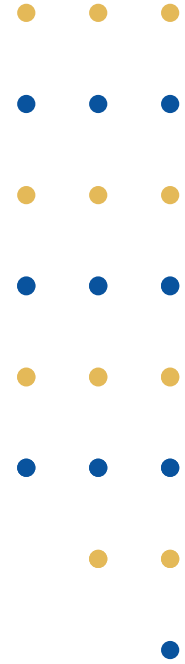


# REPORT

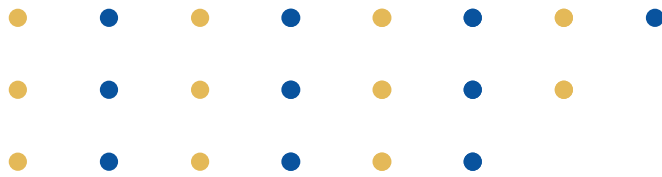
ON THE IMPLEMENTATION  
OF THE REGULATION  
NO. 01/2020 ON MPMS AND MPG

---



# REPORT

**ON THE IMPLEMENTATION OF THE REGULATION  
NO. 01/2020 ON MPMS AND MPG**





# EXECUTIVE SUMMARY

Regulation No. 01/2020 on MPMS and MPG is the main legal act that defines the principles, rules, procedures and standards for measuring the performance of municipalities and awarding grants in this regard. Since the entry into force of this Regulation, two performance measurement cycles have been developed, with one of them currently being completed, and the other being a round of the grant scheme. The abovementioned Regulation has been drafted by the MLGA, with the support of SDC/DEMOS. Thus, in order to see its implementation in practice, which is the objective of this Report, an assessment has been made using the strict legal methodology of compliance of various administrative actions in relation to the requirements of the Regulation.

The main finding from the assessment of the Regulation is that its provisions are being implemented at a fairly high level. Despite the successes achieved and adequate development of procedures, its implementation has been hampered for some time by the decision of the Ministry to withdraw from the grant scheme, an issue which was later avoided. The provisions of the Regulation that have been partially implemented or are not currently being implemented are due to the lack of certain capacities in the performance measurement process. Other shortcomings are minor procedural aspects, which are often influenced by various factors. The report contains specific recommendations for eliminating the abovementioned shortcomings and capacity building.

This report was prepared by RECURA Financials for the DEMOS project,  
which is implemented by HELVETAS Swiss Intercooperation

**Disclaimer:** The findings and conclusions expressed in this report do not necessarily  
represent the positions of SDC and HELVETAS Swiss Intercooperation.

---

©DEMOS

Published: September 2021

Prishtinë/Priština, Kosovo

---

# CONTENTS

1. Introduction	7
2. Methodology	9
3. Assessment of the implementation of the Regulation	12
4. Conclusions	26



# 1 INTRODUCTION

The main legal basis for monitoring the performance of municipalities and awarding grants for their performance in the Republic of Kosovo is Regulation No. 01/2020 on Municipal Performance Management System and Municipal Performance Grant Scheme.<sup>1</sup> This Regulation has been approved by the Minister of Local Government and was published in the Official Gazette on 04.08.2020.

The system for measuring the performance of municipalities in exercising their own competencies, according to the Regulation, is called the Municipal Performance Management System (MPMS), while the grant which is based on this system - the Municipal Performance Grant (MPG). In accordance with the provisions of the Regulation, the municipalities and the Ministry of Local Government Administration (hereinafter the Ministry) play different roles, rights and responsibilities in both these systems.

At the time of drafting this Report, the Regulation has marked one (1) year since its entry into force. Through its provisions, the assessment of the municipalities' performance was conducted for the performance of 2019, and is being conducted now for 2020. During these two years, the assessment of the municipal performance grant has also been conducted, namely for 2019, and will be conducted for 2020. These assessments differ from previous assessments in some respects, this is because the Regulation in force has brought innovations compared to the previous Regulation on the Municipal Performance Management System<sup>2</sup> in terms of: more detailed regulation of procedures for the performance system, more specific definition of the contents of the Electronic Municipal Performance Management System (EMPMS), specific regulation of the MPG system, etc.

In this regard, since the first assessment cycle has been completed and the second is nearing completion, it was seen as reasonable to assess the implementation of the provisions of the Regulation, in order to identify the achievements so far, as well as possible shortcomings that enable further specific interventions to increase efficiency

1 Regulation is published at the following link: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=30300>. It will hereinafter be referred to as "Regulation on MPMS and MPGS".

2 Regulation No. 02/2017 on Municipal Performance Management System – published in the Official Gazette on 19.03.2018, at the following link: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=16113>.

and results in implementation. This assessment was conducted by 'DEMOS' project during the period May-August 2021, according to the methodology explained in Chapter 2 of this Report.

## 2 | METHODOLOGY

The scope of assessment on the implementation of the Regulation on MPMS and MPG included only the legal aspect of the compliance of the Regulation provisions, namely the level of implementation of the defined rights and obligations of municipalities and the Ministry.

The main questions the assessor has used in this regard are as follows:

- Are the criteria fulfilled or is the procedure foreseen in the Article under assessment being followed by the institutions?
- If not, what are the reasons for partial implementation or non-implementation of that Article?; and
- What can be done to achieve the full implementation of that specific Article?

Being strictly of legal implementation nature, the assessment did not specifically include the aspect of the effect of the implementation or not of the provisions of the Regulation, as is done for example with the *ex-post* methodology for the evaluation of normative acts. The effect of the Regulation is mentioned only in certain cases in this Report and in a more general context, based on the views of the interviewed officials.

