

February 2013

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NALAS Newsletter

The Future of Fiscal
Decentralization in SEE

Budva Declaration

Local Government
Investment

NALAS Strategic
Planning

NEXPO 2013

News from NALAS
Members



Fiscal decentralization in the focus



Network of Associations of Local
Authorities of South-East Europe
Réseau des Associations de Pou-
voirs Locaux de l'Europe du Sud-Est



NEXPO 2013 welcomes you in
Rijeka and Opatija

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Editorial

Dear reader,

This issue of NALAS Newsletter circles NALAS successes throughout 2012 and opens a new, hopefully even more enriching chapter for NALAS and its members, local government associations from South-East Europe (SEE).

During 2012, NALAS Knowledge Center continued to serve as the main regional knowledge hub for local government issues in South East Europe, offering wide range of services for its members and their constituencies, the local governments in SEE.

The 5 NALAS Task Forces worked hard to address priority topics of fiscal decentralisation, urban planning, solid waste and water management, energy efficiency and sustainable tourism.

NALAS continued to monitor the process of fiscal decentralisation in SEE and alert to all potential obstacles in this essential process to support effective and efficient service delivery on local level. Two editions of the Report Fiscal Decentralization Indicators for South-East Europe were published, prepared by the Fiscal Decentralization Taskforce, as the first report of the kind. The report provides a snapshot of the structure, functions, and financing of local governments, as well as an overview of how intergovernmental financial relations have evolved over the economically turbulent period 2006-2010 and 2006-2011. The reports inspired a higher level dialogue with Ministries of Finance about the future of fiscal decentralisation that took place at the International Conference on the Future of Fiscal Decentralization in SEE, organized in Montenegro, in November 2012, that you will read more about in this Newsletter.

In 2012, NALAS also emphasized the issue of climate change on local governments' agenda in South-East Europe. This was the topic of NALAS Annual Presidents Meeting in held in June 2012 in Romania. The issue of climate change was also targeted through the project Think Globally Develop Locally, the Covenant of Mayors to cover whole South-East Europe Initiative, and the work of NALAS' task forces on Energy Efficiency, Solid Waste and Water Management, and on Sustainable Tourism.

At the General Assembly Meeting in Prishtina, in March 2012, NALAS launched a one-year rotation presidency system, where Vice Presidents become Presidents in a rotating schedule based on an alphabetic order. I became the new NALAS President, closely working with the Vice Presidents Mr. Anton Peršak, Mayor of Trzin (Slovenia) and Mr. Đuro Bukvić, Mayor of Lukač (Croatia).

In the new year, NALAS starts the implementation of its third strategic plan, for the period 2013 – 2017, which will contribute to further strengthening and expansion of the services of NALAS Knowledge Centre as the main knowledge platform in South-East Europe, increasing NALAS influence in the creation of European policies on local government and ensuring NALAS financial sustainability.

We are all proud to be part of NALAS, a network that makes a difference in the work of the local governments in SEE. But, our work is strongly supported by all of you: our members, donors, partners, supporters, collaborators. I would like to thank you all for your commitment to NALAS mission and wish you many joint professional successes in 2013.

Enjoy reading!

A handwritten signature in black ink, appearing to be 'Özgen Keskin', written in a cursive style.

Dr. Özgen Keskin
NALAS President

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NALAS Conference boosts intergovernmental dialogue on the process of fiscal decentralization in South-East Europe

Is the fiscal decentralisation the main strategy for the countries in South-East Europe to face the financial challenges and to reinforce investments in local communities? What are the open issues related to the process of fiscal decentralization throughout the Region? Where and how should countries direct the future of fiscal decentralization?

These were some of the topics addressed within the International Conference: The Future of Fiscal Decentralization in South-East Europe, organized from 1-2 November 2012 in Hotel Splendid, Budva, Montenegro, by the Network of Associations of Local Government Authorities (NALAS), in partnership with the Ministry of Finance of Montenegro and the Union of Municipalities of Montenegro.

The Conference brought together over 120 participants,

representing local authorities and local government associations from 12 countries in SEE; representatives of Ministries of Finance and other central government institutions from 7 countries; as well as financial institutions, international organizations, experts, CEOs and economists and boosted intergovernmental dialogue on the process of fiscal decentralization in SEE.

In his opening speech, the Minister of Finance of Montenegro, Mr. Milorad Katinic said: «Crises force us to be more efficient, to provide better services with the money we collect. But, we also have to create better environment for economic growth, that better heals poverty and employment».

NALAS Vice-President, Mr. Anton Pershak said: «While assessing the trends in fiscal decentralization it is important to take into account the following general gui-

ding aspects: (1) Implementation of the national fiscal decentralization reform agenda; (2) Level of the inter-governmental dialogue; and (3) Financial indicators. Regarding the first point, NALAS analyses conclude that there is no continuous progress in fiscal decentralization throughout the Region during the last 2-3 years. In Moldova and Romania, and even in my country, Slovenia, there is even a trend towards re-centralization», said Pershak.

«We agree that the process of decentralization should be perceived as a consequence of the need for democratization of the society. The economic development on the local level is a key element of meeting the needs of the people. Local development and jobs are what people primarily expect from the process of decentralization», said Mr. Aleksandar Bogdanovic, Mayor of Cetinje and President of the Union of Municipalities of Montenegro. «The policies implemented in Montenegro so far have given important results. I would remind that Montenegro, before the crisis, was one of the fastest growing economies in Europe, with the highest level of FDI per capita».

«I often hear from central governments that municipalities do not have the capacities to implement the fiscal decentralization-and this is their excuse for not advancing the fiscal decentralization process. This is simply not a valid excuse. We all have to work together to further develop the capacities of the local governments», said Ms. Ginka Chavdarova, Executive Director of the National Association of Municipalities of Bulgaria in her speech about the challenges of the local government associations in supporting their members, the local governments, to strengthen local administrative capacities.

«We have to emphasize that there are three important tracks in fiscal decentralization: increase of inter-governmental transfers, increase of own revenues and removing the burdens of municipal borrowing», said Mr. Peter Clavelle, Chief of Party of the USAID Planning and Local Governance Project in Albania. «NALAS made a powerful study of the trends of fiscal decentralization in South-East Europe. We have used this study in our work in Albania and we have to continue doing so, we have to have an evidence-based approach in advancing fiscal decentralization», stressed Mr. Clavell.

Mr. Anthony Levitas, a world-known expert in intergovernmental finance, alerted that: «The level of transfers from central to local governments is insufficient



for them to deliver the services they are mandated to. Throughout the SEE Region, collecting taxes remains the main problem for both central and local governments, while the «blame-game» between the two continues. Also, tax base throughout the SEE Region is highly concentrated in a few cities, often the capital city».

As stressed by Mr. Gabor Peteri, International Expert, World Bank SEE Municipal Finance Review, in the upcoming period, «Local governments should take real control over own revenues-base, rate, exemptions and revenue administration, find new resources and deve-

top information base and knowledge for budget negotiations and policy making, but also benchmarking for improving service management».

