



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

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



MUNICIPAL PERFORMANCE GRANT
GRANTI I PERFORMANCËS KOMUNALE
OPŠTINSKI GRANT UČINKA

Rules of the MUNICIPAL PERFORMANCE GRANT

for the fiscal year 2025
based on the performance
assessment of fiscal year 2023

July, 2024



Table of contents

Foreword.....	5
1. Municipal Performance Grant - Introduction	6
1.1 Introduction	7
1.2 Legal basis	6
1.3 Purpose	6
1.4 Key topics	7
1.5 Geographical coverage	7
1.6 Strategic orientation	7
1.7 Structure and targeted audience	8
2. Municipal Performance Grant - Design Parameters	8
2.1 Basic principles.....	8
2.2 Minimum conditions	9
2.3 Municipal performance indicators.....	10
2.4 Sources of funding for the municipal performance grant	11
2.5 Calculation of the amount of the municipal performance grant.....	12
2.6 Criteria for using the municipal performance grant	12
2.7 Municipal performance grant audit.....	13
3. Municipal Performance Grant - Assessment process	13
3.1 Institutional arrangements	13
3.2 Timeline.....	16
3.3 Assessment procedures	14
4. Annexes.....	20

Foreword

In 2009, Kosovo was the first country in the region to approve a performance-based financial incentive scheme, through the allocation of funds to municipalities as an incentive to improve local governance. At the end of 2017, the Ministry of Local Government Administration (MLGA), in partnership with the Swiss Agency for Development and Cooperation (SDC), developed and agreed to co-finance a unique performance grant allocation scheme for municipalities. In 2019, Sweden and Norway decided to co-finance the MPG scheme. In 2022, the EU through Sweden also joins the MPG scheme.

Between 2018 and 2021, about EUR 14 million have been allocated to the beneficiary municipalities, as municipal performance grants. Between 2022-2025, the amount of the municipal performance grant is expected to be around EUR 30 million. This grant aims to improve the performance of municipalities in the areas of 'democratic governance', 'municipal management' and 'service delivery'.

The Municipal Performance Grant 2025 will be awarded to municipalities in accordance with the grant calculation criteria and the score achieved in the municipal performance based on a number of indicators spread over the three main areas mentioned above.

The grant amount in 2025 is expected to be around EUR 7.8 million. All of Kosovo's municipalities enjoy the right to participate in the municipal performance grant, according to the conditions set out in these rules.

The Municipal Performance Grant (MPG) aims to foster competition between municipalities, following the principle that better performance is accompanied by greater grant value. Therefore, the MPG aims to support municipalities in two ways: first, by encouraging municipal compliance with minimum legal standards (basic standards); second, by stimulating 'real' performance that goes beyond legal ('mandatory') requirements.

The MPG is based on the following principles:

- Municipalities must meet a number of minimum conditions to be eligible for a grant on an annual basis;
- For all municipalities that have met the minimum conditions, the amount of grant that each municipality receives is based on the performance achieved in the performance indicators compared to the performance of all other municipalities, as well as other elements of the assessment criteria as defined in these rules.

Once municipalities are eligible, the amount of the grant will be determined by the relative points earned on the performance indicators. The indicators are a reflection of government policy objectives, which aim to realize the overall vision of municipalities as *'vibrant democratic local government institutions that provide quality services and respond to the needs and priorities of citizens'*.

This document includes the setting of the grant objectives, minimum conditions, the system of indicators that can be applied in the evaluation cycles, the formula for calculating the grant values, the deadlines, the source of data and aspects of ensuring their quality, as well as other grant procedural issues. This document also informs all stakeholders about the rules and procedures of the performance grant.

MLGA and donors encourage all relevant local actors to consider the municipal performance grant as a good opportunity to better understand municipal performance (including improved areas and those where there is a need for improvement) and to be part of sound competition with other municipalities in an effort to improve municipal capacity and provide efficient and effective public services to citizens.

The results of the municipal performance assessment will be communicated to all municipalities and will be published by the MLGA.

1. Municipal Performance Grant - Introduction

1.1 Introduction

Municipalities in Kosovo, as subjects of decentralized local government, play an important role in organizing the public sector. In addition to being responsible for providing a range of services, municipalities on the one hand serve as the first point of contact between citizens and the state, and on the other hand, enable citizens to participate in decision-making.

Local administration is considered one of the main pillars of the state and a promoter of social and economic development. Compared to many other countries, the municipalities in Kosovo stand relatively well in service delivery. However, there is still a need for improvement in the exercise of municipal own competencies. There is a need to improve financial control and management, as well as greater investment through strategic projects. Local institutions should encourage public servants to continuously develop their capacities, to create a modern local administration capable of providing efficient services to all citizens without distinction.

The findings of reports from local and credible international institutions continue to highlight the need for public administration reform. This remains one of the country's main strategic priorities, for which special attention is required. Local governments need to increase the intensity of their work and provide a new governance approach that would increase citizens' trust in their local institutions. Naturally, success or failure will depend on a commitment to building a functioning administration and the commitment of municipal institutions to respond to problems.

Having this in mind, the Municipal Performance Grant sets a number of objectives for local government to increase institutional capacity to exercise its competencies and effectively address issues that affect the lives of citizens.

In this regard, the following topics have been identified as priority objectives for improving municipal performance:

- **Municipalities should function as local democratic institutions** - respecting the legal standards of transparency, with a strong municipal assembly that represents the citizens and has the power to oversee the executive, while citizens have the opportunity to express their concerns and suggestions;
- **Municipalities should have an effective and efficient municipal management** - which is neutral and impartial; and
- **Municipalities should provide qualitative services** - in response to the priorities and needs of citizens, treating everyone equally.

1.2 Legal basis

Municipal Performance Grant (MPG) rules are regulated by Law no. 08/L-103 on the Municipal Performance Management System and the Performance-Based Grant Scheme and Administrative Instruction (MLGA) no. 01/2023 on the municipal performance management and the municipal performance grant scheme.

Other material and procedural aspects are subject to treatment in the MPG Rules set out in this document.

1.3 Purpose

The MPG is provided in the form of financial support to municipalities and aims to stimulate them to improve performance in certain areas, namely democratic local governance, good municipal management and service delivery.

1.4 Key topics

Taking into account the analysis of critical factors that may prevent municipalities from becoming 'vibrant democratic local government institutions that provide quality services', the MPG will focus on the following three topics:

- Democratic governance;
- Municipal management;
- Provision of services.

These three topics are further divided into ten sub-topics as presented in Table 1. Within these sub-topics, 30 performance indicators have been identified, from which 27 performance indicators will be measured for the performance 2023¹. This will allow municipalities to receive 90 points (out of 100 points) in the performance assessment 2023. For further explanation please see section 2.3. The obtained points determine the amount of grant a municipality receives based on its performance.

Table 1: Three main topics and ten sub-topics with maximum points

Topics and sub-topics	Maximum possible points
1. Democratic governance	40
I Role of the municipal assembly as an oversight body	12
II Participation, citizen consultation and inclusion	12
III Transparency, access to information and integrity	16
2. Municipal management	30
IV Financial management	13
V Contract management	7
VI Human resource management	10
3. Provision of services	30
VII Administrative services	6
VIII Spatial planning, public transport and the environment	8
IX Pre-university education	8
X Primary health care	8
Maximum number of points that can be obtained	100

1.5 Geographical coverage

The MPG is a financial instrument created for all municipalities in Kosovo. Access to the MPG is available to all municipalities that meet the minimum conditions set out in this document.

1.6 Strategic orientation

The MPG is an additional grant to municipalities provided for in the Annual Law on Budget of Kosovo - table of budget allocation of the Ministry of Local Government Administration. The strategic goal is to integrate the municipal performance grant in the Law on Local Government Finances of Kosovo or Law on Public Financial Management and Accountability.

¹ Indicator number 3, 19, 16.b and 22 will be frozen for the performance of 2023

The MPG is provided as an additional financial support to the capital projects of municipalities. The amount of MPG is determined based on the grant allocation formula used to finance municipalities with variables such as: population size, geographical size, and ethnic composition², as well as performance points in MPG indicators.

With regard to spending of the municipal performance grant, all existing government rules (which apply to capital investments within the general grant), shall apply in terms of grant use, planning, reporting and accountability. This means that municipalities can use their legal tendering, contracting and technical acceptance procedures. The grant may be included in the regular audit of the National Audit Office. Thus, the MPG is administered as a government grant to municipalities. The only features added here are the minimum conditions and performance indicators.

Since MPG is being regulated with the law on municipal performance and performance grant, the plan is for the MPG to become part of the legal framework for local finances in the coming years as well as it should be harmonized as much as possible with current government systems and administrative procedures of Kosovo.

Line ministries and donors wishing to delegate related responsibilities and funds to local governments will be encouraged to align their grants with the MPG provisions, which are based on the measure of good governance. This would also create an advantage for their (sectoral) grant and MPG. For example, the same minimum conditions can be used, maybe in combination with a minimum percentage of performance points (score). Donors wishing to invest in issues related to good governance will be encouraged to channel their funds directly into the joint MPG fund.

1.7 Structure of rules and targeted audience

This document explains the criteria, rules and procedures for managing a Municipal Performance Grant:

Chapter 1 - provides a brief overview of the MPG justification and areas where it focuses.

Chapter 2 - defines the minimum conditions, performance indicators, and principles for grant allocation and MPG auditing.

Chapter 3 - introduces the process of assessing municipal performance from data collection to grant allocation.

- The annexes provide more detailed assessment guidelines for the minimum conditions (Annex 1)
- The performance indicators (Annex 2), which provide definitions of what is measured, where the data come from and how they are measured.
- Annex 3 - provides the template for the scorecard and scoring guideline to be used for communication of performance score to municipalities.
- Annex 4 - describes in detail how grant amounts are calculated for each municipality once the performance scores are known. Annex 5 provides contact information.