However, the methodology used has yielded interesting and important results for further policy making in terms of municipal performance. The data obtained from this assessment and presented in this Report are based on specific assessment made to the articles of the Regulation, as presented in the following Table.

<b>Article 4</b> – Principles;	<b>Article 6</b> – Responsibilities of the Ministry;
<b>Article 7</b> – Duties and responsibilities of the municipality;	<b>Article 8</b> – Criteria for the appointment of the Municipal Performance Coordinator;
<b>Article 10</b> – Initiation of the performance measurement process;	<b>Article 11</b> – Management of the Municipal performance measurement process;
<b>Article 12</b> – Reporting process and method;	<b>Article 13</b> – Deadline for reporting by municipalities;
<b>Article 14</b> – Management of the performance assessment process in the Ministry;	<b>Article 17</b> – Municipal authorities responsible for verification;
<b>Article 18</b> – Creation of the verification file;	<b>Article 19</b> – Ministry’s authorities responsible for verification;
<b>Article 20</b> – Verification process at the Ministry;	<b>Article 21</b> – Invalidity of data;
<b>Article 22</b> – Preliminary consultation and right to appeal;	<b>Article 25</b> – Electronic system services;
<b>Article 26</b> – User authorizations;	<b>Article 30</b> – Access to grant;
<b>Article 31</b> – Data source;	<b>Article 32</b> – Drafting Grant Rules and authorization for implementation;
<b>Article 36</b> – Performance evaluation procedures for the Grant;	<b>Article 37</b> – Approval of evaluation results;
<b>Article 38</b> – Communication of results to municipalities; and	<b>Article 39</b> – Appeal procedure for the award of a performance grant.

*Table 1. Assessed articles of the Regulation on MPMS and MPG*

In order to assess the implementation of the above-mentioned articles, a step-by-step work was done, in the following order. Initially, the **Regulation on MPMS and MPG** as well as the **Grant Rules** were analysed<sup>3</sup>. The **assessment methodology** was then developed and consulted. Further, the collection and analysis of evaluation data from **various sources** had begun. **Existing central and local level documents** related to the Regulation, such as reports, decisions and notifications of various natures, provided by the Ministry and municipalities, were analysed. In this context, special focus was given to the Concept Document on the Municipal Performance Management System and the Municipal Performance Grant Scheme<sup>4</sup>, which explains the general issues that the system and the grant have encountered so far.

Following this, an **online survey** was conducted with the municipal performance coordinators and municipal performance reporting officials of all municipalities. This survey was responded positively by a total of 76 respondents (69 in Albanian language

3 Those of 2020 and 2021. Accessible at: [https://mapl.rks-gov.net/wp-content/uploads/2020/04/Granti-i-Performances\\_ALB\\_2020\\_04.pdf](https://mapl.rks-gov.net/wp-content/uploads/2020/04/Granti-i-Performances_ALB_2020_04.pdf) and <https://mapl.rks-gov.net/wp-content/uploads/2021/02/Rregullat-e-GKP-se-2021-PDF-Final-09.02.2021.pdf>

4 This Concept Document has been approved at the Government Meeting under the Decision No. 12/21, dated 28.07.2021. The Concept Document may be accessed at the following link: <https://konsultimet.rks-gov.net/viewConsult.php?ConsultationID=41091>

and 7 in Serbian language), or 28 coordinators and 48 reporting officials, or 47 men and 29 women, when disaggregated by gender.

Further, after the *online* survey, meetings were held with municipal performance coordinators and a representative of the Ministry. On 30 June 2021, a workshop was held with the coordinators from the municipalities of: Drenas, Lipjan, Rahovec, Mitrovica and Vushtrri, where the implementation of the Regulation was specifically discussed from the point of view of the local level. Whereas, on 15 July 2021, a meeting was held with a representative of the Ministry from the Department for Municipal Performance and Transparency, where the implementation of the Regulation was also discussed from the point of view of the central level.

All collected data were analysed and processed, and consequently the main findings were included in this Report, following their validation by representatives of municipalities and the Ministry, as well as by DEMOS project.

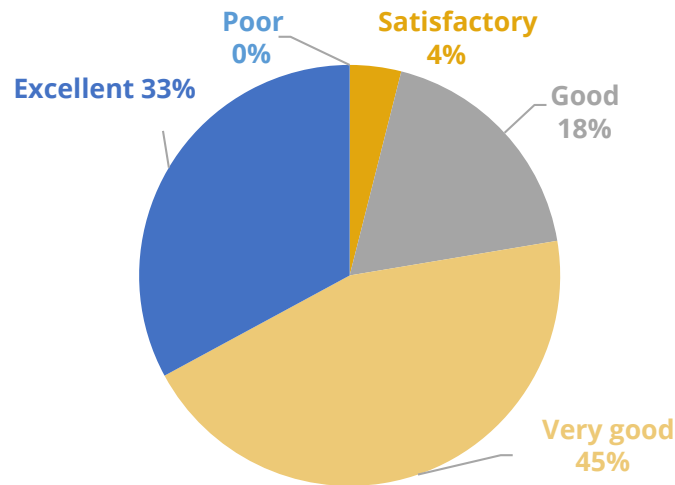
# 3

## ASSESSMENT OF THE IMPLEMENTATION OF THE REGULATION

*'Performance assessment system, in particular the submission of data electronically and the request for their documentation, made the municipalities be more aware that the data should be documented and increased the responsibility and accountability.'*

This conclusion drawn from the workshop held with the municipal performance coordinators, best and in general, represents the level of implementation of the Regulation on MPMS and MPG. It is noticed that the system from year to year marked an improvement and increase in the level of implementation of the established rules. In addition to the effect on increasing responsibility and accountability, performance monitoring and the grant scheme, according to municipalities, have also resulted in better planning on their part in exercising competencies. The system enables them to identify areas where they are stalling, and to invest exactly in those areas.