During the conference, the City of Rijeka, Croatia, presented its models for financing local development projects, while the City of Istanbul, Turkey, presented its innovative financing of bus procurement.

In small working groups, national delegations discussed the main accelerators for the progress in local investment and fiscal decentralization and the key elements of success for the future. The conference ended

with a Declaration, which emphasizes the joint efforts for:

- Improving the results of the dialogue between the Ministries of Finance and the national associations;
- Expanding the municipal investment capacity in order to overcome the continuing underfunding of the municipal infrastructure;
- Facilitating the access of the local government to the EU pre-accession and structural/agricultural funds;
- Facilitating the access to the credit market.

Budva Declaration on the Future of the Fiscal Decentralisation in South East Europe

We, the participants at the conference “The Future of Fiscal Decentralisation in South Eastern Europe” held in Budva, Montenegro on 1-2 November 2012,

We, mayors, representatives of the ministries of finance, representatives of the local governments associations, representatives of the international financial institutions, experts in municipal and intergovernmental finances, leaders of South Eastern Europe,

Recognizing the importance of the local governments in representing citizens’ interests, in providing the services needed and caring for citizen’s wellbeing and the wellbeing of many generations to come,

Acknowledging the progress in the fiscal decentralisation achieved with the efforts of all levels of governments,

Conscious of the strong need for renewed and new infrastructure in our communities,

Aware of the responsibility for local investments at the local level,

Taking in consideration the lower fiscal power of the local governments in South Eastern Europe compared with the EU,

All taking full account of the European standards, namely the Council of Europe acquis including the European Charter of Local Self-Government,

Declare to join our efforts for:

1. Expanding the scope of the dialog between the Ministries of finance and the national associations and improving its results

The topics for discussion, besides the regular/typical one on the annual intergovernmental transfers, should include other important issues such as review of the municipal revenue base, local governments’ borrowing capacity, improvement of the regulatory framework for PPPs, policy options for mitigating the impact of the economic crisis etc.

The dialog should become results-oriented, based on preliminary objective assessment of the policy options, instead of a formal one. In parallel both the central and the local governments should establish stable mechanisms for monitoring and evaluation of the results. The problems of the FD should be constant part of the dialog. The dialog could be facilitated by donor programs, international financial institutions, partner research institutions which can provide in-depth rationale and justification about the national specifics.

The economic crisis is often used as an excuse/reason for undermining and postponement of important FD measures. We need to look and the impact of crisis as an opportunity to intensify and institutionalize the dialogue.



2. Increasing the municipal investment capacity in order to overcome the continuing underfunding of the municipal infrastructure

Municipal investments are universally among the worst affected by the crisis. In centering the focus on protecting the social safety net, local governments' investment capability sharply deteriorated; the municipal infrastructure in the countries from SEE is in a poor shape and needs long-term solutions. Focused efforts are needed in at least three key impact areas: building the administrative capacity at local level for long-term capital investment planning, facilitating the use of various funding sources (own revenues, grants, debt financing and PPPs) and implementation of tangible local policies for greater transparency and accountability towards the citizens.

3. Facilitating the access of the local government to the EU Pre-accession. Structural/Agricultural funds and other EU national funds

For an increasing number of local governments the EU

funds are the only source for investments. The national policies should encourage the use of these funds by removing the regulatory obstacles and by assisting local governments in stabilizing their revenue base, capacity building support and other implementing innovative credit mechanisms/intermediaries. The co-funding requirements should take into account the revenue generation capabilities of the local authorities.

4. Facilitating the access to the credit market

In many cases the good and widespread practices for local borrowing work well only for large and financially stable local governments. A right combination of regulatory changes and the implementation of innovative pooling mechanisms can facilitate the smaller local authorities to access the local and international credit markets.

NALAS, the national associations and their members commit to:

1. Meet growing need to increase the capacity to develop, implement and disseminate good local practices; to become resource centers of advanced knowledge

2. Focus on increasing the efficiency of the municipal services - benchmarking methodologies for proper costing, comparative studies for specific service etc. which can lead to substantial efficiency gains

3. Support the least performing local governments and regions; develop analytical tools for objective assessment of the economic, financial and social situation and design of targeted measures for poor and/or badly hit by the crisis.

4. Increase transparency and efficiency in local financial management. The difficult decisions require more transparency and accountability in all areas of local governance - procurement, expansion/reduction of the scope of services, analyses of full costs before setting the fee and user charges, detailed justification and impact assessment of tax reliefs etc. A special emphasis should be given to efforts for improving the revenue collection systems thus achieving greater collection rates.

5. Prepare and propose improved intergovernmental mechanisms

Development of a system of transfers aimed at increasing the volume and share of the unconditional grants and, at the same time, introducing safeguards against provision of unjustifiably expensive services. Development of stable equalizing mechanisms. Consolidation of the various sources for capital transfers scattered among the different ministries.

The Ministries of Finance will concentrate the efforts in the following areas:

1. Tax policy

In defining the national tax policy, will gradually expand the scope and share of the local taxes and fees mainly at the expense of currently central revenues and by not increasing the tax burden. According to the national specifics should encourage greater local government authority on tax collection, rate setting, tax base periodic assessment. Constant monitoring and forecast of affordable overall fiscal price (taxes, fees, charges etc.) while deciding on policy choices, with special focus on future economic, environmental and social requirements of the EU.

2. Regulatory framework of the transfers

A common weakness of the transfers systems is the lack of predictability from one year to another which, at local level, leads to increased uncertainty over the provision of recurrent services and especially to inability to plan multi-annual investments. The framework should be stable and predictable for at least a 3-year time horizon. Both the state and the local governments will benefit of having clear mid-term rules for the types of the transfers, volume determination and allocation on the basis of objective criteria.

3. Unfunded mandates

Proposed tax policy changes should be discussed with local self-government units through their associations. Will require from the state agencies financial justification and adequate compensation while proposing to transfer additional service responsibilities to local units.

4. Support for inter-municipal cooperation

Will develop and implement appropriate financial mechanisms to support inter-municipal investments in public infrastructure - especially in services, covering the needs of several local governments, such as water and sewer and waste disposal (both traditionally organized on regional basis).

Financial and other institutions will share and promote:

1. Key findings

Spreading the knowledge in sensitive areas such as financial risks management will positively affect the behavior of local governments in new areas like bond issuing and financial engineering.

2. Methodologies for long-term investment planning

In many countries the regulatory and budget frameworks have constrained the long-term investment prospective at local level. The crisis put an additional burden by increasing the level of uncertainty. At the same time the successful planning and implementation of investment projects require the use of specific knowledge and techniques, without which the investment community neglects the municipalities as credible partners. Intensive efforts are needed in building local capacity in forecasting cash flows, calculating net operating surplus, prudent assessment of the creditworthiness, prioritizing the investment needs etc.

3. Impact assessment techniques

This is a typical «grey» area in local capacity which can be overcome by training in using methodologies for assessing the full/future costs of a specific investment after completion - debt service, future operating costs, transferring the costs into the user fees/charges, scheduling the general repairs, and alike.