2. Municipal Performance Grant - Design Parameters

2.1 Basic principles

The MPG is based on the following principles:

- Municipalities must meet a number of minimum conditions each year to be eligible for a grant on an annual basis (pursuant to Section 30.1 of the Law on Municipal Performance Management System and the Performance-Based Grant Scheme);

² Formula of the general grant allocation is defined in the Law on Local Government Finance (Law no. 03 / L-049)

For all municipalities that have met the minimum conditions, the additional grant received by each municipality is based on its relative score achieved in the municipal performance grant indicators (its points compared to those of all other municipalities) as well as other criteria of the allocation formula, in accordance with Section 30.2 of the Law on Municipal Performance Management System and the Performance-Based Grant Scheme. The minimum conditions are intended to ensure that the amount available is allocated only to municipalities that are able to use the funds efficiently, effectively and economically; are capable to absorb funds and spend them responsibly; have reviewed municipal acts deemed illegal by the supervisory authority and reported in a timely manner to the MPMS.

Municipal performance grant indicators (and relative scores) aim to incentivise competition between municipalities to ensure additional financial resources, but also the goal of being among the municipalities with the highest scores in key performance areas. Publication of assessment results (and public discussion regarding the analysis of assessment results) is an important aspect of the MPG.

2.2 Minimum conditions

The MPG for 2025 sets four minimum conditions as follows:

1. Municipalities must have reported the data to the MPMS by the deadline, according to the article 19.2 of the Law on PMS/MPG³;
2. Municipalities must have complied with the legal obligation to review municipal acts deemed illegal by the supervisory authority⁴;
3. The audit opinion should be at least unmodified with an emphasis on matter; and
4. Municipalities must have spent 75% or more of their final budget for capital investment;

Municipalities that fail to meet any of the 4 above-mentioned conditions cannot receive a municipal performance grant.

The rationale for the minimum conditions is that:

- Municipalities must have reported data to the MPMS on the performance of 2023, according to the deadline.
- The grant will be awarded to those municipalities that have complied with the legal obligation to review municipal acts deemed illegal in 2023 by the supervisory authority⁵.
- To receive the grant, municipalities must have a sufficiently sound financial management system, as evidenced by the individual regularity (financial and compliance) audit reports for 2023, published by the NAO; and
- The grant will be awarded only to those municipalities that have demonstrated that they have sufficient capacity to absorb the additional funds, as indicated by the rate of expenditure of the final budget for capital investment in the individual regularity (financial and compliance) audit reports for 2023, published by NAO.

All four minimum conditions must be met for the municipality to qualify for the Municipal Performance Grant. Annex 3 provides the template to communicate to each municipality the results of the minimum condition assessment.

³ The deadline for reporting of performance data by the municipality is 45 calendar days, from the moment of receipt of the request for reporting by the ministry.

⁴ Review for the purposes of the MPG is a procedural criterion, which implies the obligation of the municipality to review in the Municipal Assembly acts deemed illegal in 2023 by the supervisory authority, without presupposing the final content of the reviewed act.

⁵ Supervisory authority means the MLGA and line ministries

The sources of data for all four minimum conditions are set in annex 1 of these rules.

2.3 Municipal performance indicators

The main source of data for the MPG indicators is the MLGA Municipal Performance Management System (MPMS).

As seen in Table 2 below, a total of 30 municipal performance indicators were identified (3 frozen in this assessment, and 1 partly frozen) within the three main topics and ten sub-topics (see Table 1 above). **It is important to mention that 27 indicators will be evaluated to determine the grant awarded in the FY 2025, for which the assessment is based on the performance of 2023. The maximum number of points for the 27 indicators to be evaluated is 90 points.**

Table 2: Summary of municipal performance grant topics for the performance assessment 2023⁶

#	Indicator	Max. score
1	Democratic Governance	40
I	Role of the Municipal Assembly as an oversight body	12
1	Timely approval of the annual municipal budget proposal	2
2	Discussion of quarterly budget reports by the Municipal Assembly	4
3	Discussion on the previous year municipal performance report by the Municipal Assembly⁷	2
4	Discussion of the external auditor's report and action plan for addressing the recommendations in the MA	2
5	Meetings of the Municipal Assembly with the participation of the mayor	2
II	Participation, consultation and inclusion of citizens	12
6	Citizen participation in public consultations, disaggregated by gender	4
7	Municipal acts and local policy documents consulted with the public	4
8	Public hearing on the Medium Term Budget Framework (MTBF) and municipal budget	4
III	Transparency, access to information and integrity	16
9	Assembly meetings made public and broadcasted live online	4
10	Meeting the criteria of the official website of the municipality	3
11	Publication of public procurement documents of the municipality	3
12	Publication of reports of public consultation processes	4
13	Reporting the annual Integrity Plan before the Municipal Assembly	2
2	Municipal Management	30
IV	Financial management	13
14	Level of updating the property tax register	3
15	Level of property tax bill collection (no debts, interest, penalties)	5
16a	Level of addressing the recommendations of the National Audit Office	3
16b	Level of addressing the recommendations of the internal audit	2
V	Contract management	7
17	Level of implementation of the procurement plan	3

⁶ A more detailed explanation of the topics, indicators and colours can be found in the text and in annex 2.

⁷ PI#3, 16b and 19 are frozen for the assessment of 2023 performance. PI#3 cannot be assessed because there are no data in PMS for this indicator for 2023. PI16b, 19 and 22 are new indicators in PMS and should be frozen because municipalities were not informed and data were not collected. PI #27, 28 and 29 are new indicators in MPG but they are existing PMS indicators. Therefore, it is proposed that these indicators are assessed for MPG for 2023.

18	Preparation and publication of the list of municipal properties planned for commissioning	4
VI	Human resource Management	10
19	Drafting of the staff development plan	2
20	Women in leadership positions in education, health and culture institutions	5
21	Women appointed in political positions in the municipality	3
3	Service Delivery	30
VII	Administrative services	6
22	Simplified administrative services to reduce the administrative burden at the municipal level	4
23	Reviewed building permit requests	2
VIII	Spatial planning, public transport and environmental protection	8
24	Surface of municipality's territory covered by (detailed) regulatory plans or zoning maps	3
25	Settlements involved in local public transport	3
26	Implementation of the Local Environmental Action Plan	2
IX	Pre-University Education	8
27	Fulfilment of required conditions with infrastructure, equipment and tools in preuniversity education facilities	4
28	Student/teacher compliance ratio	4
X	Primary health care	8
29	Primary Health Care Units equipped with necessary laboratory equipment and services.	4
30	Level of compliance with family medicine and oral health teams	4
Total points		100
Total points -MPG 2025		90

The indicators reflect municipal performance areas that (i) are considered important for the good functioning of the municipal structures as entities of democratic local governance and (ii) are, at all levels for all municipalities, considered to have scope for improvement. The MPG focuses on areas where municipalities need and can make further improvements. The grant will create incentives to facilitate this change.

Different indicators have different maximum scores, related to their attributed weight and importance. Annex 3 has a detailed guideline on the allocation of the points within the maximum scores. The points have been calibrated such that good and acceptable levels of performance are rewarded but that, for each indicator, sub optimal performance are given very little or no points, which means that the points really stimulate good performance (instead of mediocre performance). It also means that municipalities that perform well on a number of indicators will receive substantially more points than the ones that show ordinary performance.

It is important to note that the indicators have been selected and formulated in such a way that they are more or less equally attainable by all municipalities, irrespective of the population or area size and economic strength. In principle, the indicators reflect the attributes that all municipalities 'ought to have' - as they are part of good local governance, which belongs to all citizens of Kosovo.

Performance indicators no.3, 16b, 19 and 22 (orange in Table 2) are 'frozen' for the assessment of 2023 performance. PI#3 cannot be assessed because there are no data in PMS for this indicator for 2023. PI#16b, PI#19 and PI#22 are new indicators in PMS and should be frozen because municipalities were not informed and data were not collected.

2.4 Sources of funding for the municipal performance grant

The MPG for the year 2025 is expected to be co-financed by the Government of Kosovo (from the budget allocation of the MLGA), the European Union and Sweden, Switzerland.

The MPG financing plan for 2025 is as shown in Table 3 below. All the amounts planned for the MPG are indicative and are subject to approval by the Assembly of the Republic of Kosovo and donors.

To monitor the impact of projects on citizens, social audit will be implemented within the MPG. The amount for social audit for 2025 is deducted from the total amount of MPG. Therefore, table 3 presents the MPG indicative amount that will be allocated for municipalities⁸.

Table 3: Sources of funding for the Municipal Performance Grant 2025 (in Euro)

Funds	Source	Total 2023
Indicative MPG amount available for municipalities	Government of Kosovo / MLGA	4,500,000
	Donors (EU, Sweden, Switzerland)	3,350,000
Budget for social audit	Donors (EU, Sweden, Switzerland)	78,500
Total MPG Funds		7,850,000
Funds to be allocated to municipalities		7,771,500

2.5 Calculation of the amount of the municipal performance grant

The indicators are defined in such a way that all municipalities, independent of their size, location or economic strength, can be a good performer provided they make an effort to perform as a democratic local government serving its people.

MPG is allocated so that 90% of total grant amount is allocated based on formula, while 10% of total grant amount is allocated as an additional reward for the three (3) municipalities with the best performance.

The first place receives 5% of the total grant amount; the second place receives 3% of the total grant amount and the third place receives 2% of the total grant amount.

If two or more municipalities have the same result of performance, then the reward amount for the relevant place will be allocated based separate decision.

The amount of MPG based on formula (90% of total grant amount of MPG) is determined by:

- The relative performance of each municipality as measured against the defined performance indicators; and
- The amount of the municipal performance grant in the total grant allocated.

In fact, the municipal performance grant will be allocated on the basis of relative scores, in such a way that two municipalities that have the same score will receive an equal relative addition to the share of capital investments of the general grant. This means that both municipalities will be awarded a grant that is the same percentage of their total grant (while the absolute amounts of the municipal performance grant will vary). The size of the absolute amount is proportional to the total grant. The rationale for this is clear: a municipality that has a larger overall grant needs a larger amount to have the same incentive in terms of improving its performance. Annex 4 shows how the MPG allocation is calculated.

2.6 Criteria for using the municipal performance grant

The grant is used to finance municipal projects for the benefit of citizens, in accordance with the following rules and principles:

⁸ The amounts shown in table 3 from donor funds are preliminary and may vary depending on the funds allocated by donors.