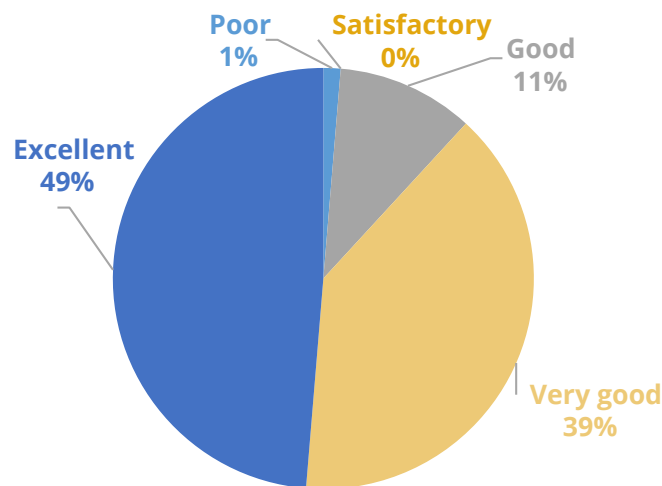
Conclusions of the abovementioned workshop, which were validated during the meeting with the Ministry, to a large extent are in line with the result of the *online* survey conducted with 76 municipal officials (performance coordinators and reporting official). According to the respondents, 78% of them are of the opinion that the Regulation on MPMS and MPG is implemented at a very good or excellent level.



**Chart 1.** Level of implementation of the Regulation on MPMS and MPG according to the questionnaire

Almost the main impetus in improving the performance system is the Electronic System. This system, although it was previously foreseen by the previous Regulation, has started to be implemented only with the current Regulation in force<sup>5</sup>, and despite the initial technical challenges, has had a very positive impact on the efficiency of the system implementation, i.e. the envisaged procedures.

Satisfaction with this system is at a high level, which is also shown by the results of the survey, where 89% of respondents rate the system as very good or excellent.



**Chart 2.** Assessment of the Electronic Municipal Performance Management System by the respondents

Another fact that shows the high level of implementation of the Regulation is that all municipalities are reporting on their performance pursuant to the Regulation in force, despite the fact that some of them, from the beginning, are aware of their level of per-

<sup>5</sup> See the 'Work report of the Ministry of Local Government Administration, January - June 2021', page 10. Accessible at: <https://mapl.rks.gov.net/wp-content/uploads/2021/07/Raporti-punes-se-MAPL-se-Janar-Qershor-2021-FINALE-00000002.docx>

formance and the little chances they have to win the Municipal Performance Grant.<sup>6</sup>

Despite the high overall level of implementation of the Regulation on MPMS and MPG, some aspects have also been identified, which can increase the efficiency of implementation even more. The first is relating to capacities involved in the process, while others are shortcomings of procedures which mainly occur due to lack of clarifications, misunderstandings, contradictions of the Regulation or sometimes negligence of officials in the process. The following analysis of all articles assessed sequentially, in addition to successes in full compliance, will also present the aforementioned setbacks, including information on the reasons why they have occurred.

## COMPLIANCE WITH ARTICLE 4

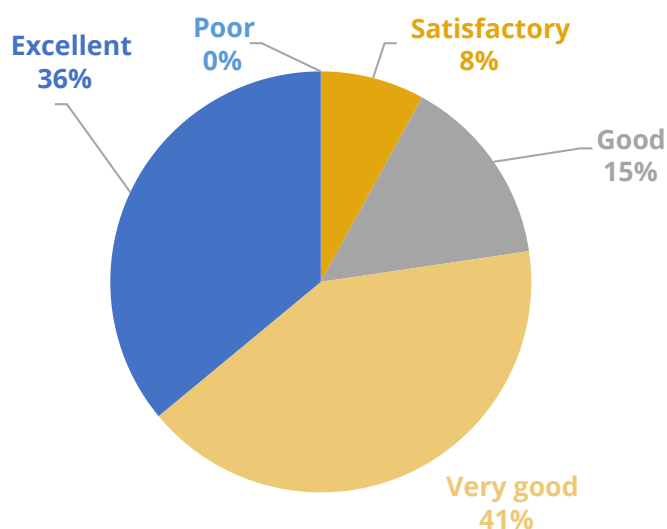
Article 4 of this Regulation sets out the principles of the municipal performance management system, which are as follows: principle of legality, principle of transparency, principle of subsidiarity, principle of merit, principle of effectiveness and efficiency, principle of validity, principle of equality, and principle of feasibility. From the collected data, it is noticed that all these principles are taken into account by the municipalities and the Ministry during the implementation of the system and various steps in the procedure. The discussion during the meetings was more focused on the **principle of efficiency** and in terms of this principle, it is noticed that **resources are limited and sometimes make this Regulation difficult to be implemented**. This applies to municipalities, more specifically to reporting officials who are often replaced and are not always informed and trained in all the details of the system procedure, as well as performance coordinators who, in addition to their main tasks in the municipality, exercise the competence of the coordinator as well. However, the need for additional resources in the more efficient verification of data provided by municipalities has been identified even at the level of the Ministry.