4. Creative and innovative investments tools

The best of the worldwide knowledge should be locally adapted in order to promote local investment in a sustainable and accountable way.

Budva, 2 November 2012

Changed Context and Trends in Fiscal Decentralization in SEE



Dear Ambassadors, dear Ministers, dear colleagues, dear guests, ladies and gentlemen,

As a President of The Network of Associations of Local Government Authorities of South-East Europe (NALAS), I wish you a warm welcome and hope for an open and fruitful discussions at this important conference where we will develop a better understanding and view of the future of decentralization in SEE.

I am certain that there is no doubt among us, present in this room, that local government has a key role in exercising participative democracy. Being closest to the citizens, local governments represent citizens' interests, provide them with the services they need and take care for their wellbeing and the wellbeing of many generations to come.

Therefore today I'd like to firstly thank all levels of governments in South Eastern Europe for the ef-

forts made in strengthening local government in the past decade. All countries in South East Europe undertook profound structural reforms and transferred numerous competencies to the local level, following and respecting the principle of subsidiarity. Throughout the region, municipal governments are responsible for maintaining and improving local public infrastructure, including local streets, roads, bridges, and parks. The vast majority of countries in the region finance and manage water supply and sewage treatment, garbage collection and disposal, public lighting, local public transport, and district heating. Moreover, in 10 (ten) countries local governments are in charge of preschool and primary school education.

Yet, the NALAS analysis revealed that the decentralization in South-East Europe is still a work in progress: in no country in the region do local government revenues or expenditures reach the average for the EU, either as a percentage of GDP or of total public revenues. We have a lot of work ahead of us to fulfill our mission.

Imagine what is possible when all conditions are right: that the local governments have the legal responsibility to organize services (achieved) but also the funds and capacities to build new local roads, to create healthy urban environment, protect the green urban spaces, build new schools, introduce energy efficient muni-

cipal operations. It means raising the quality of life of all our citizens.

Raising the quality of life of citizens means we need more investments, and more investments at the local level.

Yet, NALAS analysis present the fact that local government investment spending in a number of countries in the region is well below the average of the EU, and still further below the average of the eight formerly communist countries that joined the EU in 2004. This is particularly concerning if we know the neglected and underdeveloped state of the environmental and network infrastructure that local governments have inherited.

Therefore several questions arise at this point: What is the best strategy for the countries in South-East Europe to face the financial challenges and to reinforce investments in local communities? What are the open issues related to this process throughout the Region? Where and how should countries direct the future actions? Is the fiscal decentralization the question, or in fact – it is the answer?

We are all well aware of our current and old systems. But is it only the old system that we have on hand? Maybe in the new world we need new partners and inclusion of all available forms of financing service delivery: public private partnerships, international finance funds, national financing, local

innovation in finance, increasing the locally generated municipal incomes or local borrowing? These forms can all be utilized, but only if local governments establish trustful relations with all partners: citizens, national governments, private investors, international financiers, etc.

As a President of NALAS, I deeply believe that in these times of crisis cooperation and consolidation of all levels and partners is crucial. We jointly need to work towards local governments that are innovative, trustworthy and capable to carry out innovations, improvements and learning. In that light - I see the fiscal decentralization as the answer and the method to go for more local actions and to realize the joint mission.

That is why fiscal decentralization (FD) has been in NALAS' focus since its creation, as a natural response to the members local sectors' needs. NALAS Task Force on Fiscal Decentralization constantly promotes the principles of the fiscal decentralization and has already produced valuable products in the areas of Budget Negotiations, Cost Estimation of Municipal Services, Improvement of Local Property Tax Administration and Local Borrowing. NALAS has also raised numerous political calls for fiscal decentralization and autonomy: Tirana Declaration in 2008, a year later the Dubrovnik Declaration focusing on the immediate impact of the crisis and earlier this year the Pristine Declaration adopted by the General Assembly of NALAS.

Following the best international practices, NALAS commissioned a



comparative analysis: Fiscal Decentralization Indicators in South East Europe 2006 – 2011. At this Conference, you have the chance to be the first to get the latest, second edition of the report.

While assessing the trends in the fiscal decentralization it is important to take into account the following general guiding aspects:

1. Implementation of the national fiscal decentralization reform agenda
2. Level of the intergovernmental dialog
3. Financial indicators

1. Regarding the first point, NALAS analyses conclude that there is no continued progress in fiscal decentralization throughout the whole region during the last 2-3 years. In Moldova and Romania there is even a trend towards recentralization.

Part of the explanation for this loss of momentum may be structural, coming from the low population density of local governments in most of South-East Europe which makes delivering public services

to dispersed settlements difficult and costly. On the other hand, the disproportionate concentration of people, wealth, and power in the region's capital cities has impeded the development of effective equalization systems. It has also made it harder to assign local governments robust sources of own revenues.

One more important trend is visible - the fiscal discipline has improved in the three EU member states, Slovenia, Romania and Bulgaria, because of the austerity measures implemented through the Fiscal Stability Pact.

2. Regarding the level of intergovernmental dialogue: in most of the countries there ARE formal agreements with the central government regarding further development of fiscal decentralization. Almost everywhere the dialog with the ministries of finance is good but with modest results. As a general rule the Ministry of Finance is acquainted with the municipal financial problems but does not consider them a priority and the responses should be more proactive, before the problems' implications become severe.



3. Speaking of the indicators - the latest edition of the NALAS report Fiscal Decentralization Indicators for South-East Europe outline some more key trends for the period 2006-2011:

- Considering the share of local government revenues of GDP, local government revenues have risen significantly in the Republic of Srpska of the B&H, Macedonia, and Kosovo which is due mainly to conditional grants increases.

Yet, the local governments in Croatia, FBiH, Serbia, Bulgaria, Montenegro and Moldova have all weakened over the period due to the combined effect of a) sharp decrease of revenues associated with the real-estate market i.e. property transfer taxes and building permits fees, and b) cutting the transfers from the central government.

- When it comes to the financial independence of local governments, if we consider that it is best measured by the ratio between own source revenues and the total revenues, the conclusion is that all local governments in the region are heavily (more than half) dependant on transfers.

The most positive example is Montenegro where municipal own revenues make 70% of the total municipal revenues (double the average for EU countries). In addition to that local governments in Montenegro receive no conditional grants from the central government.

But in Bulgaria, Kosovo, Macedonia, Moldova and Romania the financial autonomy of local governments is further limited because they receive more than 50% of their revenues as conditional grants.

It's important to acknowledge that local governments in Montenegro and Croatia have the right to im-

pose a local surcharge on the Personal Income Tax (PIT).

- In most of SEE, local government borrowing is still a very new phenomenon. Some local governments have been affected by liquidity stress and face higher costs of funding. Others have seen their access to the market restricted by central government policy; for example in Albania, where the public debt is limited 60% of GDP, the central government administratively prohibits municipal borrowing; the central government in Bulgaria restricted legally the municipal annual debt service limit by 60% in 2011.