- MPG is used only for capital investments;
- The municipality is free to decide for which investments the municipal performance grant will be used. It is recommended that municipalities focus on concrete projects, limited in number, to avoid lengthy administrative procedures and to use the funds within the fiscal year⁹.
- The grant must be used by the municipality in accordance with applicable law. In case the municipality does not spend the grant in accordance with these rules and legislation in force, the contractual obligations to economic operators are transferred to the municipality itself.
- The use of the grant is subject to the rules of supervision and control in accordance with the legislation in force for the management of public finances and the rules of the performance grant.

2.7 Municipal performance grant audit

MPG expenditures may be audited as part of a regular audit by the National Audit Office.

- MLGA and donors may agree to carry out a *special audit* to review certain aspects related to MPG. Audit may include functioning of MPG, procurement processes, technical acceptance procedures of services, payments, etc. Details for this audit are specified in cooperation with the donors.
- If the violations and irregularities identified by the audit are ascertained, the MLGA and donors may decide to exclude the municipality from the right to benefit from the grant for a certain period, in accordance with Article 23.3 of the Law on PMS/MPG. To monitor the impact of projects on citizens, social audit will be implemented within the MPG. Social audit may include monitoring of performance and project planning processes at the municipal level. Social audit will be paid from a share of the MPG funds (from donors and from MLGA subsidies) and be conducted by civil society organisations. The results of the social audit shall be reported to the MPG Commission.

3. Municipal Performance Grant - Assessment process

3.1 Institutional arrangements

The Municipal Performance Grant Commission and the technical group are the bodies responsible for evaluating and allocating the municipal performance grant. The Appeals Commission reviews and decides on municipal appeal¹⁰s.

3.1.1 Municipal Performance Grant Commission

The Municipal Performance Grant Commission is the highest decision-making body for the MPG.

The composition of the grant commission have been outlined under article 28.2 of the Law on MPMS/MPG, while duties and responsibilities have been outlined under article 20.1 of the Administrative Instruction for MPMS/MPGS.

3.1.2 Technical group

The technical group is a professional level body composed of public officials of the unit responsible for municipal performance and representatives of donors.

⁹ Donors funds of MPG funds can be used according to the agreement with donors.

¹⁰ Law No. 08/I-103 on the Municipal Performance Management System and the Performance-Based Grant Scheme, Article 28

The composition of the technical group is specified on article 28.4 of the Law on MPMS/MPG, while their duties and responsibilities are specified on article 20.2 of the Administrative Instruction for MPMS/MPG.

3.1.3 Appeals Commission

The Appeals Commission reviews and decides on appeals submitted by municipalities regarding their performance appraisal to the MPG

The Appeals Commission composition is specified on article 28.5 of the Law for MPMS/MPG.

The Appeals Commission will not review the complaints related to the data source used during the assessment.

Members of the grant commission or technical group may not be members of the Appeals Commission.

3.2 Timeline

The evaluation of MPG shall begin after the publication of the annual municipal performance report for the previous year. The table below shows grant allocation timeline for 2025 according to 2023 performance assessment.

Table 4: Timeline of the assessment process

Activity	MPG 2025
Adoption of rules ¹¹	July 2024
Data collection	July 2024
Assessment / scoring process	August 2024
Approval of assessment results	August 2024
Communication of results to municipalities	August 2024
Period for complaints	September 2024
Confirmation of final results and of grant amounts	September 2024
Transfer of funds	January-February 2025
Use of funds	FY 2025 ¹²

3.3 Assessment procedures

3.3.1 Assessment Period for Municipal Performance Grant (Grant Management Cycles)

The assessment period for the municipal performance grant is divided into 3 main stages:

¹¹ According to law No. 08/I-103 on the Municipal Performance Management System and the Performance-Based Grant Scheme, the scheme of performance grant indicators as determined by the grant rules cannot be changed in a period shorter than 3 years from their entry into force

¹² The donor share of MPG funds can be used according to the agreement.

- 1.1. Performance period** - which means the year for which the performance of the municipality is evaluated. Based on these rules of MPG 2025, the municipal performance of 2023 is assessed;
- 1.2. Assessment period** - means the period in which the performance appraisal for the MPG is performed i.e. the municipal performance for the MPG is assessed in 2024 for the performance assessment of the year 2023
- 1.3. Allocation period and utilization of grant** - means the year in which the grant is made available for use by municipalities. Under these rules the grant will be available to municipalities in 2025.

3.3.2. Preparations for assessment of MPG

The preparatory procedures for the assessment of MPG are as follows:

- The technical group prepares the MPG rules for the fiscal year 2025 (year of allocation) for the performance of municipalities of 2023.
- The drafted rules are submitted to the Secretary General of the MLGA and to donors.
- The MPG rules prior to assessment process are approved by the Ministry, according to article 28.2 of the Administrative Instruction for MPMS/MPG.
- Upon approval, the MPG Rules are distributed to municipalities and published on the website of the MLGA.
- The assessment process starts according to the timelines defined in table 4 of these rules.

3.3.3. Data collection and assessment

The Technical Group collects the data for the assessment of the municipal performance grant. This data is derived from the following documents:

- 1) Municipal Performance Management System (MPMS) Report 2023 of MLGA, published by MLGA;
- 2) Report on assessment of legality of municipal assembly acts 2023, published by MLGA;
- 3) Regularity (financial and compliance) audit reports for the year 2023 for each of the 38 municipalities, published by the NAO;

Data used from these sources allow for identification of municipalities that fulfil 4 minimum conditions for the municipal performance grant (see Annex 1). The data are also used to assess MPG indicators (see Annex 2). Once that is done, the scorecard (see template in Annex 3) will be filled in with scores for each municipality. The total score will be entered in the grant allocation table, which will calculate the amount of the municipal performance grant for each municipality that is eligible (Annex 4).

3.3.4. Communication of results to municipalities and the complaint procedure

After the MPG Commission approves the results for the MPG, within 7 days, it shall communicate the scorecards to the municipalities. The communication of the performance results of the respective municipality is done only by providing information on whether the municipality has qualified or not, as well as the performance points for the MPG. The amounts and ranking of the municipalities will be communicated only after the completion of the appeals process.

After communication of results, municipalities have the right to appeal within **7 days from the moment of receiving the scorecard from the ministry**, if they do not agree with the assessment results.

The complaint can be filed by the municipalities for procedural and material reasons of the MPG assessment.

The complaint cannot dispute the source of the official data used during the assessment.

If a municipality claims that the assessors of the MPG have made errors in the assessment of its performance, it can exercise its right of appeal under the following procedures:

Steps and timelines in a complaint process		
1.	<p>If, after receiving the scorecard, a municipality is of the opinion that procedural or material mistakes have been made in the performance grant assessment, the municipality has the right to file a complaint to the appeal commission.</p> <p>The complaint should:</p> <ul style="list-style-type: none"> • Be justified with factual data; • Be signed by the mayor and be protocolled; • Be submitted in writing to: Appeals Commission Ministry of Local Government Administration E-mail: info.mapl@rks-gov.net <p>After submitting the complaint, the MLGA confirms in writing the receipt of the complaint.</p>	<p>Within 7 days from the receipt of the scorecard, before 16:00</p>
2.	<p>The Appeals Commission reviews the complaints and makes a decision on the complaints filed.</p>	<p>Within 7 days after complaint period closure</p>
3	<p>In case of change of the assessment scores as a result of the Decision of the Appeals Commission, the MPG Commission, through the Technical group, corrects the assessment report and notifies the municipality.</p>	<p>Within 10 days after the decision of the Appeals Commission</p>

In case a complaint of one or more municipalities is successful and leads to the change of MPG results, this will also have an effect on the size of the grant to other municipalities. All changes in the grant allocation after the complaints process are approved by the MPG Commission.

3.3.5. Finalising and publishing the assessment results and grant allocation

Once the Appeal Commission has decided on the complaints, the MPG Commission, through the technical group, makes changes to the assessment report and the subsequent allocation of the municipal performance grant is considered final.

The final results and grant amounts will be communicated to municipalities so that they can plan the use of the municipal performance grant.

MLGA publishes the final performance assessment report on its website.

3.3.6. Measures to ensure objective assessment

There is a risk of mistakes during the municipal assessment process for MPG. This means that non-objective assessment affects the undeserved distribution of the performance grant.

In order to avoid this risk, the Law on MPMS/MPG, the Administrative Instruction for MPMS/MPG, the Main MPMS Document as well as Performance Grant Rules set out the following quality assurance mechanisms:

- Verification process - which enables comparison of data reported with documents or facts that prove authenticity;

- Implementation of complaint procedures both in the case of drafting the performance report and in the assessment process for the MPG.
- Involvement of donors in all MPG and performance assessment processes;
- Active involvement of civil society in the capacity of decision-makers (in the MPG Appeals Commission) as well as in the capacity of observers in the MPG Commission and possibly in the Technical group;
- Verification of the quality of grant allocation by external consultants (optional).
- Possibility of declaring performance data invalid in cases of non-compliance with quality criteria (Article 23 of the Law on PMS/MPG) in accordance with the relevant Methodology;

4. Annexes

Annex 1: Assessment Guide – Minimum conditions

#	Minimum condition	Minimum condition definition	Legal basis	Data source	Criteria Municipality met/did not meet
1	Municipalities must report data to the MPMS within the set deadlines	Municipalities must report their performance to the MPMS within the deadline set in the Regulation on Performance	Law no. 08/l-103 – on the municipal performance management system and the Performance-Based Grant Scheme, article 19.2.	MPMS Report 2023, MLGA	Yes , if the municipality has reported to the MPMS on time No , if the municipality has not reported to the MPMS on time
2	Municipalities must adhere to the legal obligation for reviewing municipal acts assessed as non-compliant by the supervisory authority	Municipalities must have reviewed all municipal acts assessed as non-compliant in 2023 by the supervisory authority. The review for the purposes of the Municipal Performance Grant is a procedural criterion, which implies the obligation of the municipality to review in the Municipal Assembly the acts assessed as non-compliant by the supervisory authority, without presupposing the final content of the reviewed act.	Law No. 03/L-040 on Local Self-Government	Report on assessment of legality of Municipal Assembly acts 2023, MLGA	Yes , if the municipality has reviewed the legal acts by the municipal assembly No , if the municipality has not reviewed the legal acts by the municipal assembly
3	The audit opinion should be at least 'unmodified opinion with emphasis of matter'	The annual audit opinion at least ' <i>unmodified opinion with emphasis of matter</i> ' ¹³	Law No.03/L-048 on Public Finance Management and Accountability (LPFMA) 1. Regulation No. 01/2017 on Annual Financial Reporting of Budget Organizations issued by the	Individual regular (financial and compliance) audit reports on for the	Yes , if municipality receives <i>unmodified opinion or unmodified opinion with emphasis of matter</i> No , if municipality receives qualified