## COMPLIANCE WITH ARTICLE 6

Article 6 of this Regulation sets out the responsibilities of the Ministry for the management of the MPMS and Municipal Performance Grant. The findings show that the **Ministry generally implements all the responsibilities set out** in this Article. The majority of respondents (77%) are also satisfied with the role of the Ministry for the management of MPMS and MPG.

---

<sup>6</sup> Here, however, is worth noting that the municipalities of Dragash and Mamusha have not reported on their performance in 2019. See page 16 of the annual Report on Performance Reassessment for 2019 for Municipal Performance Grant for the Fiscal Year 2021. Accessible at: [https://mapl.rks-gov.net/wp-content/uploads/2021/05/Raporti-i-vleresimit-per-GPK\\_2021\\_ALB.pdf](https://mapl.rks-gov.net/wp-content/uploads/2021/05/Raporti-i-vleresimit-per-GPK_2021_ALB.pdf)



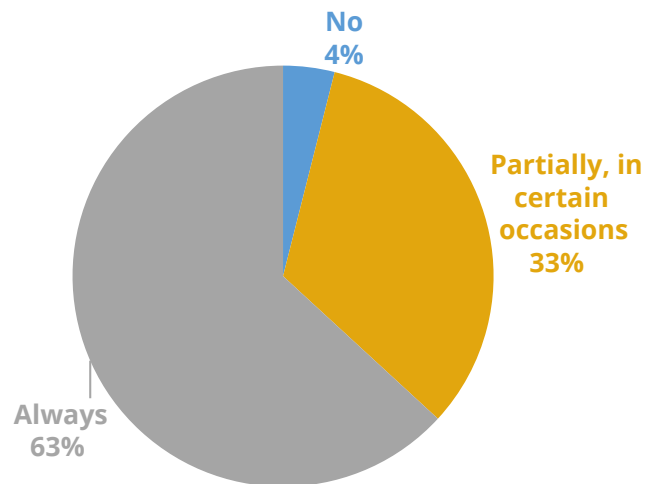
**Chart 3.** Assessment of the Ministry's role in managing the MPMS and the Grant

In this regard, in particular it was noted that the **monitoring and support of municipalities** by the Ministry in implementing the Regulation **has increased from year to year and especially with the new Regulation**. Now, different channels of communication are used, and retrospective information is more stable, with the sole aim of increasing the level of implementation of the Regulation. It is worth noting that the support from the DEMOS project has been of special importance to make this communication as efficient as possible.

During 2021, the Ministry has organized meetings with municipal performance coordinators, as well as training with municipal reporting officials. The 'Municipal Performance Forum' has also been functionalized and the documentation for the functioning of this forum has been completed. Furthermore, specifically with the aim of involving municipal officials in the electronic performance system, until June 2021, 2 meetings have been held with 38 municipal performance coordinators.<sup>7</sup>

These data also correspond to the findings of the survey, where a large proportion of respondents (63%) stated that the Ministry's staff is always ready to provide advice and instructions to municipalities.

<sup>7</sup> 'Work report of the Ministry of Local Government Administration, January - June 2021', page 10.



**Chart 4.** *Willingness of the Ministry staff to provide advice and instructions to municipalities in the implementation of the MPMS*

However, the Ministry, in exercising its responsibility, has been assessed negatively, **regarding the 2020 decision to terminate the Grant Scheme<sup>8</sup>**, relating to municipal performance for 2019. This action has damaged the implementation of the envisaged procedures of the Regulation in force, i.e. the envisaged deadlines, but also the motivation of those involved in the process. Fortunately, the Ministry returned to the process later and after the reassessment (which resumed in March 2021), the performance grant was awarded relating to municipal performance for 2019.

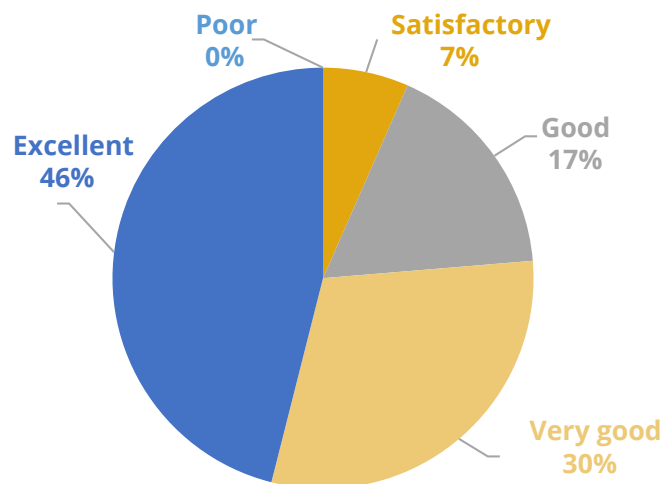
Another shortcoming in the exercise of responsibilities of the Ministry is the fact that the **Ministry does not publish the performance report on time** (according to the Regulation, this should be done no later than by end of May of the following year). This happened due to the later start of performance data collection, for the previous year, as well as the use of the Electronic System for the first time.<sup>9</sup>

## COMPLIANCE WITH ARTICLE 7

This Article defines the responsibilities of the municipalities for creating conditions for the effective functioning of the MPMS. Respondents' responses show a **high level of satisfaction (76%) with the conditions of the municipality** in this regard.

<sup>8</sup> Minister's Decision No. 454-666/9, dated 25.09.2020

<sup>9</sup> This fact was noted also in the Work report of the Ministry of Local Government Administration, January - June 2021', page 10.



