local Government Administration has given special focus to the drafting and progress of legislation according to the legislative program for 2023 and other documents, which are in the process of being drafted and amended/supplemented, as follows:

- Amendment/supplement of the Law No. 06/L-092 on the Allocation for Use and Exchange of Immovable Municipal Property (*the working group for drafting of the draft act was established, and held a meeting, and the next workshop is currently being planned*);
- Draft Law on the Administrative Review of Acts of Municipalities (*a working group has been established to draft the act in question and has held three workshops with groups of interest, and the deadline of the same act is expected to be postponed to be proceeded to the Government until November of year 2023*).
- The amendment - supplement of the draft law on inter-municipal cooperation (*the working group for the drafting of the law has been established*);
- Administrative Instruction for the appointment of deputy mayors of municipalities (*a working group has been established for drafting the draft act*);
- Administrative Instruction for the standardization of the legality of municipal acts (*a working group has been established for drafting the draft act*);
- Amendment/supplement of the Administrative Instruction (MPL) No. 05/2020 on the procedure of establishment, composition and competencies of permanent committees and other committees in municipalities (*a working group has been established for preparing the draft act and a meeting has been held*);
- Administrative Instruction for an open local administration (*a working group has been established for preparing the draft act and the first meeting of the working group has been held*);
- Administrative Instruction (MLGA) No. 01/2023 for Municipal Performance Management and the Municipal Performance Grant Scheme (*the procedure of drafting together with groups of interest has been completed, the public and preliminary consultation procedure has also been completed and approved by the Minister of MLGA*);
- Ex post evaluation of the legal mechanisms for local democracy (*the working group for drafting the ex post evaluation was established and a meeting was held*).

3.2. Assessment of the impact of the policies in the field of local self-government

Regarding the preliminary consultation of the acts of the sectorial ministries and their compatibility with the legislation on local self-government, a Working Group was established within the ministry which is responsible for reviewing the acts for prior consultation, which continuously accepts acts from line ministries for preliminary consultation. Whereas, regarding the notification letters addressed to the municipalities, in this time period 3 requests for preliminary consultation were received, 87 requests and 15 complaints from natural and legal persons were received and assessed.

3.3. Monitoring of municipal assemblies

In the period January - June 2023, the assemblies were operating in 38 municipalities of the Republic of Kosovo, holding regular meetings. Municipal assemblies have held 270 meetings, of which 100 regular meetings, 19 extraordinary meetings, 2 urgent meetings and 32 solemn meetings. The meetings of the municipal assemblies were monitored through the telepresence system, as well as the physical presence of officials for the municipalities: North Mitrovica, Zubin Potok, Zvecan and Leposaviq. During this period, a total of 852 acts were received, including 85 regulations and 767 decisions of the municipal assemblies. Out of a total of 899 acts, MLGA has evaluated 389 acts, while another 510 acts have been sent to the line Ministries. There were 76 illegal acts that were found, of which 6 acts were re-examined, while 2 acts were sent to the Ministry of Justice.