¹³ NAO provides several types of opinions:

Unmodified opinion:

- If it is concluded that the financial statements are prepared, in all material aspects, in accordance with the applicable financial framework

			MoF. International Public Sector Accounting Standards	year 2023 published by the NAO	or adverse opinion, and if NAO disclaims an opinion.
4	Municipalities should have spent 75% or more of the final budget for capital investments	At least 75% of the final budget for capital investments spent	LPFMA Financial Rule no.01-2013 on Public Funds Expenditure	Individual audit reports on regularity (financial and compliance) for the year 2023 published by the NAO	Yes, if the municipality has spent at least 75% or more of the final capital investment budget No, if the municipality has spent less than 75% of the final budget on capital investments

Qualified opinion:

- If having obtained sufficient appropriate audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or
- If the auditor was unable to obtain sufficient appropriate audit evidence on which to base an opinion, but concludes that the effects on the financial statements of any undetected misstatements could be material but not pervasive

Adverse opinion:

- If having obtained sufficient appropriate audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements

Disclaim an opinion:

- If having been unable to obtain sufficient appropriate audit evidence on which to base the opinion, the auditor concludes that the effects on the financial statements of any undetected misstatements could be both material and pervasive. If, after accepting the engagement, the auditor becomes aware that management has imposed a limitation on the audit scope that the auditor considers likely to result in the need to express a qualified opinion or to disclaim an opinion on the financial statements, the auditor should request that management remove the limitation.

Emphasis of the matter:

- If the auditor considers it necessary to draw the user's attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to their understanding of the financial statements, but there is sufficient appropriate evidence that the matter is not materially misstated in the financial statements, the auditor should include an Emphasis of Matter paragraph in the auditor's report. Emphasis of Matter paragraphs should only refer to information presented or disclosed in the financial statements.

Annex 2: Assessment Guide for the Performance Indicators

The table below shows the 30 performance indicators. The way how indicators from the MPMS are measured, is described in the MPMS documents. The table below contains brief definitions on how indicators are measured. Indicators no. 3,16b and 19 is not taken as basis in the MPG 2023 performance assessment for the fiscal year 2025.

#	Indicator	Brief definition
I . DEMOCRATIC GOVERNANCE		
I	The role of the municipal assembly as an oversight body	
1	Timely approval of the annual municipal budget proposal	<p>The indicator measures the level of compliance of municipal bodies' legal obligation in relation to the preparation and approval of the document 'annual municipal budget proposal' by the Municipal Assembly within the legal deadline.</p> <p>The legal basis related to drafting and approval of the document 'annual municipal budget proposal' is provided by the general Law on Public Financial Management and Accountability, while the competence comes from the Law on Local Self-government.</p> <p>Measurement of the performance of this indicator is based on the measurement of: i) Submission of the budget by the Mayor to the Municipal Assembly before 1 September; ii) Approval of the budget by the Municipal Assembly before 30 September.</p>
2	Discussion of quarterly budget reports by the Municipal Assembly	<p>This indicator aims to measure the level of compliance of municipal bodies' legal obligation of presenting and discussing quarterly financial reports before the Municipal Assembly. The reports must be submitted to the assembly by the Mayor.</p> <p>The act of measuring the fulfilment of the obligation to discuss the quarterly budget reports before the Municipal Assembly refers to the previous fiscal year. In order to measure this indicator, evidence is required that the Mayor has submitted budget reports to the Municipal Assembly for each previous quarter, no later than 30 days from the end of the quarter for which it is reported, in accordance with the legal provision, and the Mayor is also obliged to submit a copy of the report to the Ministry of Finance in the same time frame (no later than 30 days after the end of the quarter).</p> <p>When presenting reports before the Assembly, the same has the opportunity and obligation to discuss and act within the framework of the obligations that the Municipal Assembly, being the highest body of the Municipality, has regarding the work of the Mayor and the executive part in the implementation of the budget.</p>
3	Discussion on the municipal performance report by the Municipal Assembly for the previous year	<p>This indicator measures the level of readiness of the executive to discuss the municipal performance report of the previous year in the Municipal Assembly. The performance report is</p>

		published by MLGA by 31 May of the year when the evaluation is made. The discussion, which takes place no later than 60 days from the moment the report is published by MLGA, is done with the aim of synchronizing actions during the budget planning period, so that this report serves as a reference in this regard. The indicator measures the accountability of the executive before the Municipal Assembly, discussing the findings of the report, including the quality of services and the work results of the municipal authorities. The discussion of this report affects the planning of activities for the next year and better organization of resources based on the results of the measurement by MPMS.
4	Discussion of the external auditor's report and action plan for addressing the recommendations in the Municipal Assembly	This indicator aims to measure the level of submission of external auditor's reports (NAO), including the action plan on findings and recommendations, and submission thereof for discussion in the Municipal Assembly. The indicator measures whether the external auditor's report was submitted to the Municipal Assembly for discussion in the evaluated year (i.e., the external auditor's report for 2021 should be discussed by the Municipal Assembly in 2022).
5	Municipal Assembly meetings with the participation of the Mayor	This indicator aims to measure the Mayor's attendance in the (regular and extraordinary) sessions of the Municipal Assembly. The legal framework obliges the Mayor to report to the assembly at least twice a year regarding the economic-financial issues of the municipality, as well as the implementation of investment plans. Likewise, the Mayor is obliged to attend the sessions of the assembly whenever requested by the assembly. The law also determines the minimum number of meetings of the Municipal Assembly, at least 10 sessions per year, 5 of which must be held during the first six months. Additional meetings above the minimum number remain at the discretion of the Municipal Assembly.
II	Citizen participation, consultation and inclusiveness	
6	Citizen participation in public consultations, disaggregated by gender	For the grant scheme, this indicator aggregates readings from two MPMS indicators, namely indicator 3.1.2 and indicator 13.2.3; Indicator 3.1.2. measures the level of citizen participation in public consultations such as regular meetings with citizens, budget hearings, and consultative meetings for municipal acts and local policy documents. This indicator measures the level of citizen participation in public meetings organized by the Municipality relative to the number of inhabitants. The level of 3% of the number of inhabitants was taken as a sufficient level of participation for all municipalities, at least for a temporary period. Indicator 13.2.3 refers to the commitment of the Municipality to the inclusion of gender integration in strategic documents, policies, plans as well as the measures that the Municipality intends to implement for the advancement of gender equality. The indicator measures whether the Municipality has approved the plan for gender equality and the level of implementation of

		the annual plan, taking into account legal aspects and strategic documents at the central level. A municipality is considered to possess the municipal plan for gender equality if that plan is approved directly or indirectly (through a long-term document) in significant to participate in the decision-making processes of the municipality. The indicator does not measure the quality of participation, i.e., it does not measure the contribution of women or girls participating in public meetings.
7	Municipal acts and local policy documents consulted with the public	The indicator measures the fulfilment of the legal obligation to involve the public in the decision-making process in municipal bodies. All meetings held with citizens for a municipal act or document for the preparation of a local policy are regarded as a consultation and it is reported that the municipal act or public policy document was consulted and made transparent with the citizens before its approval. Municipalities are obliged to consult with citizens before the adoption of the following municipal acts: Draft - Municipal Statute, draft municipal regulations and other draft acts that are provided for by sector laws, as well as for the following local policy documents: Development strategies and action plans in sector areas, draft spatial plans, other documents provided for by other legislation or which the municipality deems necessary to be submitted to public consultation.
8	Public hearings on the Medium Term Budget Framework (MTBF) and municipal budget (proportionally to # of residents)	The indicator measures the fulfilment of the legal obligation to involve the public in the decision-making process in municipal bodies, and measures the number of budget hearings per 10,000 inhabitants. Two documents must be drafted for the municipal budget: 1) Medium-term budget framework; and 2) the municipal budget. The medium-term budget framework is initially approved by the Committee for Policies and Finance and finally by the Municipal Assembly and is then submitted to the Ministry of Finance by 30 July of the respective year. The second document - the draft municipal budget - is proposed by the Mayor to the Municipal Assembly by 1 September. Similarly, the indicator measures whether the Municipality has allocated at least 1% of the budget for participatory budgeting.
III	Transparency, access to information and integrity	
9	Assembly meetings made public and broadcast live online	The indicator measures the degree to which the citizens are informed by municipal bodies regarding assembly meetings through their publication on platforms that are accessible to the public (through social media or alternative forms of communication with the public) and whether the sessions of the Municipal Assembly are made public in order to be viewed online by the interested public. Sessions of the Municipal Assembly must be notified to the public at least 7 days in advance for regular meetings and 3 working days in advance for extraordinary meetings. Public notices are announced in the most frequented places within the territory of the municipality, on the official