**Chart 5.** Respondents' response on the conditions of their municipality for the effective functioning of the MPMS

Despite this, it is worth noting that even in this part, as mentioned in the part on the principles, there is a **need for further improvement of human resources in municipalities.**

Another shortcoming identified in the implementation of the Regulation is **publishing of performance reports** on the websites of municipalities.<sup>10</sup> Not all municipalities publish these reports, as required by Article 7. Also, the **presentation of this report at the municipal assemblies for discussion** is not done in every municipality, and when it is done, it is not done in time. This is mainly due to negligence, but also due to lack of proactivity of members of the municipal assemblies to insist on such a thing.

Within municipalities, mayors also have a great role in the implementation of the Regulation. During the assessment, it was noticed that **municipalities where Mayor is more interested perform better.** The interest and commitment of mayors in some municipalities, however, needs to increase further in this regard.

This is particularly true in terms of timely reporting by reporting officials and in terms of data documentation.

## COMPLIANCE WITH ARTICLE 8

The criteria for appointing a municipal performance coordinator are set out in Article 8 of the Regulation. From the data collected it is noted that mayors **generally take into account** the responsibility, complexity, skills, qualifications and professional experience when appointing performance coordinators, and that they are officials with **integrity** and **professional competence.** The area from which the coordinator comes and the substantial understanding of the requirements of the MPMS are essential for increasing the performance of certain municipalities.

<sup>10</sup> This has been ascertained by verifying the websites of the municipalities.

## COMPLIANCE WITH ARTICLE 10

Article 10 and the following articles of the Regulation define the procedural aspect of performance measurement. Article 10 provides for the start of the process, i.e. the request for reporting sent by the Ministry to the municipalities, 7 (seven) days before the deadline for reporting starts running. From the data collected, it is noted that **Article 10 is fully implemented**, which means that the request is sent by the Ministry according to the standards set out in Article 10<sup>11</sup> and the **process is then followed by necessary advice and instructions from the Ministry**, as stated in the analysis of Article 6 above - i.e. the exercise of responsibilities by the Ministry for the implementation of the Regulation.

## COMPLIANCE WITH ARTICLES 11, 12 AND 13

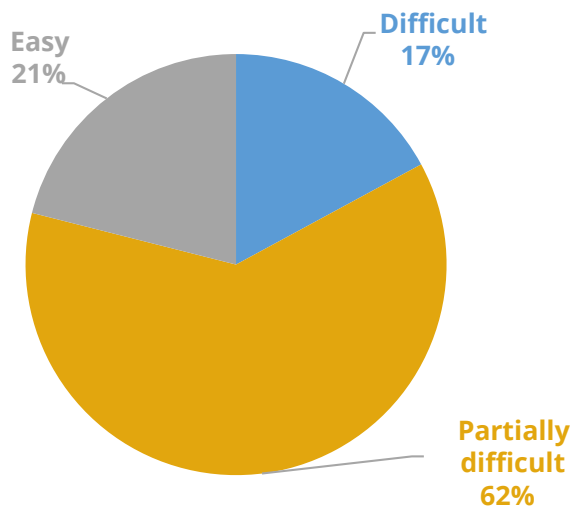
Articles 11 and 12 of the Regulation define the responsibilities and the process of measuring performance in the municipality. It defines the responsibilities of municipal performance coordinators and municipal performance reporting officials. Currently, by decisions of the mayors, 38 coordinators responsible for municipal performance are appointed and together with the reporting officials reach the number of about 506 municipal officials engaged in the MPMS process, or an average of 13 officials per municipality.<sup>12</sup> In the provisions of these articles, it is stated that the data reported by officials must be documented and provide sufficient evidence for their objectivity, which are then verified by the coordinator and authorized by the mayor. According to Article 13, the total deadline for municipalities to report performance data is 45 calendar days.

According to the assessment, **these responsibilities and this process are being implemented**. In particular, the general deadline of 45 days is implemented, but **some difficulties have been noted, especially regarding the collection of data** by municipalities. A large part of the respondents find this process not easy (79%).

---

<sup>11</sup> This is confirmed by verifying the request sent by the Ministry.

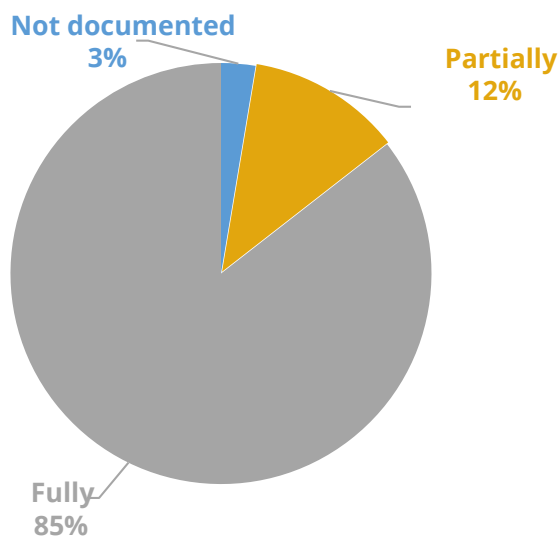
<sup>12</sup> Concept Document on Municipal Performance Management System and Performance Based Grant Scheme, page 6. Accessible at: <https://konsultimet.rks-gov.net/viewConsult.php?ConsultationID=41091>



**Chart 6.** *The process of performance data collection by municipalities*

Difficulties in the performance data collection process are evident in some cases, especially as regards the **requirement to document them**. Although MPMS and especially the Electronic System have greatly increased the level of the work documentation compared to earlier periods, there are still negligent actions in certain areas where even though the work is performed in practice, it **is not documented by responsible officials**. These problems are most pronounced with enterprises providing public services that are not under the direct management of the mayor. In some cases they do not fully cooperate, causing delays in reporting data or not reporting them at all.