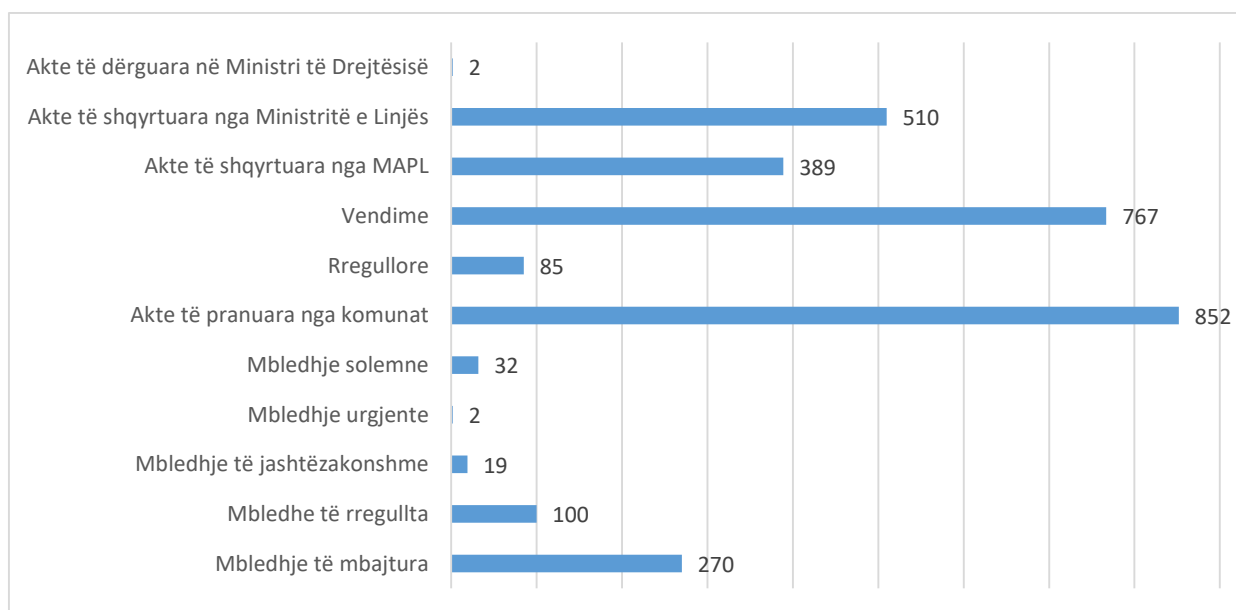


Diagram 1: The number of municipal meetings and acts reviewed during the period January – June 2023

The Ministry of Local Government Administration, in accordance with the legal mandate defined by the legislation on local self-government, monitors the municipalities on the basis of which it drafts periodic reports on the functioning of the municipalities of the Republic of Kosovo. Municipal bodies, are obliged to exercise their competences according to the Constitution, laws and by-laws of the Republic of Kosovo. During this period, the Assemblies of 38 municipalities were operating, based on Article 86 of the Law on Local Self-Government. MLGA is obliged to draft and submit to the Government and Assembly of the Republic of Kosovo, the Annual Report on the functioning of the municipalities. This report was sent to the Government, Presidency and Assembly at the end of March 2023. The legality assessment report for the period January-June 2023 was drafted, 12 monitoring visits were conducted in 12 municipalities and a meeting was held with the chairpersons of the municipal assemblies.

3.4. Addressing the obligations deriving from the European Agenda

The Ministry of Local Government Administration has coordinated activities with municipalities to address and implement obligations deriving from the European integration agenda. In this time period, the Report on the fulfillment of the obligations of the municipalities deriving from the European Agenda for the period January-December 2022 was drafted. Based on the data provided, during the year 2022 the municipalities of the Republic of Kosovo managed to fulfill 64% of the activities in the field of political criteria, 81% regarding economic criteria, and in the field of European standards they have realized 63% of the activities. The overall level of fulfilling the obligations of the municipalities deriving from the European agenda for 2022 is 69%. The Report on the Implementation of the National SAA Program for 2022, and the Report on the Implementation of the Action Plan of ERA II (PV ERA II) for 2022 have been prepared. Also, the Obligations of municipalities and MLGA have been identified and proposed by NPISAA, and the MLGA Input for the EC report for the period June 15, 2022 - March 31, 2023, as well as the second Input for the period April 1 - June 15, 2023, has been prepared. The data for MLGA reporting related to the Sub-committee for Justice, Freedom and Security have been summarized. The challenges of local governance have been identified and a letter has been prepared for the Mayors of Municipalities and has been sent to 38 municipalities.

In cooperation with the OSCE, a ceremony was held to hand out awards to the municipalities that have approved the integrity plan (challenge issued by the EC Country Report). Also, four meetings were held with the OSCE mission in Kosovo, additionally in cooperation with the OSCE, a one-day joint consultation was held with the Municipal Officials for European Integration with the aim of drafting the comprehensive plan of the municipalities for the obligations deriving from the European agenda for 2023. The same drafted plan has been sent to 38 municipalities for reporting for the period January-June 2023. In cooperation with the Department of Human Rights and Communities in the OSCE, joint activities in the field of human rights and the possibility of support for 2024 have been coordinated.