The outstanding per capita debt of local governments in the EU is close to five times greater than that of Slovenia, the country with the highest level of outstanding debt in the group. Meanwhile, at the other end of the spectrum, local government borrowing in Moldova, Albania, and Macedonia is clearly in its infancy while elsewhere in the region it remains underdeveloped.

- As municipal investments are concerned, there is a noticeable decline after 2009 due to the economic crisis. In the same time, current





local infrastructure needs are huge, and become even bigger with the EU requirements. Local governments are facing low budget financial possibilities for funding capital public investment and underdeveloped capital market.

The municipal investments mark a steady decline in most of the SEE countries with the following exceptions and particularities:

- There is a moderate growth of up to 15% in the Republic of Srpska. The same trend is seen in Moldova, but the sources of the growth are either from international or national central government funds - practically no investments at all come from municipal own sources.
- Slovenia, Romania and Bulgaria have access to the EU Cohesion, Structural and Agricultural funds which are used mostly for infrastructure. For a vast number of local governments, having weak own revenue base, these funds are the only source for investments.
- In Turkey, where the impact of the crisis is mild compared with the other SEE countries, municipal investments grow despite that on a per capita basis their level is three

times lower than the average for the EU27.

Despite these trends that reveal the challenges and the fiscal pressure to both central and local governments throughout the Region, my deep belief is that we need to jointly focus on several key policy issues which are also proposed in the joint Declaration that we propose for this Conference and they include:

1. Improving the results of the dialog between the Ministries of finance and the national associations
2. Expanding the municipal investment capacity in order to overcome the continuing underfunding of the municipal infrastructure
3. Facilitating the access of the local government to the EU Pre-accession and Structural/Agricultural funds
4. Facilitating the access to the credit market
5. Stabilizing the local revenue base
6. Developing long-term partnerships, and
7. Increasing the efficiency of the municipal services

As I mentioned earlier, there are long-term national programs or strategies for fiscal decentralization in most of the SEE countries. It is very important to monitor objectively the implementation of these programs via joint teams of experts from the associations and the Ministries of Finance.

Our common message is that one can always justify reasons for postponing or not implementing important FD measures - the economic crisis or other national priorities. Our objective is to find ways to diminish the negative impact of these reasons. Delays in implementing FD measures could naturally happen but freezing the process or worse, recentralization of authority and resources, is not acceptable. We strongly believe that today, at this conference, together with our partners from the central governments and the financial institutions, we will design at least a portion of the possible good solutions.

Maybe the best way to act jointly, the national and local governments, on the above issues, is to support and implement the «Europe in 3D» approach, adopted in September at the General Assembly of the Council of European Municipalities and Regions. «Europe in 3D» means the emergence of a Europe that believes that collaboration among political, economic and social actors is the key to recovery. Decentralization, Democracy and Development are the three dimensions on which a renewed and strengthened common voice must be expressed.

Thank you for your attention!

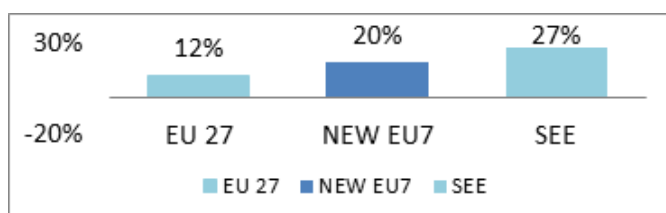
Local Government Investments*

*Extracts from the NALAS report "Fiscal Decentralisation Indicators for South Eastern Europe 2006-2011"



NALAS report "Fiscal Decentralisation Indicators for South-East Europe 2006-2011" finds out that local governments in South-East Europe are working harder than their counterparts in most of the EU to build new infrastructure because they

are spending higher proportions of their income on investment, despite receiving significantly lower shares of public revenue.



Graph 1: Investments as a % of the local government expenditures

This is remarkable and suggests that local governments in South-East Europe are playing an extraordinary game of catching-up and are spending as much as they can on investments to modernize the run-down or non-existent infrastructure they inherited from the past.

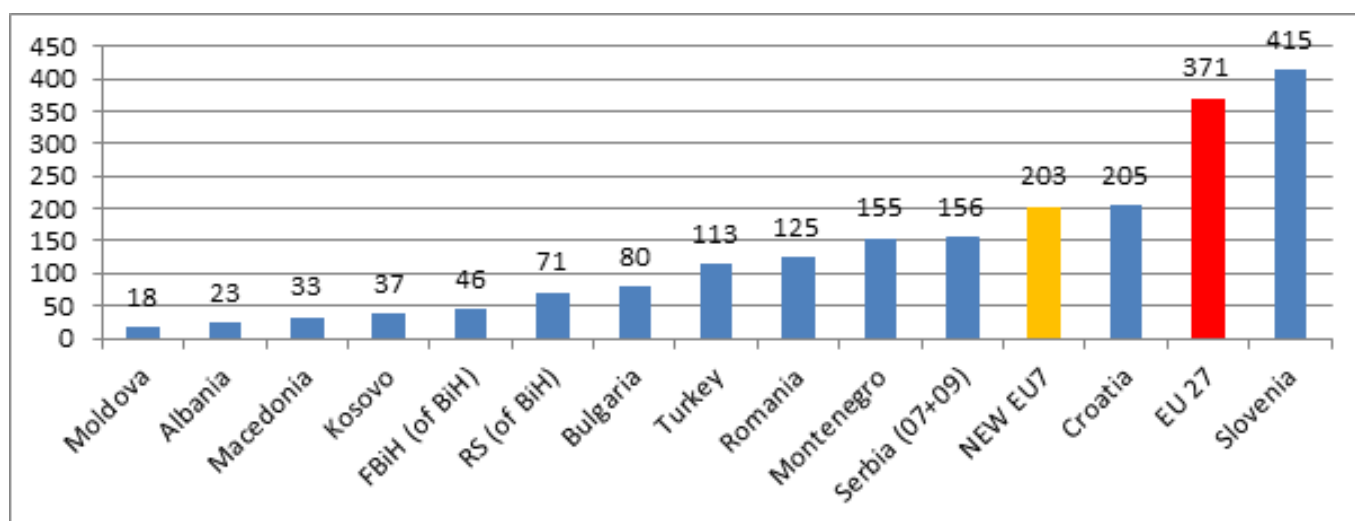
Yet, while investment rates in the region are generally high, what we don't know is how much these rates are being driven-up by a few wealthier jurisdictions and by the (likely) imbalances in the region's intergovernmental finance systems.

Also, the high share of total municipal spending on investment does not necessarily translate into a high share of municipal investment as a share of GDP or in high levels of per capita spending measured in euro (as seen in the Chart No. 2 below).

Indeed, local government investment as a share of GDP has exceed not only average for the EU27 but of the EU7 in Montenegro, RS (of BiH), Slovenia, Romania and Kosovo . Moreover, local government investment per capita in Slovenia has been higher than the average for the EU for the last six years, while Croatia has achieved per capita spending levels equal to those of the EU7.