However, these problems are of an *ad hoc* nature, and a large amount of data, despite the difficulties, are managed to be documented. This is also in line with the findings of the questionnaire, where in approximately 85% of cases it can be said that such data are fully documented.



**Chart 7.** *Documented and evidence-based performance data*

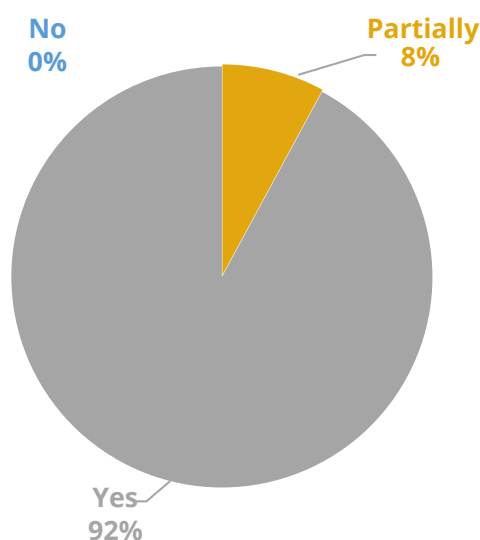
## COMPLIANCE WITH ARTICLE 14

Article 14 defines the **duties of the unit responsible for performance** in the Ministry, to ensure that all criteria for receiving data reported by municipalities, as well as processing, analysis, verification of data and drafting of municipal performance report, are met. Despite the fact that **this Article is implemented**<sup>13</sup>, during the assessment it was noticed that the Ministry has limited capacities to implement it as efficiently as possible.

## COMPLIANCE WITH ARTICLES 17 AND 18

Article 17 defines **the responsibility of the performance coordinator** for the implementation of the criteria for data verification and cooperation with the Ministry in the process of data quality assurance. **Reporting officials contribute in this regard**, providing official documents to the municipal performance coordinator, and **the Mayor ensures that all criteria on data quality assurance are met**. All data must be systematized in the Electronic System and archived. From the analysis made, it can be concluded that **Article 17 is generally implemented**, but as mentioned above during the previous articles, **there is a need to increase the applicability in terms of data documentation** and **the interest of mayors in this process in particular**, and in the implementation of the Regulation in general.

The role of municipal coordinators in verifying the reported data is viewed very positively, with 92% of respondents stating that coordinators do so.



**Chart 8.** *Verification of performance data by municipal coordinators*

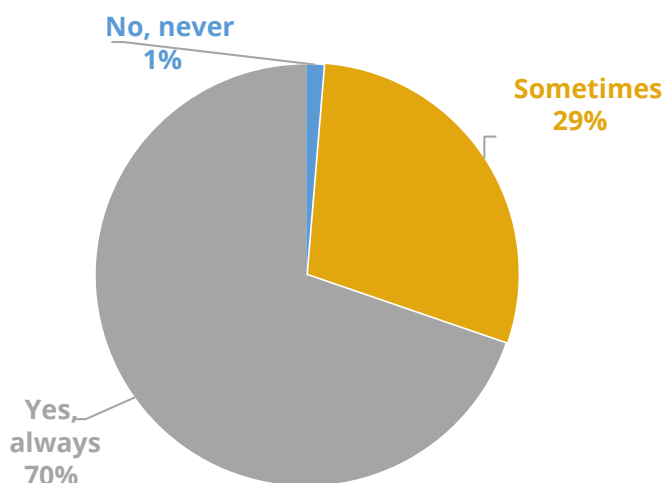
Article 18 on the other hand, regarding the implementation of the **electronic system** and the archiving of performance data, **is fully implemented** and no shortcomings have been encountered in this regard.

<sup>13</sup> Annual Report on Performance Reassessment for 2019 for Municipal Performance Grant for the Fiscal Year 2021. Page 14.

## COMPLIANCE WITH ARTICLES 19 AND 20

In addition to the verification done by the municipal bodies, the data verification is also done by the Ministry. According to Article 19, this responsibility belongs to **the unit responsible for municipal performance**, under the supervision of the Secretary General of the Ministry. Article 20 then regulates the process of verifying data reported by municipalities to the Ministry. It stipulates that the Ministry does this **before the preliminary consultation period**, i.e. the unit responsible for performance prepares the report that is approved by the Secretary General of the Ministry. According to this Article, **the Ministry has the right to improve the reported data of the municipalities**, in case, during the verification phase, it finds technical errors, and for which the municipality provides official evidence.

The assessment made of these articles indicates **their full implementation**. Moreover, the Ministry, in most cases, when reasonable and needed, **requests additional data from the municipalities during the verification process**, which is evidenced by the result of the following questionnaire.



**Chart 9.** Request for official documents from the Ministry to the municipality, for data verification

Also, it is worth noting that the assessment of performance indicators is done for all municipalities, including those that have not met the minimum conditions to qualify for a municipal performance grant.<sup>14</sup>

## COMPLIANCE WITH ARTICLE 21

Data that do not meet the quality criteria are **considered invalid** under Article 21.

<sup>14</sup> Ibid.