3.5. Policy coordination

During the first half of 2023, meetings were held with departments and organizational units of MLGA for the coordination of planned activities in 2023, and the drafting of the annual work plan of MLGA for 2023, which was sent to the government coordinating secretariat, was completed, the same has been published in the official website of MLGA. In this period, the mid-term strategic priorities were identified, the National Plan for the Development of MLGA was drafted and was harmonized with KAS. In cooperation with DEMOS, the three-day workshop for Ex-Post Evaluation of Legal Mechanisms for Local Democracy is being organized. Also, other documents have been drafted, such as:



IV. Increase of municipal transparency, promotion of human rights and capacity development

The activities implemented during this period (January – June 2023) are related to:

- Monitoring the field of human rights in municipalities;
- Informing the public about MLGA activities;
- Transparency and accountability;
- Building municipal capacities; and
- Cooperation with civil society.

4.1. Activities in the field of human rights and municipal transparency

MLGA has continued to support municipalities in the implementation of policies in the field of human rights. In this period, the annual report on human rights for 2022 was drafted. The report included the segment of human rights from the field of gender equality, the operation of the unit for human rights in municipalities, gender equality, domestic violence, the rights of persons with disabilities, children's rights, protection from discrimination, prevention of human trafficking, community rights and language rights in the municipalities of the Republic of Kosovo. In this period, a working methodology for visits to municipalities, a questionnaire on human rights was also drafted, data were collected from the Human Rights Unit in the Municipality and visits were made to two municipalities, South Mitrovica and Vushtrria.

The Analysis-Evaluation of the capacities of municipal structures and officials mandated to work with marginalized groups has been drafted. For the presentation of this analysis, MLGA in cooperation with DEMOS has organized the meeting with mayors, deputy mayors, officials of the MOCR and officials of the HRUM with 24 municipalities.

In order to improve children's rights at the local government level, municipalities have been working on the functioning of mechanisms for children's rights at the local level according to the legislation in force. Also, a preparatory meeting was held for the establishment of the Inter-institutional Mechanism for the Implementation of the Strategy and Action Plan for the Management and Control of Dogs with and without Owners in the Republic of Kosovo.

The municipal report for protection against discrimination according to the indicators for the period January-June 2023 has been drafted and the same has been sent to the OGG/PMO.

During this period, an information letter was sent to all the municipalities of the Republic of Kosovo to inform them about the start of the campaign for free registration of the Roma, Ashkali and Egyptian communities. All municipalities already have the circular issued by the Agency for Civil Registration of the Ministry of Internal Affairs, which recommends to the municipalities, namely the civil registry offices, the removal of fines and other fees for registration services.

In order to operationalize the mechanisms for the rights of the child at the local level according to the legislation in force, MLGA has drafted the Administrative Instruction for the establishment and operation of the team for the rights of the child. Further, MLGA in cooperation with the International Labor Organization in Kosovo (ILO) have organized trainings with four separate groups with members of the child rights team for the obligations of the municipalities.

The transparency report of the municipalities for the period January-December 2022 was drafted by monitoring the data through the official websites of the municipalities, and for the presentation of this report a meeting was held with the information officers in the municipalities. Also during this period, a meeting was held with municipal officials on the topic "*Challenges from the Action Plan for Transparency and the Regulation for Municipal Transparency*". The evaluation of the legality of acts and municipal documents in the field of transparency by the municipality for the regulation on transparency, the action plan for transparency and strategies for communication with the public, has continued regularly.

4.2. Drafting and approval of the National Action Plan 2022 - 2024 under the Open Government Partnership - OGP

In the framework of open government as one of the basic principles of the work of the Government of the Republic of Kosovo, at the initiative of the MLGA, the Republic of Kosovo has decided to start drafting the National Action Plan 2023-2025 for open government within the Partnership for Open Government - PQH. The National Action Plan 2023-2025 has been drafted, thus it has gone through the two processes of preliminary consultation and public consultation until September 30, 2022 and afterwards has been approved by the Government. The Republic of Kosovo has overcome all political obstacles for membership in the OGP and has managed to pass the minimum criteria assessment phase. We are currently in the process of sending the Letter of Intent and then submitting the National Action Plan 2023-2025 to the OGP and the confirmation of membership is expected to take place in September 2023.