These are impressive achievements which hopefully will be sustained over the next decade. At the same time, it is necessary to recognize that the situation elsewhere in the region is not so happy. Local government investment spending as a percentage of GDP is extremely low in Albania and Macedonia where it is well below the average for the EU. This should be of profound concern to policy makers in these countries. Similarly, while the picture is better in FBiH, Bulgaria, Turkey and Moldova, local government investment as a share of GDP remains lower than the average for the EU7 and thus below what one might reasonably hope to see given the catch-up game that local governments in South-East Europe must play.

(...to be continued in the next issue of NALAS Newsletter)



Graph 2: Local Government Investments Per Capita in Euro (average 2006-2011)

Three NALAS members implement actions to address climate change

As a practical step for implementation of some of the measures foreseen in the pilot LGA's Action Plans on Climate Change, developed with NALAS support, during November 2012 the Local Government Associations (LGAs) from Macedonia, Kosovo and Moldova (ZELS, AKM and CALM) started implementation of three projects supported within the "Think Globally, Develop Locally" (TGDL) initiative. The projects were selected, designed and will be implemented by the three pilot LGAs under the guidelines and monitoring of the TGDL Project Specialist and Project Manager.

ZELS project focuses on strengthening its institutional capacity to provide transfer of know-how to Macedonian municipalities that increasingly strive to promote sustainable development. ZELS will elaborate a comprehensive feasibility study analyzing different aspects (regulatory, financial, technical, institutional, market analysis, etc.) for establishing a "super ESCO" (Energy Service Company) jointly owned by ZELS and the municipalities. ZELS also plans to reduce its own CO2 emissions – leading by example – by upgrading the existing energy solar collector in ZELS house as well as promoting clean energy usage and sharing knowledge and practical experience on solar energy use.

AKM project intends to increase Association's capacity in providing support to local governments to tackle and address climate change mitigation and adaptation. This will particularly focus on developing municipal programs on energy management, awareness raising campaigns and developing pilot Sustainable Energy Action Plans (SEAPs) as a precondition to signing the Covenant of Mayors. Direct beneficiaries of the project are the Association of Kosovo Municipalities and local governments.

CALM project's main objective is to build capacity of CALM and local governments in energy conservation and reducing emissions of greenhouse gases. Based on analysis conducted while developing CALM's Action Plan, the organization prioritized to improve its communication, lobbying and advocacy for energy efficiency and climate change initiatives, but also to provide more and better quality information to member local governments and raise local governments' awareness on the benefits of energy efficiency and the need to adapt to climate change. An energy service package for CALM members is to be developed and tested.



The financial support provided for project implementation in 2012 was 45.000\$ (15.000\$ per LGA). However, the future implementation and completion of the projects as per the project documents during 2013 is subject to securing enough budget for TGDL initiative and allocated resources for the projects.

In addition, a new regional project "Transfer of the Czech Knowledge in Support to Local Government Associations of Macedonia, Moldova and Kosovo to strengthen capacities for policy advocacy for improving / establishing fiscal incentives for energy efficiency measures in public schools" was also launched with financial support provided by the Czech Trust Fund. The project will be implemented by a consortium led by MEPCO company from Prague and the Union of Towns and Municipalities of the Czech Republic in cooperation with NALAS Task Forces on Fiscal Decentralization and Energy Efficiency. The main objective of the project is to provide evidence and recommendations for introducing effective financial incentives to support implementation of energy efficiency measures in public schools in Macedonia, Moldova and Kosovo, while the most tangible deliverable of the project is development of a Policy Study with evidence based recommendations for establishing fiscal incentives to implement energy efficiency measures at public schools. Also capacity building activities for project beneficiaries through a study tour in Czech Republic will be organized in the course of 2013.

For more information about TGDL activities please visit www.nalas.eu or www.akvo.org/rsr/project/548/.

NALAS Presented its Work at the 25th General Assembly of CEMR



From 26-28 September 2012, NALAS delegation took part in the 25th General Assembly of the Council of European Municipalities and Regions, CEMR, hosted by the City of Cadiz, Andalusia, Spain.

During the event, entitled «Innovating in 3D: Decentralization-Democracy-Development», over 700 General Assembly delegates from all around Europe and beyond discussed and debated on issues of relevance for the local government, such as: the state of decentralization in the world, exit strategies from crisis, improving public services, sustainable development, innovation for growth and much more. The General Assembly was opened by the Royal Highness the Prince of Asturias.

«Decentralization is a political process. It is a means but not an end. The end is to ensure a better quality of life for our citizens», «The new elements of the Structural Funds will include: Integrated Territorial Investments, Community-Based Local Development and Urban Innovative Actions», «Our current forms of governance are not suited to cope with changes such as climate change», «The City of Stuttgart in Germany invested 8 million EUR in energy efficiency in public buildings and in five years it saved 12 million EUR»; «Crisis also bring opportunities, and innovation is one opportunity more», «Thinking about innovations, local governments should make sure they have the 4C: competitive advantage, choices to make, critical mass and collaboration»-these were some of the statements made by panelists and delegates during the General Assembly of European Municipalities and Regions.

NALAS President, Dr. Ozgen Keskin gave a speech about the second NEXPO International Municipal Fair,

that will be held in the Cities of Rijeka and Opatija, the Republic of Croatia, 25-27 September 2013. «For my distinguished Mayor colleagues, NEXPO is a great opportunity to: present their Municipality, meet new people, learn new things, exchange experiences and best practices», said Dr. Keskin. «Also, NEXPO might bring future benefits for your Municipality. You will be able to: present your Municipality potentials, competitive advantages, investment projects, meet potential investors, establish partnerships and get in touch with potential donors. Additionally, NEXPO opens its doors for the potential investors: businesses, banks, vendors of municipal services».



NALAS had its stand during the General Assembly of European Municipalities and Regions, where it presented NEXPO 2013 and NALAS work in general.

During its stay in Cadiz, NALAS delegation met a delegation of Ukraine Associations of Local Government, supported by the Council of Europe, who already expressed interest to d NALAS associate members and attend NEXPO 2013. NALAS President stated that NALAS is determined to share experiences with other developing regions outside the borders of South-East Europe.

Also, NALAS met the Mayor of Athens, Dr. Yiorgos Kaminis and reconfirmed NALAS interest to reactivate the membership of the Greek Association of Local Authorities, which was also one of founding members of NALAS. Dr. Kaminis learned more about NALAS and committed to follow-up on this issue. «In the times of crisis, that Greece faces today, instead of closing inside, we

should open to the world, now, more than ever», said Dr. Kaminis.

On 25 September, NALAS held its Board meeting. NALAS Liaison Officers discussed and made decisions on issues important for the future work and sustainability of the Network, such as: NALAS strategy 2013-2017, new membership fees, expanding NALAS membership,

NEXPO 2013, upcoming Conference on Fiscal Decentralization and more. It is certain that NALAS has become a strong and influential network, that makes visible changes in the Region. The new strategy and the increased financial independence will provide for this impact to continue growing in future, for the benefit of the citizens of the region of South-East Europe and beyond.