		<p>website of the Municipality, social media or alternative forms. Whereas, the sessions of the Assembly are broadcast in real time on the website of the municipality, YouTube, social media or any legal platform to broadcast the event live.</p>
10	Meeting the criteria for municipal electronic website	<p>The indicator measures the level of compliance of the Municipality's legal obligations to the form and content of the main standards of the official website, including by populating it with the necessary information.</p> <p>The Municipality's official website is the main tool through which the Municipality is obliged to publish the information required in the field of municipal transparency.</p> <p>The indicator is calculated by evaluating the completion of each data (from data 1 to data 5) on the official website of the Municipality, with 20%.</p>
11	Publication of public procurement documents of the municipality	<p>The indicator measures the transparency performance of the respective municipality in the field of public procurement. Measuring the performance of municipal transparency includes the publication of two main procurement documents: the annual procurement plan and the report on the implementation of the procurement plan in the foreseen time, as well as the municipality's contracts with companies.</p> <p>Within a period of one month from sending the final procurement plan to CPA, the Municipality must publish it on its official website. Similarly, the publication of the annual report on the implementation of the public procurement plan, as well as the publication of contracts, is required.</p>
12	Publication of reports on public consultation processes	<p>The indicator aims to measure the quality of public consultations, namely the effectiveness of requests and suggestions in municipal policies and decisions. Municipalities are obliged to document citizens' requests and suggestions and to address them seriously. Also, the municipalities are obliged to provide clarification when a citizen's request cannot be accommodated in public consultation.</p> <p>The public consultation process here implies any consultation on the budget, MTEF, municipal act, municipal plan and local policy document which lasts no less than 15 days and no more than 30 days from the date of publication of the public notice for holding of consultations.</p>
13	Reporting the annual integrity plan to the Municipal Assembly	<p>This indicator aims to measure the fulfilment of the obligation by the responsible officials of the Municipality to regularly report on the progress of implementation of the integrity plan, whereby transparency and accountability is ensured for the anti-corruption measures foreseen by the integrity plan, as a corruption prevention instrument. Accordingly, it measures the implementation of the requirement for reporting on the Municipality's integrity plans.</p> <p>By ensuring submission to the Municipal Assembly of the annual report of activities for the implementation of the integrity plan, a stable connection between decision-making at the political and executive levels is ensured, in order to formulate and ensure the implementation of policies in the interest of improving performance of the municipal authorities in terms of</p>

		<p>integrity.</p> <p>The measurement of the fulfilment of the obligation for submission and discussion of the annual report on the implementation of the integrity plan before the Municipal Assembly refers to the previous year. In this way are evaluated the annual achievements of the municipality in the framework of the implementation of the general integrity plan, and consequently they are submitted for discussion and accountability of the work in the management of activities by the authorities of the municipality in the framework of the integrity plan, as a corruption prevention instrument.</p>
II. MUNICIPAL MANAGEMENT		
IV	Financial management	
14	Level of updating the property tax register	<p>The indicator measures the level of fulfilment of the obligation for updating the property and taxpayer register for the purpose of property tax. Basically, it measures the implementation of the legal provision requiring the municipality to carry out field inspections for at least 20% of all buildings. The concept of the indicator is built with the aim of evaluating the level reached in property inspection, which essentially constitutes the key activity for updating the tax register. Exemption from the obligation for inspection of 20% of all buildings for reasons of status verification and updating in the property register is given for properties in the category of undeveloped land or plots, limiting the obligation for inspection and update of properties categorized as buildings (constructions). The period for which the data is requested is related to the end of the calendar year which also corresponds to the fiscal year. For this indicator, the data are taken for the completed year.</p>
15	Level of property tax bill collection (no debts, interest, penalties)	<p>The indicator measures the level of fulfilment of the obligation to pay property tax at the municipality level, namely the level of payments collected from tax-paying citizens in relation to annual billing, based on the law in force.</p> <p>The object of measurement is the rate of collection of the annual property tax bill, excluding debt collections from previous years' bills, or collections in the name of interest or penalties related to failure to pay property tax. The period for which the data is requested is related to the end of the calendar year which also corresponds to the fiscal year. For this indicator, the data are taken for the completed year.</p>

16a and 16 b	The level of addressing the recommendations of the National Audit Office	<p>This indicator aims to measure the level of fulfilment of the legal obligation of the municipal bodies regarding the implementation and full addressing of the high and medium level recommendations presented explicitly in the report of the NAO. The audit report of NAO (n-2), which refers to the fiscal year (n-3), presents the recommendations for implementation or addressing, which must be fully implemented and addressed in year (n-1). So, the measurement</p>
--------------	--	--

		<p>is for the fulfilment of the recommendations issued by NAO two years earlier for the respective municipality.</p> <p>Every year, the National Audit Office conducts an external audit of the municipalities of Kosovo. The NAO audits the municipalities based on the financial statements and examines: a) whether the financial statements give a fair and true picture of the accounts and financial issues for the audit period; b) whether the financial data, systems and transactions are in accordance with applicable laws and regulations; c) whether the control and internal audit functions are adequate and efficient; and d) whether appropriate actions have been taken to implement the audit recommendations. Every year, the NAO issues recommendations to the municipalities, which they are expected to address in the future. Also, NAO examines the level of fulfilment of the recommendations of previous years.</p>
	Level of implementation of recommendations from the internal auditor	<p>This indicator aims to measure the level of implementation of the recommendations given by the internal audit reports for the municipal bodies.</p> <p>Internal audit provides independent and objective assurance to the manager of the public sector entity about the adequacy and effectiveness of the financial management and control system, as well as provides advice on its improvement. Advice for improvement is given through recommendations for improving actions. Internal auditors monitor the implementation of recommendations systematically according to the action plan.</p> <p>The report on monitoring the implementation of the recommendations of the internal audit for the fiscal year (n-1) presents the recommendations for implementation or addressing, which must be implemented and addressed in full in year (n). So, the measurement is for the fulfilment of the recommendations issued by the internal audit a year earlier for the respective municipality.</p>
V	Contract management	
17	Level of implementation of the procurement plan	<p>This indicator aims to measure the municipal performance in fulfilling the final procurement plan that it plans for the respective year. The indicator measures the implementation according to the planned activities with procurement against the implemented activities.</p> <p>The municipal procurement plan must be compiled and published in the first three months of the year. Each public authority, including the municipal institution, must prepare and submit to the Central Procurement Agency (CPA) an initial annual procurement plan. While 15 days after the approval of the state budget, the public authority, in this case the institution of the municipality, must prepare and submit to the CPA the final procurement plan. The plan must contain:</p> <ol style="list-style-type: none"> 1. in the case of future supply contracts, the total estimated procurement value by item of each product that the contracting authority plans to procure during the fiscal year; 2. in the case of future service contracts, the total estimated value by category of each service that the contracting authority plans to procure during the fiscal year; and 3. in the case of work contracts, the essential characteristics of each work contract that the

		contracting authority plans to award during the fiscal year.
18	Compilation and publication of the list of municipal properties planned for commissioning	The indicator measures the level of fulfilment of the requirement for the approval of the list of municipal properties planned for commissioning in order to develop economic activity. The objectives of the measurement are two moments, (1) the general list of immovable properties of the municipality prepared and published; and (2) publication of a separate list of properties for the following year. The concept takes into account the fact that the preparation of the approved list of municipal properties planned for commissioning represents a set of structured activities such as identification, inventory, assessment, and the act of approval itself. After the approval, there comes the act of public announcement of the list, which is required to contain the official communication about the announcement of the list as well as the placement of the list for public access on the official website of the municipality. The general list is a document that contains all the immovable properties of the municipality that have been registered, while the separate list is the list of immovable properties that are planned for commissioning.
VI	Human resource management	
19	Drafting of the staff development plan	The indicator measures whether the Municipality has drawn up the annual personnel plan in accordance with the budget planning process. The annual plan ensures that the growth and development of the personnel is in accordance with the duties and responsibilities of the personnel and the achievement of the objectives of the respective municipalities. The concept takes into account the fact that the development plan enables the acquisition of new skills, the increase of productivity, motivation and satisfaction of personnel. Taking into account these and other aspects, the personnel development plan harmonizes individual and institutional goals, as a result of which it is ensured that public services are provided efficiently based on the needs of citizens. The annual plan is based and compiled taking into account the procedures provided for in the law and by-laws of the responsible ministry.
20	Women in leadership positions in educational, health and cultural/sports institutions	The indicator measures the level of representation of women in the leadership positions of the following institutions: <ul style="list-style-type: none"> • School institutions under the management of the municipality - public preschool institutions, primary and secondary schools as well as any other public school which is managed and financed through the respective municipality; • Health institutions under the management of the municipality - family medicine centres (MFMC, FMCs and FMAs) as well as • Cultural and sports institutions - theatres, concert halls, sports fields. The directors of these institutions, i.e. the directors of schools, FMCs, sports fields and cultural institutions are considered leadership position. The first data requires the number of senior officials in these institutions and that number must correspond to the number of institutions in these fields since the goal is to measure the number of leaders of these institutions. While the

		second data asks how many of those leaders are women, while the third data asks for the number of leadership positions held by women who come from non-majority communities.
21	Women appointed in political positions in the municipality	The indicator measures the level/total number of appointed women to political positions, namely the positions appointed by the political level of the municipality. The concept takes into account employees/appointees in political positions, ensuring that civil servants are not included in the list of municipal officials. Specifically, municipal officials should be considered: the deputy mayor, the deputy mayor for minorities (where one has been elected), directors of municipal directorates, as well as political advisers and other positions of the mayor's cabinet according to administrative instructions.
III. PROVISION OF SERVICES		
VII	Administrative services	
22	Simplified administrative services to reduce the administrative burden at the municipal level	<p>The indicator measures the number of administrative services (administrative procedures) that will be simplified by the municipality. The municipality will be asked to simplify 30 administrative services for three years, from 10 different services for each year. Simplification of an administrative service means one of the following options: (i) reduction of the fee or payment for the administrative service according to the cost recovery principle, (ii) removal of requests for documents (unnecessary or documents available to the municipality) during the application, (iii) increasing the validity of the procedure, (iv) combining the procedure with another similar procedure (v) eliminating the procedure (which has no legal basis) (v) digitizing the issuance of the procedure by the municipality.</p> <p>Municipalities have the power to choose 30 different administrative services for simplification within their powers to reduce the administrative burden.</p> <p>The indicator is calculated by multiplying each simplified administrative service by 10 points to achieve the required annual performance of 100%. However, if the municipality simplifies 30 procedures in the first year, then the municipality achieves maximum points for the next three years. Alternatively, if the municipality simplifies 5 procedures in the first year and 20 procedures in the second year, then the municipality will receive 50% of the points in the first year and 100% of the points for the second and third years.</p>
23	Reviewed applications for construction permits	The indicator measures the level of fulfilment of the municipality's obligations in relation to the law and municipal plans for issuing construction permits. The indicator handles all requests regardless of whether they are in accordance with the prerequisites for a construction permit or not. The rate of review and approval of construction permit requests indicates the capacity and efficiency of the municipality in successfully managing the implementation of the law and municipal plans in the planned construction in the territory of the respective municipality. The indicator does not measure the implementation of the technical conditions of the construction permit. However, the approval of requests or the issuance of construction permits, as a necessary