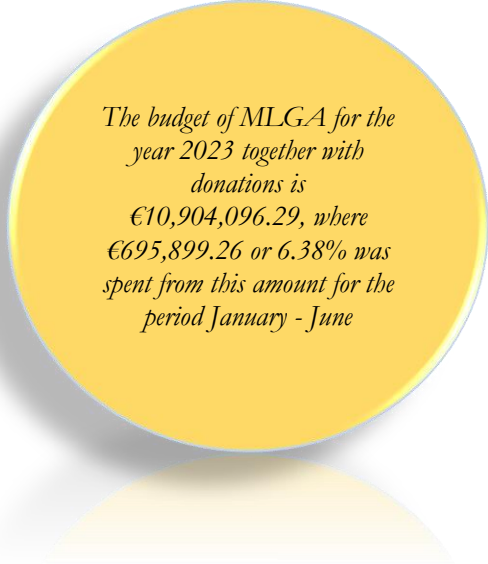
4.3. Development of the state platform E-MUNICIPALITIES

MLGA has started the process of digitalizing municipal services through the development of the E-MUNICIPALITIES platform. This platform will be at the service of citizens to increase their participation in decision-making at the local level and will be at the service of municipalities themselves for the digitalization of municipal services. Thus MLGA, as the leader of this process, has started with the development of the first

in cooperation with the Kosovo Institute for Public Administration (KIPA), the Ministry of Environment Spatial Planning and Infrastructure (MESPI), the Japanese International Cooperation Agency (JICA), OSCE, INDEP-GIZ and DEMOS, five (5) training sessions for the respective fields and a total of 287 municipal officials were trained in the following fields: *Capacity building for waste management towards a healthy society. Phase II, Strategy for local economic development, Increasing media communication and public relations and social media management, Operation of the Municipal Performance Management System, training in the field of human rights (Administrative Instruction (GRK) no. 06 / 2022 for the establishment and functioning of the Children's Rights Team).*

V. Administration, finance, audit and procurement

5.1. Administration and finance



The budget of MLGA for the year 2023 together with donations is €10,904,096.29, where €695,899.26 or 6.38% was spent from this amount for the period January - June

For the preparation of the cash flow plan for the year 2023, information has been collected regarding the anticipated time for the commitment and spending of funds, this plan has been submitted to the MF through the KFMIS system. Also, during this period, the flow of funds allocation was monitored and changes were made to the expenditure plan. As for the annual financial report for the year 2022, it has been submitted to MFLT and all property and stock registrations have also been completed. For the provision of codes for capital projects, requests and allocations have been prepared and submitted to MFLT, items with MeM and PIP have been completed and funds have been allocated for new projects. The Draft Mid-Term Expenditure Framework 2024-2026 has been prepared and submitted. As for the budget requirements for the year 2024, after the acceptance of the Budget Circular for the years 2024-2026, the budget needs have been identified, while the preparation of the drafting of the Public Investment Program (PIP) and the preparation of the budgeting of expenses in the

BDMS system are in the process.

During this time have been prepared, the report on the list of risks for the period January-December 2022, the report of the self-assessment list for 2022, as well as the report of the list of risks for the period January-March 2023. For commitments, receiving of goods, expenditure and certification of cases for payments, the initiating requests for the commitment of funds to KFMIS have been received, the cases and invoices for payment processing have been received, the cases and invoices for payment processing have been received and recorded in the protocol book, the CPO has been prepared and completed the registration of commitments in KFMIS, the acceptance of the goods in KFMIS and the recording in the internal protocol book was carried out, the registration of expenses was carried out in KFMIS, the control of cases and certification in KFMIS was carried out, the scanning of subjects was done, the electronic archiving in Share Folder as well as the physical archiving of subjects.

During this period, the KFMIS report was compared and analyzed with the expense reports for the period January - December 2022 and on a monthly basis for the period January - June 2022. As for the objective of Petty Cash (Patty Cash) and Advances for official visits, the opening of petty cash for the administration and for the cabinet was made, the preparation of the standard petty cash receipt was made and the data were placed on the sheet for the requests made for Petty Cash. The forms were prepared and the expenses were calculated before and after the return of the officials from the official visit, cash was withdrawn from the commercial bank and funds were returned in cases when there were funds to be returned and Credit Card was closed in cases where there were expenses.