NALAS summarizes achievements and sets its path for the next five years

NALAS is about to complete the implementation of its Strategic Plan 2007 – 2012. This plan provided a clear frame for NALAS activities which resulted in establishing a sophisticated Knowledge Centre, today being regarded as the main regional knowledge hub for local government affairs in South East Europe, offering wide range of services for its members and their constituencies, the local governments in SEE.

The 5 NALAS Task Forces worked hard to address priority topics of fiscal decentralisation, urban planning, solid waste and water management, energy efficiency and sustainable tourism. Task Forces gathered over 100 most distinguished practitioners / experts on the respective field from all NALAS member associations and their local governments. The Task Forces became the “mini professional networks” where the issues were identified, prioritised and addressed. A number of projects were born to address specific issues of relevance. Over 15 publications produced in this period capture the state of the art of problems and solutions, of good practices and lessons learned.

During the past 5 years, NALAS made substantial progress in international positioning as a relevant player in the sector and in internal institutional consolidation including a realistic long term financial sustainability plan.



Wednesday 12 Dec 2012				11:11:06
CDR	JDE63	09:00-13:00	GUARANTEEING ACCESS TO HEALTH CARE FOR UNDOCUMENTED MIGRANTS IN EUROPE: WHAT ROLE CAN LOCAL AND REGIONAL AUTHORITIES PLAY?	
CDR	JDE53	09:00-17:30	STUDY TOUR ON THE CONSERVATION OF CULTURAL HERITAGE (IN COOPERATION WITH NALAS)	
CESE	JDE62	09:30-13:00	485ÈME SESSION PLÉNIÈRE: RÉUNION PRÉPARATOIRE DU GROUPE II	
CDR	JDE70	10:00-12:30	MEETING ON REGPEX, THE REGIONAL PARLIAMENTARY EXCHANGE OF THE COR SUBSIDIARITY MONITORING NETWORK	
CESE	JDE51	10:00-13:00	RÉUNION DU GROUPE DES EMPLOYEURS - PRÉPARATION SP	

During the past year, through a wide consultative process, different teams of NALAS members worked together to define the future work of the Network in the next five years. The new strategic frame 2013 – 2017 builds on the current achievements and makes a huge step forward in improving access to knowledge through E-learning, scaling up and other mechanisms. The new strategy has also sharpened the focus on European affairs, promotion of European values and strengthening the participation of local governments in EU integration process. The strategy also calls for further financial and institutional consolidation of the Network.

NALAS Strategic Objectives 2007-2012

1. NALAS Knowledge Centre is the main knowledge platform in South-East Europe for and actively used by local governments
2. Improved and expanded NALAS services strengthen Local Government Associations and their member local governments in the decentralization process
3. Interests of SEE Local Governments visible and taken into account by European institutions

NALAS Task Forces: Key achievements in 2012

NALAS Task Forces are the key element in the knowledge generation process within the NALAS Knowledge System. Bringing together local government experts from SEE, appointed by the NALAS member associations, all Task Forces worked hard throughout 2012 to address priority topics of fiscal decentralisation, urban planning, solid waste and water management, energy efficiency and sustainable tourism.

Task Force on Fiscal Decentralization

- Monitoring the fiscal decentralisation – two editions of the report “Fiscal Decentralisation Indicators for South East Europe”
- Roundtable “Fiscal Decentralisation in South East Europe”, Prishtina, March 2012
- Prishtina Declaration on Renewing Commitment to Fiscal Decentralization in South East Europe
- International Conference “The Future of the Fiscal Decentralisation in South Eastern Europe”, Budva, November 2012
- Budva Declaration on the Future of the Fiscal Decentralization in South Eastern Europe
- 10 Policy Papers on the Current Situation and Challenges in the Financing of Local Governments
- Meeting of the Task Force on Fiscal Decentralization and the network of NALAS Knowledge Management Assistants, Zagreb, June 2012
- Cooperation with the World Bank Institute’s (WBI) Urban Partnership Programme, on Municipal Finance Review and City to City Dialogues on Municipal Finances



Task Force on Urban Planning

- WBI E-learning Course on Sustainable Land Use Planning
- Workshop on Modernizing Legal and Regulatory Framework in SEE and Task Force on Urban Planning meeting, Tirana, June 2012
- Start of the implementation of the ATTRACT-SEE Project on better coordination of territorial cohesion and growth policies as well as their implementation and evaluation
- WBI City to City Dialogue: Municipal Finances and Urban Planning/ Land Management Guided Urban Land Development: Reconciling Public and Private Interests, Budva, November 2012

Task Force on Waste and Water Management

- Development of a draft Cost and Finance Model for Solid Waste Management in SEE
- Testing of the Model in 4 municipalities (Duboko SCTM; Herceg Novi, UoM, Zavidovici, SOGFBiH, and Soldanesti, CALM)



- The first NALAS own e-learning module is under development and when completed will include the knowledge collected and generated by the three projects of the Task Force on Solid Waste Management: Solid Waste Information System, Sanitary Landfill Management and Cost and Finance Model for Solid Waste Management.

- Task Force Meeting on Solid Waste Management, Skopje, July 2012. Members of ZELS Network on Environment participated and were actively involved in the discussions.

Task Force in Energy Efficiency

- Assessment of training needs of local governments in energy efficiency
- Task Force Meeting in the Joint Vienna Institute, February 2012
- WBICC Regional Workshop on Energy Efficiency Planning for Buildings, Vienna, February 2012

- WBICC Regional Workshop on Financing and Implementation Options for Energy Efficiency Programs in Buildings, Vienna, November 2012

- NALAS contribution to the Regional Energy Strategy

- Informal meeting on Covenant of Mayors Office for SEE Initiative, Sarajevo, May 2012

- Advocating for Covenant of Mayors Office for SEE

- Task Force Meeting in Tirana, October 2012

- Workshop on Municipal District Heating Options, Obrenovac, November 2012

- Regional initiative "Think Globally, Develop Locally"

Task Force in Sustainable Tourism

- Meeting of the Task Force on Sustainable Tourism, Brussels, June 2012

- Developed 18 months action plan for the Task Force on Sustainable Tourism

- EC DG Enlargement, Local Administration Facility: Study Tour on Tourism and Involvement of Local Authorities, Brussels, June 2012

- Conference "Destination Management and Branding in the Mediterranean Region: Sustainable Tourism in Times of Crisis"



For the second time, NALAS International Municipal Fair will bring together local governments from the South-East Europe and beyond

From 25-27 September 2013, on the Croatian coast, in the Cities of Rijeka and Opatija, NALAS will organize the second NEXPO International Municipal Fair.

rences and Workshops.

NEXPO 2013 is expected to bring over 3000 visitors from local governments, associations of local governments, development agencies,



NEXPO 2011, held in Sarajevo, Bosnia and Herzegovina, brought together 2000 visitors, 200 Mayors, 100 exhibitors and hosted 9 Confe-

civil society and businesses from South East Europe and beyond. Also, it will provide opportunities for local governments to meet re-



presentatives of the business sector and attract potential investors for their projects (matchmaking).