		<p>condition, is fully in view of fulfilling the purpose of the result for planned municipal or local construction, because at this stage of the measurement the construction permit also means its full implementation.</p> <p>This comes as a result of a number of requests registered in the previous year, but which are examined in the year such data are reported.</p>
VIII	Spatial planning, public transport and the environment	
24	The surface area of the territory of the municipalities covered according to the municipal development plans	<p>The indicator measures the level of coverage of the territory of the respective municipality with MDP and zoning maps, which provides good opportunities for planned building of settlements. Spatial planning is important for municipal planning because of its role in shaping, organizing and developing urban areas. This enables the allocation of spaces/land strategically for different purposes, such as residential space, trade, infrastructural development, environmental sustainability, etc. The municipality designs and manages the process of drafting the MDP for a period of at least eight years, as well as the drafting of the MZM, while the Municipal Assembly is responsible for approving the relevant plans and approving the funds for implementing the plans.</p>
25	Settlements included in local public transport	<p>Provision of local public transport means that all citizens of all settlements in the territory of the respective municipality can be transported by local (municipal) transport in a safe manner, according to a specific schedule for specific routes to the specific destination within the territory of the municipality. The inclusion of all settlements in municipal public transport represents a necessary legal condition and an important criterion for ensuring freedom of movement and access to public services. This indicator informs the result directly related to the achievement of the municipality in ensuring the inclusion of all settlements in local transport. Each year, the municipality has the opportunity to examine its own achievement for this indicator and for all others, and to compare and evaluate its own performance over the years and also with other municipalities, thereby increasing management capacities, transparency and accountability regarding the policies developed and implemented in this field.</p>
26	Implementation of the local environmental action plan	<p>The indicator aims to measure the performance of the respective municipality in the implementation of the actions planned with the Local Environmental Action Plan (LEAP) for the protection of the environment and the creation of a clean and healthy environment for citizens. The indicator provides information on all actions undertaken by the municipality in partnership with other stakeholders for the protection and advancement of the environment, determined by the Local Environmental Action Plan and environmental programs.</p> <p>From the point of view of municipal performance, the approval of the plan (LEAP) and its implementation is the responsibility of the respective municipality in accordance with the Kosovo Environmental Action Plan, which deals with the protection of soil, water, air, climate, ecosystems, diversity of the flora and fauna, landscapes, nature, the management of solid and (sewage) liquid waste, the administration of ecological disasters (environmental accidents), noise protection, etc.</p>

		(Law on Environmental Protection, Article 23). The plan must also be in accordance with the zoning maps and the detailed regulatory plan of the spatial planning of the respective municipality and other municipal plans, in particular the emergency management plan.
IX	Pre-university education	
27	Completing the required conditions with infrastructure, equipment and tools in pre-university education institutions	<p>The indicator measures the level of equipment with school infrastructure elements, such as physical education halls, cabinets (laboratories, workshops), libraries, as well as regular classrooms, which, for reporting purposes, are required to be fully equipped with tools and equipment at the level that enables the implementation of activities as required by the curricula that are being implemented in those institutions!</p> <p>For the needs of this indicator, 6 assessment criteria are specified as follows:</p> <ol style="list-style-type: none"> 1. Physical education hall with tools and equipment; 2. Cabinets (laboratories, workshops); 3. The school library is equipped and operating; 4. Equipping ordinary classrooms with necessary school furniture; 5. Equipping ordinary classrooms with electronic tools for the development of learning and teaching activities (projector, electronic board)
28	The level of compliance with the target student-to-teacher ratio	<p>The indicator aims to measure the level of performance, namely the municipality's achievement in ensuring the required student-to-teacher ratio. The required student-to-teacher ratio means the average (20) student to (1) teacher ratio. In this respect, it is intended to measure the compatibility with the target level of the ratio, either from the highest degree or from the lowest degree in terms of the value of 20/1. The object of measurement is the student-teacher ratio in urban and rural settlements for pre-university education, at the level of institutions of the pre-university system for levels according to ISCED 02, 1, 2 and 3. Preschool teachers are not included in the calculation of the body of teachers, even though they are part of ISCED.</p> <p>The reference value of the [20]/[1] student-to-teacher ratio was obtained by referring to the desirable average for normative student-teacher ratios.</p>
X	Primary health care (PHC)	
29	Primary health units with laboratory equipment and services according to administrative instructions	<p>The indicator aims to measure performance, namely the achievement of the municipality in providing complete equipment with inventory (equipment and tools) and laboratory services of primary health care units (MFMC, MFC and MFA),</p> <p>The list with concrete names of the inventory of equipment, tools and laboratory services is specified in Annexes 1 and 2 of the AI, where they are highlighted in the form of points for each level of the family medicine unit in a separate form (MFMC, MFC and MFA).</p> <p>In this context, the municipality has both direct responsibility in terms of legal powers but and political responsibility, in which case it has the responsibility to work with other instances to ensure fulfilment, such as the Ministry of Health, as well as the Health Inspectorate. The period</p>

		for which the data is requested concerns the situation at the end of the year.
30	Level of compliance with family medicine and oral health teams	<p>The indicator aims to measure the level of performance, namely the achievement of the municipality in ensuring the target ratio of the teams: of family medicine (1 specialist and 2 nurses) and dentistry (1 doctor of dentistry and 1 technician/assistant).</p> <p>The ratio required for the specialized teams is as follows: the family medicine team consists of a family doctor and two family nurses, who provide individual, family and community care, providing services to 2000 residents; and the oral health team consists of a dentist and a dental technician/assistant serving 5000 residents. In this aspect, the aim is to measure compliance with the target level of the ratio, either from the highest or from the lowest scale in terms of certain values. Incomplete teams are not counted when calculating the above-mentioned teams, even though they are part of the institution and provide services.</p>

Annex 3: Template for Scorecard and scoring guideline

Summary of results on municipal performance grant 202		
#	Minimum condition	Assessment
1	Municipalities should have reported data to the MPMS within the set deadlines	
2	Municipalities should have adhered to the legal obligation for reviewing municipal acts assessed as incompliant by the supervisory authority	
3	The audit opinion should be at least 'unmodified opinion with emphasis of matter'	
4	Municipalities should have spent 75% or more of the final budget for capital investments	
<i>The municipality is qualified/not qualified for the performance grant</i>		
#	Fields and sub-fields of performance indicators	Assessment
I	Role of the Municipal Assembly as supervisory body	0
II	Citizen participation, consultation and inclusiveness	0
III	Transparency, access to information and integrity	0
Score for municipal governance		0
IV	Financial management	0
V	Contract management	0
VI	Human resources management	0
Score for municipal management		0

VII	Administrative services	0
VIII	Spatial planning, public transport and environment	0
IX	Pre-university education	0
X	Primary Health Care (PHC)	0
Score for service delivery		0
Final Score		0

Assessment of minimum conditions for 2023 for the 2025 municipal performance grant - Municipality XXX

#	Minimum condition	Scoring guideline	Value according to source	Assessment	Source of data*	Comments
	Municipalities shall report data for their performance according to set timeframe on MPMS	Yes, if the municipality reported on time on MPMS. No, if the municipality has reported after the set timeframe on MPMS.			Report of MPMS, MLGA	
	Municipalities shall review their municipal acts deemed illegal by the supervisory authorities according to legal requirements	Yes, if the municipality has reviewed the legal acts by the municipal assembly No, if the municipality has not reviewed the legal acts by the municipal assembly			MLG Report on the functioning of municipalities	

	The annual audit opinion at least unmodified opinion with emphasis of matter	Yes, if municipality receives unmodified opinion or unmodified opinion with emphasis of matter; No, if municipality receives qualified or adverse opinion, and if NAO disclaims an opinion.			NAO regularity audit report	
	At least 75% of the budget for capital investments spent	Yes, if municipality receives unmodified opinion or unmodified opinion with emphasis of matter; No, if municipality receives qualified or adverse opinion, and if NAO disclaims an opinion.			NAO regularity audit report	
		** NAO - National Audit Office				
Municipality has fulfilled/did not fulfilled all minimum conditions			YES/NO	Result is referred theversion in albanian lanuage of the source data		

Performance Assessment 2023 – Municipality XXX							
#	Indicator	Assessment guidelines	Value as in the source	Max. score	Assessment	Data Source	Comments
1	Democratic Governance			40			
I	Role of the Municipal Assembly as an oversight body			12			
1	Timely approval of the annual municipal budget proposal	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 30%, • 1 point if the result in MPMS is 70%, • 2 points if the result in MPMS is 100%. 	0.00%	2	0	MPMS report, Indicator number 3.2.1	
2	Discussion of quarterly budget reports by the Municipal Assembly	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 2 point if the result in MPMS is 50% - 74.99%, 	0.00%	4	0	MPMS report, Indicator number 3.2.2	