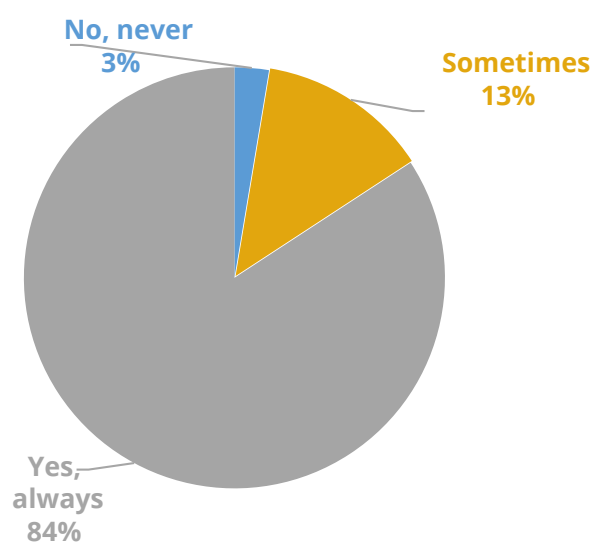
Indicators with undocumented data or with inaccurate data are assigned a **value of zero**.<sup>15</sup> The assessment process shows that **Article 21 is fully implemented**.

## COMPLIANCE WITH ARTICLE 22

Article 22 provides for **the preliminary consultation of the draft performance report** and **the right to appeal** by municipalities within 7 days. According to Article 22, the appeals of the municipalities are then reviewed by the Appeals Commission, which issues a decision within 15 days, providing answers to the questions and remarks submitted by the municipalities separately. As far as this Article is concerned, no shortcomings have been observed, and there **is full compliance**.

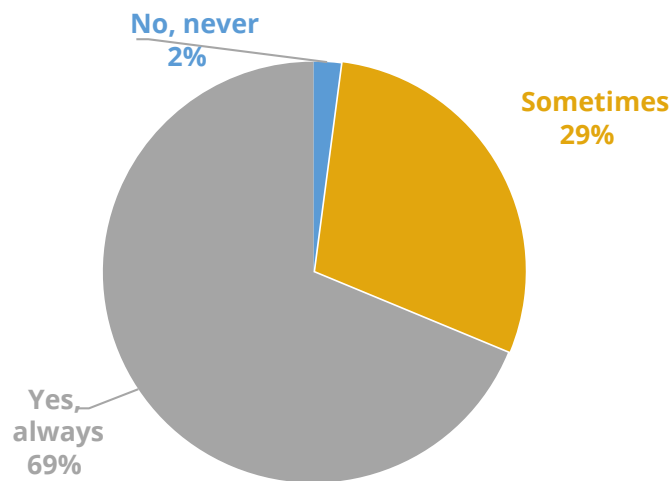
The results of the questionnaire also show that municipalities are mainly attentive in verifying the data presented by the Ministry in the draft report (84% of respondents agree with this).

**Chart 10.** *Verification by the municipality of the data processed during the preliminary consultation phase*



A large proportion of respondents (68%) also assessed that the Ministry responds separately to all questions and remarks submitted by municipalities in their complaints.

<sup>15</sup> Annual Report on Performance Reassessment for 2019 for Municipal Performance Grant for the Fiscal Year 2021. Page 13.



**Chart 11.** Provision of responses by the Ministry to the questions and remarks submitted by the municipality in the appeal

## COMPLIANCE WITH ARTICLES 25 AND 26

The content of the EMPMS is defined in Article 25, while the **user authorizations according to the levels** in Article 26. In addition to some minor technical problems (with indicators, for example education and public parking), which were avoided during consultations between the municipalities and the Ministry, from the assessment process it results that **EMPMS contains all the data required by the Regulation, and its operation so far has been according to authorizations with levels, and quite efficient.** Moreover, the conclusion of the municipalities is that the **Electronic System has greatly facilitated the whole process** (see Chart 2 above, where 89% of respondents rate the system as very good or excellent).

## COMPLIANCE WITH ARTICLES 30 AND 31

Chapter V of the Regulation sets out **the municipal performance grant**. Article 30 defines **the right of all municipalities to access the grant**, by meeting the minimum conditions set out in the grant rules. According to Article 31, as the **main source**, the grant uses **MPMS data**, but may also use other **official data sources**, in case MPMS does not provide such data.

The assessment process indicates that the minimum conditions are determined in advance and **all municipalities** that have met these conditions **are provided with access to the grant scheme**.<sup>16</sup> It is also found that **the grant scheme uses other data**

<sup>16</sup> For example, according to the Annual Report on Performance Reassessment for 2019 for Municipal Performance Grant for the Fiscal Year 2021, 21 of the 38 assessed municipalities have met all five minimum conditions and have been qualified for the 2021 Municipal Performance Grant.

from documents such as: municipal performance reports from MLGA, regularity audit reports for each of the 38 municipalities published by the NAO, and reports of assessment of reviewing illegal acts of municipalities.<sup>17</sup>

## COMPLIANCE WITH ARTICLE 32

Article 32 sets out the **drafting procedure** and **standards for the contents of grant rules** by the Ministry in cooperation with contributors (donors). Procedures for drafting or amending them, deadlines, composition of responsible working groups are determined by decision of the Secretary General of the Ministry. According to the assessment, **the minimum criteria of Article 32 have been fully implemented** and it is worth noting that **the authorized rules have been distributed in a timely manner to each municipality** and have been published on the Ministry's website<sup>18</sup>, as required by the Regulation. Municipalities have even been part of discussions on grant rules, through the performance forum, which was attended by performance coordinators from municipalities.