During Day 1, NEXPO 2013 will feature the Conference: Paving the Road towards EU Integration, while Day 2 and 3 will include fair exhibitions, workshops, side events and matchmaking in the areas of Energy Efficiency and Renewable Energies.

NEXPO workshops will include:

- Energy Cities
- Cross-border cooperation programs
- Climate change action planning and implementation
- Public-Private Partnerships
- Public Procurement
- Lobbying in Brussels

NEXPO 2013 matchmaking component will focus on

Energy Efficiency and Renewable Energy, including:

- Energy auditing of public buildings
- Public lighting
- Energy efficient construction
- Insulation
- Eco-friendly municipal and regional transport
- Public energy and awareness campaigns
- Renewables:
 - Solar energy
 - Geothermal
 - Hydropower
 - Biomass
 - Wind



Number of local government delegations and donors from the whole SEE region and beyond already expressed interest to participate at NEXPO 2013, share their experiences and enrich their knowledge and contacts.

NEXPO 2013 will be organized in the Zamet Centre, an impressive, modern facility inaugurated in September 2009, that won series of architecture and interior design awards.



NEXPO 2013 will be hosted by the Association of Cities of the Republic of Croatia (www.udruga-gradova.hr) in partnership with: the Association of Municipalities of the Republic Croatia (www.udruga-opcina.hr), City of Rijeka (www.rijeka.hr), and City of Opatija (www.opatija.hr).

The cost for renting a booth at NEXPO 2013 remains the same, 900 EUR for a 9m2 booth. The standard booth package will contain: 2-3 wall-panels, carpet, storage space,

4 chairs, info desk, one table, 2 reflectors, 220V plug, bin and a board with name and color logo of the exhibitor. A palette of additional booth equipment will be available for rent to all exhibitors.

We encourage you to plan your Municipality's presence at NEXPO 2013 and bring your Municipality in the center of local governments happenings in 2013!

For more information, please check: <http://nexpo.nalas.eu/>



CALM Women's Network – The Voice of Women in Local Governance

Out of 898 mayors in the Republic Moldova, 164 are women. That said, 18,26% of the mayors in Moldova are women. Acknowledging the importance of applying human rights based approach and gender equality principles in decentralization reform and local government, CALM undertakes a variety of capacity building activities for the local public administration on community empowerment, gender mainstreaming and women's empowerment. Thus, gender responsive and people-centered local development, improved local services, consideration of interests and needs of women and men of all groups at the community level has become the common vision of all CALM stakeholders.

Aiming to increase women's role in local governance and strengthen their capacities, to encourage active participation of women in local decision making, as well as to improve women's status at the local level the women-members of CALM decided to set up the CALM Women's Network.

The CALM Women's Network was created in December 2011, at the Conference "Strengthening women's participation and leadership in local government" with the participation of about 150 women representatives from different municipalities, who work in local government as elected and/or local officials, including women mayors and deputy mayors, heads and deputy heads of districts.

Women's Network is an informal group, autonomous and non-political, working within CALM and convening its meetings according to a regulation approved by the CALM Board of Administration. The Network's goal is to increase women's participation in decision-making process in local government and within the Congress of Local Authorities of Moldova, increase women's visibility in promoting human rights based approach and gender mainstreaming. The Network commits itself to strengthen and develop the skills of women involved in local government as decision-makers. The networks aims to build the skills and abilities of women involved in the local government in order to help all categories



of women increase their level of self-confidence and foster their personal development so as to enhance their participation in the decision-making process at the local level, as well as to step up the visibility of policies promoted by women through the light of human rights and gender equality.

CALM Women's Network is open for members coming from women elected local officials, women – leaders and local government officials whose communities are members of CALM. Network's President is elected for a term of four years, in accordance with regulation approved by the CALM Board of Administration at the Annual Reporting Conference.

On 10 December 2012 CALM Women's Network celebrated its first year of activity. Officially, the Network is a baby-girl, but the results and achievements speak for themselves. The Brochure "Women - mayors: successful examples to be followed" was edited and printed for dissemination of good practices of women in local go-

vernment. Study and exchange of experience visits to Latvia and Romania were organized, as well 6 within Moldova. Also numerous roundtables, conferences, and seminars were held. Established were partnerships between women of CALM and between the communities they lead. The advocacy campaign of CALM Women's Network: "To be heard, to be promoted!" was developed with the Action Plan for 2013 and 2014 aiming to enhance the level of promoting women to management posts by combating stereotypes and by building capacities to develop women leadership.

Conceived as an excellent networking opportunity for women in local governments, during 2013 and beyond, CALM Women's Network will continue advocating for the human rights based approach and gender mainstreaming in decentralization and local governance, providing a forum for exchanging ideas, knowledge and experience, and offering its members tools and methods necessary for a quality management.

A Dialogue Day in Bulgaria fosters a constructive dialogue between parliamentarians and local authorities

On 21 September and 1 October 2012, a Dialogue Day between local authorities and representatives of the legislative power was organized in 28 regional centres throughout Bulgaria. Under the topic "Improvement of the environment for municipal development in 2013", the Dialogue Day brought together over 500 representatives of local governments, 108 members of the National Assembly and almost 200 representatives of the civil society and mass media.

This Dialogue Day provided a great opportunity for the newly elected local government officials to meet the members of the 41st National Assembly, whose mandate expires next year. District governors or their deputies attended most of the events.

While numbers speak alone for the success of the Dialogue Day, the most important result is the consensus achieved on the directions of the upcoming legislative



amendments for the next year to ensure a more favourable environment for the development of the local self-government in the country in order to provide better services for citizens.



The discussions focused on:

- The financial and economic crisis also hit municipalities and they face serious challenges in providing their services to citizens. To overcome this situation, support is needed from the legislative branch and the Ministry of Finance.
- The reform in the water sector will strongly affect local governments and citizens. Municipalities used the Dialogue Day to present to the Members of the Parliament their concerns and ideas for improving this important public service.

The Dialogue Day was implemented throughout the country with the same agenda. The topic "Improvement of the environment for municipal development in 2013" provoked active debate. Good understanding of the financial problems of municipalities and their expectations from the 2013 budget was achieved. During the discussions, many issues of regional importance were raised, new ideas were generated and suggestions were proposed.

All participants evaluated the Dialogue Day very positively. For the members of the National Assembly, such meetings with local councillors and mayors, are very useful to get a real picture about the situation on the

ground. They suggested such meetings to be organized more frequently, with extending the invitation to representatives of the executive branch.

About the Dialogue Day:

NAMRB organizes the Dialogue Day since 1998. By tradition, the Dialogue Day is held in all district centres during the last Monday of September. Forums all over the country are being organised with the same agenda, coordinated by NAMRB. Topics focus on issues of critical importance for the local government, as well as expected legislative amendments for the upcoming year.