For the reporting of unpaid obligations and contractual obligations, monthly reports for unpaid invoices and contractual obligations have been prepared and submitted. While for the preparation of monthly financial reports and other reports on general expenses, weekly reports on the general budget for MLGA have been prepared, accounting reports on general expenses are currently being drafted, weekly budget reports have been submitted and budget movements are being checked. For the management of the assets of MLGA during this period, the following was carried out: *the registration of assets over €1,000.00 in KFMIS, the registration of assets in the e-property system, and the transfer of capital investments to the municipalities after the completion of the projects.*

The Periodic Report on the implementation of the Auditor General's recommendations was prepared and submitted, as well as the action plan for improving the internal control system of public finances according to the government's decision.

The budget of MLGA for the year 2023, (based on the report dated 30.06.2023) together with the Donation (93 Council of Europe and WB-World Bank) is €10,904,096.29, from this amount, for the period January - June €467,471.80 or 4.70% of the budget was spent from the consolidated budget. The amount of €53,835.66 or 55.20% of the budget was spent from the 93 Council of Europe donation category, while the amount of €174,591.80 or 20.19% was spent from the WB-World Bank donation. In total, the MLGA Budget + Donations (93 Council of Europe and WB-World Bank) for the January-June period was spent in the amount of: €695,899.26 or 6.38% of the budget.

MLGA for the period January-June 2023 has initiated 1 request for recruitment-movement within the category, according to internal recruitment procedures. Two notices have been prepared for the selection of successful candidates for movement within the category, two (2) new officials have been recruited and a permanent transfer department director has been accepted. The electronic database with data for the staff of the MLGA has been updated, the management of official visits (66 requests for official visits), the management of annual and medical leaves has been prepared. Training needs have been identified and a training plan has been prepared. Activities were also coordinated with KIPA in the field of staff training, where 8 officials participated in the trainings. A total of 200 requests for salary changes have been implemented, of which we have: 91 changes, 12 dismissals, 11 new employees, 1 temporary transfer, 5 bank account changes, 74 retroactive payments and 6 internship agreements based on the decision of the Government. There were 14 decisions have been drafted for various compensations/supplements and all changes in the payroll have been forwarded to the Payroll Division - Treasury according to the requests received.

For this reporting period, according to the notification received from the Anti-Corruption Agency, all senior officials have been notified on how to declare assets through the system and the entire process has been completed through this system. Also, during this period, the data and documents were prepared and sent according to the request of the Internal and External Auditors for all MLGA employees.

5.2. Internal audit

The Internal Audit Unit (IAU) has completed the work of 2022 by drafting the report of the second half of the year 2022 and the annual report of the work of the IAU for the year 2022, which has been forwarded to the senior management of MLGA and the Central Harmonizing Unit of Internal Audit (CHU-IA).

During this period, the 1st meeting was held with the Audit Committee and the senior management of MLGA. Also, the Internal Audit Unit, in accordance with the 2023 Annual Plan, has completed the following audits:

- *"Management of vehicles in MLGA"*
- *"Management of human resources in MLGA"*

The report of the 1st semester of the work of the IAU for the period January-June of 2023 has been prepared and proceeded to the CHU-IA and the senior management of MLGA.

5.3. Procurement

During the period January - June 2023, the procurement division has developed its planned activities such as: supply contracts; employment contract; and service contracts.

- In terms of supply contracts, the following contracts have been completed: office supply contracts; the contract for the supply of IT for MLGA, the contract for the supply of other IT equipment, while the "*CBC Program*" and "*Receiving Supplies*" contracts are in process.
- Under the service contracts, the contract for maintenance and development in MPMS, the E-municipal contract, the contract for vehicle registration and insurance services, the contract for translation services, the contract for cleaning the official cars of MLGA, the contract for technical control, while the contract for provision of PR services for the needs of MLGA is in process.
- Under the work contracts, the contract for the regulation of the water supply network in the Municipality of Fushë Kosova in the neighborhood 028 and 029 Bardh i Madh as well as the Village of Sllatine e Madhe is in process (the budget of this project is planned by MESPI).