## COMPLIANCE WITH ARTICLES 36 AND 37

The evaluation of performance for the grant is done by the **technical group** based on the authorized grant rules according to Article 36. This group then prepares a report which is sent to the supervisory body - **the Municipal Performance Grant Commission**<sup>19</sup>, which makes the **final review and approval**, as provided by Article 37. The assessment **shows full compliance with these two articles**. What is especially worth noting here is that **the Electronic System** that has started to be implemented with this Regulation **greatly facilitates the evaluation for the grant**, as the data from the MPMS will pass directly to the assessment for the grant.

## COMPLIANCE WITH ARTICLES 38 AND 39

After taking the decision by the Commission, in accordance with Article 38, **the notification to the municipalities for the result of the evaluation** (through the evaluation form) must be done within 7 (seven) days, **a deadline which has been respected. Municipalities have the right to appeal** against this assessment within 7 (seven) days, according to Article 39. It stipulates that the appeal cannot contradict the source of official data used during the evaluation. Those appeals are then **addressed by the**

---

<sup>17</sup> Ibid. Page 12. The 2018 performance evaluation data for the 2021 performance grant used these sources.

<sup>18</sup> Ibid., page 14

<sup>19</sup> The Municipal Performance Grant Commission pursuant to Article 35 (4) of the Regulation shall consist of the Secretary General of the Ministry, a senior official of the Ministry and a public official from the ministry responsible for finance. The Commission, according to Decision No. 02-655 dated 04.09.2020, has this composition. Also, in accordance with Article 35(7), according to this Decision, representatives from grant contributing entities and civil society participate in this Commission in the capacity of observers.

**Appeals Commission**<sup>20</sup> established by the Secretary General of the Ministry which then takes a final decision, also within 7 (seven) days.

The assessment indicates that **the deadlines of Article 39 have been respected**<sup>21</sup>, but **there are shortcomings in terms of the contents of the appeals**. Although Article 39(2) provides that appeals may not contradict the source of official data used, these sources are in some cases contested by municipalities. This is probably due to the way the provision was drafted which in fact should not have limited the basis of the appeal, but should probably have determined that such appeals are not taken into account by the Appeals Commission. However, it is worth noting an additional problem encountered in this regard, the fact that the Report on the functioning of Municipal Assemblies with the new Regulation is considered as an additional source for evaluating the fulfilment of minimum conditions by municipalities. This Report does not have a grievance procedure as is the case with other reports used as data sources (auditor's report, MPMS report, etc.). This then makes the provision of Article 39(2) meaningless in achieving its purpose.

Another shortcoming that is worth noting is also in terms of the **hierarchy of the Appeals Commission** in relation to the Grant Commission. In the first instance, the Grant Commission is chaired by the Secretary General, while the Appeals Commission that should assess the decision of the Grant Commission is chaired by the Director of the Department, who within the Ministry's hierarchy is under the Secretary General, i.e. reports to him/her.

---

20 The Appeals Commission according to Article 39 (4) of the Regulation consists of 3 members, 2 from the Ministry and 1 external representative, and the members of the Grant Commission or the technical group may not be members to it. The decision to establish this Commission meets the above criteria.

21 The verification of the Complaint of the Municipality of Lipjan no. 020-43444 dated 10.09.2020 is verified here.

# 4 CONCLUSIONS

The assessment made of the Regulation on MPMS and MPG shows a very high level of its implementation. The bodies and officials involved are already familiar with all aspects of the system and the grant, and the implementation of procedures is done without significant problems. The main problem with the withdrawal of the Ministry from the Grant has been eliminated in time and now the Ministry is committed with all its capacities to the implementation of the Regulation. The novelties that the new Regulation has brought compared to the previous Regulation have had a positive impact, especially in increasing the efficiency of the implementation of the established procedures. The Electronic System, which has also started to be implemented with the new Regulation, is the greatest achievement in this regard.

Despite high-level implementation, the shortcomings identified during the analysis can be remedied with dedication and by undertaking certain activities. Therefore, in this regard, to further increase the level of implementation, it is specifically recommended:

## **For the Ministry:**

- **To collect performance data on time** and publish reports on time;
- **To inform all new mayors** after the upcoming local elections, substantially about the MPMS and MPG, and to lobby to increase and maintain their on-going interest in the process;
- **To regularly mentor reporting officers**, especially for those who are new in the process, in order to increase their knowledge and skills about MPMS through certain activities;
- **To develop specific guidelines** for verification of reported performance data;
- To engage **additional short-term human resources to the Ministry**, who are initially trained and then verify the data mentioned above during certain time periods, and
- To review **the grounds of the appeal of the municipalities against the grant decision** and the **composition** of the Appeals **Commission**, defined in the Regulation.

**For municipalities:**

- To regulate the **status of municipal performance coordinators**, where they are assigned the primary task of coordinating the implementation of the Regulation at the municipal level;
- To organize **awareness-raising activities** with officials of various municipal directorates on the importance of documenting their work;
- **To continuously publish performance reports** on those websites of municipalities where they are not currently published, and
- **To discuss the performance reports** on time in **municipal assemblies**.

These recommendations can be implemented with the support of the DEMOS Project, in accordance with the planning of project activities and objectives.

REPORT  
ON THE IMPLEMENTATION OF THE REGULATION  
NO. 01/2020 ON MPMS AND MPG



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Swiss Agency for Development  
and Cooperation SDC**



Sweden  
**Sverige**



Norwegian Embassy  
*Prishtina*