		<ul style="list-style-type: none"> • 4 point if the result in MPMS is 75% - 100%. 					
3	Discussion on the previous year municipal performance report by the Municipal Assembly	<ul style="list-style-type: none"> • 0 points if the result in MPMS is lower than 100%, • 2 points if the result in MPMS is 100%. 	0.00%	2	0	MPMS report, Indicator number 3.2.3	This indicator has not been assessed. For clarifications, please refer to the rules of the municipal Performance-Based Grant for the fiscal year 2025.
4	Discussion of the external auditor's report and action plan for addressing the recommendations in the Municipal Assembly	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 50%, • 1 point if the result in MPMS is 50%, • 2 point if the result in MPMS is 100%. 	0.00%	2	0	MPMS report, Indicator number 3.2.4	
5	Municipal Assembly meetings with the participation of the Mayor	<ul style="list-style-type: none"> • 0 points if the result in MPMS is 49.99%, • 1 points if the result in MPMS is 50% - 99.99%, • 2 points if the result in MPMS is equal to or higher than 100%. 	0.00%	2	0	MPMS report, Indicator number 3.2.6	
II	Participation, consultation and inclusion of citizens			12	0		
6	Citizen participation in public consultations, disaggregated by gender	<ul style="list-style-type: none"> • 0 points if the average of two indicators of the result in MPMS is lower than 39.99%, • 1 point if the average of two indicators in MPMS is from 40% - 69.99%, • 2 points if the average of two indicators in MPMS is from 70% - 89.99%, • 4 points if the average of two indicators in MPMS is equal to 	0.00%	4	0	MPMS report, Indicator number 3.1.2 and 13.2.3	

		or higher than 90%.					
7	Municipal acts and local policy documents consulted with the public	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 39.99%, • 1 point if the result in MPMS is 40% - 69.99%, • 2 points if the result in MPMS is 70% - 89.99%, • 4 points if the result in MPMS is equal to or higher than 90%. 	0.00%	4	0	MPMS report, Indicator number 3.1.4	
8	Public hearings on the Medium Term Budget Framework (MTBF) and municipal budget (proportionally to # of residents)	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 39.99%, • 1 point if the result in MPMS is 40% - 69.99%, • 2 points if the result in MPMS is 70% - 89.99%, • 4 points if the result in MPMS is equal to or higher than 90%. 	0.00%	4	0	MPMS report, Indicator number 3.1.5	
III	Transparency, access to information and integrity			16	0		
9	Assembly meetings made public and broadcasted live online	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 39.99%, • 1 point if the result in MPMS is 40% - 59.99%, • 2 points if the result in MPMS is 60% - 89.99%, • 4 points if the result in MPMS is equal to or higher than 90%. 	0.00%	4	0	MPMS report, Indicator number 2.1.1	
10	Meeting the criteria for municipal electronic website	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 39.99%, • 1 point if the result in MPMS is 40%-59,99%, 	0.00%	3	0	MPMS report, Indicator number 2.1.3	

		<ul style="list-style-type: none"> • 2 points if the result in MPMS is 60%-79.99%. • 3 points if the result in MPMS is higher or equal to 80%. 					
11	Publication of public procurement documents of the municipality	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 1 point if the result in MPMS is 50% - 74,99%, • 3 points if the result in MPMS is equal to or higher than 75% 	0.00%	3	0	MPMS report, Indicator number 2.2.2	
12	Publication of reports of public consultation processes	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 39.99%, • 1 point if the result in MPMS is 40% - 59.99%, • 2 point if the result in MPMS is 60% - 89.99%, • 4 points if the result in MPMS is equal to or higher than 90%. 	0.00%	4	0	MPMS report, Indicator number 3.1.6	
13	Reporting the annual Integrity Plan before the Municipal Assembly	<ul style="list-style-type: none"> • 0 points if the result in MPMS is lower than 100%, • 2 points if the result in MPMS is 100%.. 	0.00%	2	0	MPMS report, Indicator number 3.4.1	
2	Municipal Management			30	0		
IV	Financial management			13	0		
14	Level of updating the property tax register	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 84.99%, • 1 point if the result in MPMS is 85% - 99.99%, • 3 points if the result in MPMS is 100% 	0.00%	3	0	MPMS report, Indicator number 16.1.3	

15	Level of property tax bill collection (no debts, interest, penalties)	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 39.99%, • 1 point if the result in MPMS is 40% - 59.99%, • 3 points if the result in MPMS is 60% - 84.99%, • 5 points if the result in MPMS is equal to or higher than 85% 	0.00%	5	0	MPMS report, Indicator number 16.1.4	
16.a	Level of addressing the recommendations of the National Audit Office	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 29.99%, • 1 point if the result in MPMS is 30% - 49.99%, • 2 point if the result in MPMS is 50% - 84.99%, • 3 points if the result in MPMS is equal to or higher than 85%. 	0.00%	3	0	MPMS report, Indicator number 3.3.3	
16.b.	Level of addressing the recommendations of the internal audit	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 1 point if the result in MPMS is 50% - 84.99%, • 2 points if the result in MPMS is equal to or higher than 85%. 	0.00%	2	0	MPMS report, Indicator number 3.2.5	This indicator has not been assessed. For clarifications, please refer to the rules of the municipal Performance-Based Grant for the fiscal year 2025.
V	Contract management			7	0		
17	Level of implementation of the procurement plan	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 59.99%, • 1 point if the result in MPMS is 60% - 89.99%, • 3 points if the result in MPMS is equal to or higher than 90%. 	0.00%	3	0	MPMS report, Indicator number 3.3.1	
18	Compilation and publication of the list of municipal properties planned for commissioning	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 2 points if the result in MPMS is 50%, • 4 points if the result in MPMS 	0.00%	4	0	MPMS report, Indicator number 16.1.2	

		is 100%.					
VI	Human resource Management			10	0		
19	Drafting of the staff development plan	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 1 points if the result in MPMS is 50% - 79.99%, • 2 points if the result in MPMS is equal to or higher than 80% 	0.00%	2	0	MPMS report, Indicator number 3.5.1	This indicator has not been assessed. For clarifications, please refer to the rules of the municipal Performance-Based Grant for the fiscal year 2025.
20	Women in leadership positions in education, health and culture institutions	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 2 points if the result in MPMS is 50% - 79.99%, • 5 points if the result in MPMS is equal to or higher than 80%. 	0.00%	5	0	MPMS report, Indicator number 13.1.2	
21	Women appointed in political positions in the municipality	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 59.99%, • 1 point if the result in MPMS is 60% - 99.99%, • 3 points if the result in MPMS is equal to 100%. 	0.00%	3	0	MPMS report, Indicator number 13.1.3	
3	Service provision			30	0		
VII	Administrative services			6	0		
22	Simplified administrative services to reduce the administrative burden at the municipal level	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 1 point if the result in MPMS is 50% - 69.99%, 	0.00%	4	0	MPMS report, Indicator number 1.1.4	This indicator has not been assessed. For clarifications, please refer to the rules of the municipal Performance-Based Grant for the

		<ul style="list-style-type: none"> • 2 points if the result in MPMS is 70% - 89.99%, • 4 points if the result in MPMS is equal to or higher than 90%. 					fiscal year 2025.
23	Reviewed building permit requests	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 1 point if the result in MPMS is 50% - 89.99% • 2 points if the result in MPMS is equal to or higher than 90%. 	0.00%	2	0	MPMS report, Indicator number 7.2.1	
VIII	Spatial planning, public transport and environmental protection			8	0		
24	The surface area of the territory of the municipalities covered according to the municipal development plans	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 29.99%, • 1 point if the result in MPMS is 30%, • 3 points if the result in MPMS is equal to or higher than 30% 	0.00%	3	0	MPMS report, Indicator number 7.1.1	
25	Settlements involved in local public transport	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 1 point if the result in MPMS is 50% - 79.99%, • 3 points if the result in MPMS is equal to or higher than 80%. 	0.00%	3	0	MPMS report, Indicator number 10.1.2	
26	Implementation of the Local Environmental Action Plan	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 49.99%, • 1 point if the result in MPMS is 50% - 89.99% • 2 points if the result in MPMS is equal to or higher than 90%. 	0.00%	2	0	MPMS report, Indicator number 12.1.1	
IX	Pre-University Education			8	0		

27	Completing the required conditions with infrastructure, equipment and tools in pre-university education institutions	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 39,99% • 1 point if the result in MPMS is 40% – 59,99%, • 2 point if the result in MPMS is 60% - 99,99% • 4 points if the result in MPMS is equal to or higher than 100% 	0.00%	4	0	MPMS report, Indicator number 14.1.3
28	The level of compliance with the target student-to-teacher ratio	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 59,99% • 2 pikë nëse rezultati në SMPK është më i madhe se 60% - 99,99% • 4 point if the result in MPMS is 100% 	0.00%	4	0	MPMS report, Indicator number 14.2.1
X	Primary health care			8	0	
29	Primary Health Care Units equipped with necessary laboratory equipment and services.	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 33,32% • 1 point if the result in MPMS is 33,33% • 2 point if the result in MPMS is 33,34% -66,66% • 4 points if the result in MPMS is equal to or higher than 66.67% 	0.00%	4	0	MPMS report, Indicator number 15.1.1
30	Level of compliance with family medicine and oral health teams	<ul style="list-style-type: none"> • 0 points if the result in MPMS is up to 29,99% • 1 point if the result in MPMS is 30 – 49,99% • 2 point if the result in MPMS is 50%-69,99% • 3 point if the result in MPMS is 70%-89,99% • 4 points if the result in MPMS 	0.00%	4	0	MPMS report, Indicator number 15.2.1

		is equal to or higher than 90%					
--	--	--------------------------------	--	--	--	--	--

** The score refers to the Albanian language version of the data source

Final result	90			
--------------	----	--	--	--

Annex 4: Template for calculation of allocated grant amounts

The allocation of the Municipal Performance Grant, which is provided as an addition to the capital investment part of the general grant, is determined by the relative performance of each municipality as measured against defined performance indicators. At the same time, the performance is allocated in such a way that two municipalities that have the same score will get an equal relative additional grant (meaning that with the same score, they would both get 5 or 10% more, while the absolute amounts of the additional grant will differ).

In order to achieve this, the following steps are required to calculate the allocations:

- Firstly, the assessment scores for each municipality are weighed with the share of the general grant that each municipality receives for that year (on a basis of a weighted allocation formula, taking into account various expenditure needs based variables as defined by the government). This is the weighted score.
- Secondly, the relative share of each municipality in this weighted score is calculated.
- Thirdly, this latter relative share in the weighted performance score is multiplied by the total amount available for the 2025 Municipal Performance Grant.
- Fourth, the municipal performance grant allocates additional remunerations to the highest performing municipalities. Ten (10) per cent of the total grant amount is allocated to the top three highest performing places. The first place receives 5% of the total grant amount; the second place receives 3% of the total grant amount and the third place receives 2% of the total grant amount. If two or more municipalities are having the same performance score, then the amount of reward for the designated place is divided proportionally for that number of municipalities with the same result.