The main topics since 1998 reflected the priorities and the development of local self-government over the years. The main and most important result from all forums carried out is the set tradition for open and honest discussion that allows better understanding of the positions of both sides. Lawmakers get a clear idea of the municipal problems and expectations seen through the specifics of the region, while municipalities get acquainted with national priorities and tasks of the Parliament. The results of the discussions are summarized and adopted by the NAMRB Board of Directors and they form the basis of the Activity program of the Association for the coming year.

Awards for the best municipal practices in Montenegro



At an awarding ceremony, held on 21 December 2012, in Podgorica, the Association of Municipalities of Montenegro recognized the best municipal practices in Montenegro and awarded the following municipalities:

1. Best Practice in the thematic sector "Cultural heritage as an incentive for development of tourism and local community" has been granted to the practice of the Municipality of KOLAŠIN for „Traditional dance and songs as part of cultural artistic offer in tourism“.
2. Best Practice in the thematic sector "Rural development as an incentive for local community's development" has been granted to the practice of the Municipality of BIJELO POLJE for „Good countryside – better city“.
3. Best Practices in the thematic sector "Public-private partnership" has been granted to the practices of the Capital City of PODGORICA for „Green market and Shopping Moll in Block V in Podgorica" and of the Municipality of MOJKOVAC for "PPP – Arrangement of City Square“.
4. Best Practices in the thematic sector "Collection of local public revenues" has been granted to the practices of the Municipality of BAR for „Collection of local public revenues – property tax – arranging of the tax base through the project of fiscal cadastre and unification of tax inspection" and of the Municipality of KOTOR for "Collection of the property tax“.

The Best Practice Program has been implemented for

five years consequently. The problems faced by local self-governments in Montenegro are large, and their resolution and successful decentralization is a long process. Therefore, the Union of Municipalities in cooperation with the OSCE Mission and the Ministry of the Interior through its activities and collection of examples of good practices in local self-government wants to encourage its members to a permanent exchange of experiences. We want to contribute to a more efficient work of local administrations, by providing an opportunity to learn from each other, and thus take over solutions to which a certain community has come, and which are proved to be successful.

The program motivates. It is an opportunity for municipalities and their citizens to show they work in an innovative way. It enables local employees in local self-government to, striving for the best, constantly contribute to raising the quality of local self-government performance and thus become ambassadors of their municipalities.

By working together, we will have in one place a number of examples of best practices of local authorities, which encourage, and motivate, and contribute to the overall modernization of local self-government in Montenegro.

«Life quality of our citizens is mostly determined by services provided by their local authorities. Local governments have responsibility to provide public services to their citizens at best possible and most efficient way. By recognizing and promoting best practices at local level, the Program Best Practices in a Local Government contributes directly to this process, so this Program for the last five years became an integral part of evolution process of local self-government system», stated Mr. Aleksandar Bogdanovic, Mayor of the Royal Capital of Cetinje and President of the Union's Assembly at the Awarding Ceremony.

13 best practices from 13 municipalities were nominated for this year's award.

The Award Selection Panel included: Mr. Igor Golubović (Ministry of Agriculture and Rural Development), Mrs. Snežana Mugoša, MA (Ministry of Finance), Mr. Radomir Ivanović (Ministry of the Interior), Mr. Branko Banović, PhD (ethnologist – anthropologist) and Mrs. Vanja Starovlah (Union of Municipalities of Montenegro).

NALAS contributes to Mayors and City Leaders Dialogue



From 23-25 January 2013, in Vienna, NALAS delegation took part in the Mayors and City Leaders Dialogue «Towards Greater Transparency and Accountability», organized as part of the WB-Austria Urban Partnership Program.

The conference focused on leadership challenges in urban management in SEE, looking through the lens of the role of city leaders in urban governance. The Mayors and City Leaders Dialogue brought together over 100 senior officials from cities in SEE to reflect on the progress in reforms of municipal finance and urban planning, with a particular focus on practices of good governance and the key role of city leaders. Conference topics included: open government, urban planning and municipal finance; transparency tools; combining urban development and investment in a city strategy-the role of a city leader; improving local government finances, the experience of the Municipal Finance Review and Municipal Finances Self-Assessment, municipal finance and urban investment, city transformation through strategic leadership; building the livable city of tomorrow; guiding urban development: reconciling public and private interests.

NALAS President, Dr. Ozgen Keskin, delivered a presentation on Urban Transformation of Yildirim Municipality in Bursa, Turkey, while Mr. Kelmend Zajazi, NALAS Executive Director, took part in the roundtable discussion on Municipal Finance and Urban Investment. Other speakers included: mayors from the SEE region, such as Mr. Vojko Obersnel, the Mayor of the City of Rijeka and the President of the Croatian Association of Cities, who host NEXPO 2013, Mayors of Budva, Novo Sarajevo, Crikvenica, Tuzla, Pristina, Lezha, and many more, but also former

Mayors and Deputy Mayors, representatives of Local Government Associations and civil society. Participants also had a chance to learn from experiences beyond the SEE, some of the most impressive coming from Vienna, Barcelona, Poznan and Turin.

The Urban Partnership Program aims to assist and support cities and local governments in SEE in a process of modernization and reform, in order to promote local development for inclusive and sustainable growth, and enhanced urban governance. The Program includes Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia. Based on demand, the Program offers a series of City to City Dialogues on Municipal Finance, Urban Planning and Land Management, and Municipal Service Delivery, as well as in-depth leadership training and urban governance capacity building activities.

As many NALAS members arrived to Vienna to take part in Mayors and City Leaders Dialogue, NALAS Committee of Liaison Officers Meeting was organized on 23 January. NALAS Liaison Officers discussed and made important decisions that successfully rounded-up 2012 and opened new chapters in 2013. The Committee approved the 2012 activity and financial report, as well as 2013 work plan and budget, determined the dates and topics for the next General Assembly Meeting and brought program and financial decisions about NEXPO 2013 International Municipal Fair. Also, the Committee of Liaison Officers discussed NALAS cooperation with other stakeholders and membership in important SEE initiatives.

«In 2013, NALAS starts the implementation of its third strategic plan, for the period 2013 – 2017, which will contribute to further strengthening and expansion of the services of NALAS Knowledge Centre as the main knowledge platform in South-East Europe, increasing NALAS influence in the creation of European policies on local government and ensuring NALAS financial sustainability. We are all proud to be part of NALAS, a network that makes a difference in the work of the local governments in SEE», said Dr. Ozgen Keskin, NALAS President.

Who we are?



NALAS is a network of associations of local authorities of South Eastern Europe (SEE). It brings together 15 Associations which represent roughly 9000 local authorities, directly elected by more than 80 million citizens of this region. The NALAS Secretariat, based in Skopje, is responsible for the overall co-ordination and the implementation of the activities.

Our network includes relevant local government associations from the region who are the legitimate partners in negotiations with their national governments.

Our members

Association of Albanian Municipalities

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If you want to contribute to the next issue of NALAS Newsletter, please contact NALAS Knowledge and Communications Manager Jelena Janevska at janevska@nalas.eu.



Network of Associations of Local Authorities of South-East Europe
Réseau des Associations de Pouvoirs Locaux de l'Europe du Sud-Est