This may seem complicated, but the example below can help clarify.

The table on the next page shows an example of the calculation of the municipal performance grant allocation, using the general grant allocated for 2025, as per the government's budget circular, under the following assumptions (as example) that (i) all municipalities have met the minimum conditions and (ii) that all municipalities have achieved exactly the same score of 94 points (which is unlikely in reality, but which allows each municipality to be treated equally in this example).

The following steps are taken to calculate the allocations:

- The share of the municipal grant in the total grant is determined by dividing the municipal general grant (column 3) by the total general grant (total column 3). This is a percentage called 'relative share of the general grant' (column 4);
- The weighted performance score is then calculated as shown in column (7) by multiplying the performance assessment score (column 6) with the relative share in the general grant and the results of meeting the minimum conditions (reflected in column 5), which is either 1 if the minimum conditions are met or "0" if the minimum conditions are not met (column 5). A municipality that does not meet the minimum conditions is excluded from further calculations (and the value in columns 6 to 10 will show a "0").
- The municipal 'calculated weighted score' (in column 7) is then divided by the total of the 'calculated weighted score' (i.e., the total of column 7), to obtain the 'relative share weighted score' (column 8);
- Finally, this "relative share weighted score" is multiplied by the total amount of funds available for the Municipal Performance Grant in a year (total amount of the Municipal Performance Grant). This leads to the municipal performance grant allocation as reflected in column 9.

MPG Allocation Table for 2025												
								Total MPG amount		7,771,500		
Reward for the first municipality with maximum points:								5.0%		388,575		
Reward for the second municipality with maximum points:								3.0%		233,145		
Reward for the third municipality with maximum points:								2.0%		155,430 (777,150.00)		
Available amount for allocation based on formula:								777,150		6,994,350.00		
#	Municipality	Total Grant Allocation 2025 (Budget circular 2025/01)	Relative share of the total grant	Assessment	Outcome	Calculated and weighted score (4)* (5)* (6)	Related share of the weighted score	Calculated value of the MPG	MPG – as % of the total grant	Bonus	Total value of the MPG	MPG – as % of the total grant
				MN Meet = 1 Not met = 0	Assessment Score							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Dečan/Dečane	6,723,133	2.19%	1	90	1.97	2.2%	152,928.87	2.27%	20,451.32	173,380.19	0.00%
2	Dragash/Dragaš	7,135,380	2.32%	1	90	2.09	2.3%	162,306.11	2.27%	20,451.32	182,757.43	2.56%
3	Ferizaj/Uroševac	17,463,074	5.68%	1	90	5.11	5.7%	397,226.73	2.27%	20,451.32	417,678.05	2.39%
4	Fushë Kosovë/Kosovo Polje	5,916,282	1.92%	1	90	1.73	1.9%	134,575.70	2.27%	20,451.32	155,027.02	2.62%
5	Gjakovë/Dakovica	15,956,892	5.19%	1	90	4.67	5.2%	362,966.11	2.27%	20,451.32	383,417.43	2.40%
6	Gjilan/Gnjilane	14,597,113	4.75%	1	90	4.27	4.7%	332,035.67	2.27%	20,451.32	352,486.99	2.41%
7	Gilgovec/Glogovac	9,439,381	3.07%	1	90	2.76	3.1%	214,714.46	2.27%	20,451.32	235,165.78	2.49%
8	Gračanica/Gračanicë	3,305,350	1.07%	1	90	0.97	1.1%	75,185.70	2.27%	20,451.32	95,637.02	2.89%
9	Hani i Elezit/Elez Han	1,701,892	0.55%	1	90	0.50	0.6%	38,712.37	2.27%	20,451.32	59,163.69	3.48%
10	Istog/Istok	7,089,760	2.31%	1	90	2.08	2.3%	161,268.41	2.27%	20,451.32	181,719.73	2.56%
11	Junik/Junik	1,182,544	0.38%	1	90	0.35	0.4%	26,898.93	2.27%	20,451.32	47,350.25	4.00%
12	Kaçanik/Kaçanik	5,538,386	1.80%	1	90	1.62	1.8%	125,979.82	2.27%	20,451.32	146,431.14	2.64%
13	Kamenicë/Kamenica	6,452,896	2.10%	1	90	1.89	2.1%	146,781.88	2.27%	20,451.32	167,233.20	2.59%
14	Klinë/Klina	6,571,819	2.14%	1	90	1.92	2.1%	149,486.98	2.27%	20,451.32	169,938.30	2.59%
15	Klokot Vrbovac/Klokot Vërbovc	665,210	0.22%	1	90	0.19	0.2%	15,131.31	2.27%	20,451.32	35,582.63	5.35%
16	Leposavić/Leposaviq	4,496,965	1.46%	1	90	1.32	1.5%	102,290.97	2.27%	20,451.32	122,742.29	2.73%
17	Lipjan/Lipljan	9,661,940	3.14%	1	90	2.83	3.1%	219,776.93	2.27%	20,451.32	240,228.25	2.49%
18	Malishevë/Mališevo	8,898,994	2.89%	1	90	2.60	2.9%	202,422.45	2.27%	20,451.32	222,873.77	2.50%
19	Mamushë/Mamuša	1,596,398	0.52%	1	90	0.47	0.5%	36,312.73	2.27%	20,451.32	56,764.05	3.56%
20	Mitrovicë e jugut/Južna Mitrovica	11,732,364	3.82%	1	90	3.43	3.8%	266,872.18	2.27%	20,451.32	287,323.50	2.45%
21	Novo Brdo/Novobërdë	1,767,421	0.57%	1	90	0.52	0.6%	40,202.94	2.27%	20,451.32	60,654.26	3.43%
22	Obiliq/Obilić	3,707,882	1.21%	1	90	1.09	1.2%	84,341.96	2.27%	20,451.32	104,793.28	2.83%
23	Parteš/Partesh	633,659	0.21%	1	90	0.19	0.2%	14,413.63	2.27%	20,451.32	34,864.95	5.50%
24	Pejë/Peć	16,409,287	5.34%	1	90	4.80	5.3%	373,256.59	2.27%	20,451.32	393,707.91	2.40%
25	Podujevë/Podujevo	14,627,269	4.76%	1	90	4.28	4.8%	332,721.62	2.27%	20,451.32	353,172.94	2.41%
26	Prishtinë/Priština	31,427,358	10.22%	1	90	9.20	10.2%	714,867.65	2.27%	20,451.32	735,318.97	2.34%
27	Prizren/Prizren	30,693,901	9.98%	1	90	8.98	10.0%	698,183.95	2.27%	20,451.32	718,635.27	2.34%
28	Rahovec/Orahovac	9,168,059	2.98%	1	90	2.68	3.0%	208,542.79	2.27%	20,451.32	228,994.11	2.50%
29	Ranilug/Ranillug	1,232,026	0.40%	1	90	0.36	0.4%	28,024.49	2.27%	20,451.32	48,475.81	3.93%
30	Severna Mitrovica/Mitrovicë e veriut	3,289,654	1.07%	1	90	0.96	1.1%	74,828.66	2.27%	20,451.32	95,279.98	2.90%
31	Shtime/Štimlje	4,560,657	1.48%	1	90	1.33	1.5%	103,739.75	2.27%	20,451.32	124,191.07	2.72%
32	Skenderaj/Srbica	8,450,648	2.75%	1	90	2.47	2.7%	192,224.08	2.27%	20,451.32	212,675.40	2.52%
33	Štrpce/Štërpçë	1,872,525	0.61%	1	90	0.55	0.6%	42,593.70	2.27%	20,451.32	63,045.02	3.37%
34	Suharekë/Suva Reka	9,806,058	3.19%	1	90	2.87	3.2%	223,055.14	2.27%	20,451.32	243,506.46	2.48%
35	Viti/Vitina	7,705,065	2.51%	1	90	2.26	2.5%	175,264.55	2.27%	20,451.32	195,715.87	2.54%
36	Vushtrri/Vučitrn	11,343,396	3.69%	1	90	3.32	3.7%	258,024.45	2.27%	20,451.32	278,475.77	2.45%
37	Zubin Potok/Zubin Potok	2,427,867	0.79%	1	90	0.71	0.8%	55,225.88	2.27%	20,451.32	75,677.20	3.12%
38	Zvečan/Zvečan	2,240,499	0.73%	1	90	0.66	0.7%	50,963.88	2.27%	20,451.32	71,415.20	3.19%
	Total/Average	307,489,004	100.00%	38	90	90.00	100.0%	6,994,350	2.27%	777,150	7,771,500	2.53%

Column 10 shows the grant allocation for each municipality as a percentage of its general grant allocation (column 3). In this example, it shows that all municipalities get an average increase of 2.46% to the general grant allocation.¹⁴

Column 11 shows the remuneration allocation assuming that all municipalities have the same performance.

Column 12 shows the total value of the municipal performance grant for each municipality after the remuneration allocation. So, to column 9 - calculated value for the MPG, the amount of award is added and gives us the total value of MPG for each municipality.

Column 13 shows the grant allocation for each municipality as a percentage of the total grant allocation (column 3). In this example, this shows that all municipalities receive a 2.53%-5.89% increase in overall grant allocation.

In fact, and as not all municipalities will meet the minimum conditions, it is anticipated that, through the municipal performance grant, municipalities with a score above average will see a noticeable increase in their capital budget.

The table above is available as an Excel spreadsheet for those who are interested.

¹⁴ As can be seen, given the assumptions, the calculations show an equal relative increase of the general grant for all municipalities as all have the same score. 2.73% is precisely the performance grant amount as share of the general grant (7,771,500/284,679,999). In fact, because some municipalities will not meet the MCs, while also the scores differ, the relative increase will be (much) higher depending on the relative performance. In fact, the actual allocation a municipality gets depends on its relative score and on the Municipalities that have (or notably those that have not met) the minimum conditions.

Annex 5: Contacts

1. Jeton Qela – Secretary General of the MLGA

Tel: 038 200 35 577

Email: jeton.qela@rks-gov.net

2 Drin Haraqia - Director of the Department for Municipal Performance and Transparency in MLGA

Tel: 038 200 35 551

Email: drin.haraqia@rks-gov.net

