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Operational Guidelines
for Units of Local Self-Government
for expressing interest in taking part in the
'Empowering Municipal Councils' project

Municipal Grant Scheme (MGS) 2019-2020

September 2019

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Introduction

The initial research and analyses carried out by UNDP and other international organizations through different methods of research have shown that the status, work and efficiency of municipal councils do not meet legal and practical expectations. Namely, the elected members of municipal councils do not possess the previous knowledge and readiness necessary to deal with the tasks and the challenges that are ahead of them.

On the other hand, municipal councillors, though elected in direct elections so as to represent the citizens and their interests, very rarely interact directly with their speakers, whereas contacts and liaising with councillors from other municipalities as a means of communication and mutual support is almost non-existent.

At the same time, planning and budgeting is usually done by the municipal administration, with advisers largely in the role of observers. Hence, the priorities for spending municipal funds are not subject to active involvement and oversight of the public. We can conclude that municipal councils are part of a larger social picture in which government institutions at all levels fail to fulfil their obligations to promote equal opportunities for women and men and to foster cohesion in a diverse and multi-ethnic society. Quotas for electoral lists have contributed to the representation of women in local councils to approximately one third of all membership, but the issues of the equality of men and women are still rarely observed in the debates of the councils or the decisions on the allocation of municipal spending. Little advice is given to in the female presidents the country, while executive functions are mostly filled by men. Decisions on spending municipal funds are often carried without taking into account the specific needs of the different ethnic communities.

In order to overcome the above deficiencies, the United Nations Development Program (UNDP) with the financial assistance and support of the Swiss Agency for Development and Cooperation (SDC) is implementing the project "Empowering municipal councils".

The goal of the project is to revive municipal councils and strengthen their role in the local power triangle by providing new knowledge for the members of municipal councils, supporting through networking of councillors from all municipalities in the Republic of Macedonia and wider, as well as by facilitating communication between the community and councils as a way of improving the transparency and accountability of the local government.

In order to achieve the expected results of the project, activities will be implemented in three separate components:

Component 1 – Empowering councils by developing the capacities of the members of the Municipal Council based on traditional and innovative methodologies;

Component 2 - Empowering councils of municipalities through financial support (small grants) for priority activities of municipalities selected on the basis of public consultations; and

Component 3 – Empowering councils through networking, codification, institutionalization and sustainability.

For the duration of the project 2016-2020, a total of 24 municipalities will be directly involved in its implementation. Since August 2016, the project already works with fifteen municipalities¹ that were selected as part of the preparatory phase of the project in 2015, and public call in 2018. These municipalities were selected through the creation of a sample of different types of municipalities and include urban and rural municipalities, different numbers of population, municipalities from different

¹ Strumica, Valandovo, Sveti Nikole, Chair, Veles Ohrid, Brvenica, Kumanovo, Struga, Gostivar, Zhelino, Centar, Kavadarci, Kochani and Mogila

regions, municipalities governed by the position and the opposition, municipalities with negative audit reports, municipalities with blocked accounts, etc.

Through this call for expressing interest in taking part in the "Empowering municipal councils" project additional 9 municipalities will be selected to be included in the project as of November 2019.

These operational guidelines lay down the essential procedures and criteria for selection and participation in the UNDP project "Empowering Municipal Councils".

1. What is the main objective of the project?

The main objective of the project "**Empowering municipal councils**" is to provide support to municipal councils to be more effective and autonomous bodies, to better deal with the influence of the executive, to appropriately fulfil their constitutionally assigned roles of legislation, oversight and advocacy. As a result, these efforts will increase the transparency and accountability of the Mayor towards the Council and of the municipality towards the citizens and will improve the living conditions in the local community through successful implementation of the priority community projects.

2. Who can express interest in participating in the project?

All units of the local self-government in the Republic of Macedonia may express interest at this call, except the municipalities that are currently participating in the project.

2.1. Who cannot express interest in taking part in the project?

Legal and natural persons who do not have the status of a unit of local self-government cannot express interest on this call.

2.2. Other issues related to the acceptability of applications

One municipality may submit only **one application**. Only the selected municipalities will sign a Memorandum of Understanding and a contract with the UNDP office.

In addition to the application, a Letter of Commitment (annex 1 of the application) is attached, signed by the president of the municipal council and by the mayor and with municipal seal, whereby the municipalities pledge, among other things, to respect the project objectives as well as the principles of transparency, accountability and accountability in the implementation the project.

3. Duration of the project

The activities with the new nine selected municipalities will take **14 months**, and their implementation is planned to start in November 2019 and end in December 2020.

4. What is the timeframe for implementing the planned activities?

The individual activities with the selected municipalities will be realized in **two phases**, as follows:

- in the **first phase** (in the period **November - June 2019**), the foreseen activities for strengthening the capacities of the members of the councils of the local self-government units will be implemented through realization of the Program for capacity development, networking of the councillors and selection of priority projects of the community through participatory approach (community forums),
- in the **second phase** (in the period **June - December 2020**), the priority projects of the community selected through a participatory approach will be realized.

5. Benefits from participation in the project

Municipalities that will be selected to take part in the project will acquire certain non-financial and financial benefits.

Within the non-financial benefits, the members of the Councils of the selected municipalities will gain the opportunity to participate in trainings, networking advisors, seminars and conferences and study visits. At the same time, councils and municipalities will have the opportunity to participate in activities so as to enhance transparency, accountability and civic participation. The above-mentioned benefits will help the advisers to strengthen their capacities for more successful performance of their competencies.

Within the financial benefits, municipalities will receive funds in the total amount of **62 000 USD**, or more precisely:

- USD 12,000 for the introduction of at least one innovative transparency and citizen participation initiative, and
- USD 50,000 for realization of 1 to 3 priority community projects selected through participatory approach - using the methodology for organizing Community Forums.

6. Co-financing by the municipalities

Co-financing by the municipalities for participation in the project is not required. At the same time, partial financing of priority municipal projects will not be accepted. All efforts will be made to ensure that the municipal financial support is coordinated with existing municipal investment plans and parallel municipal initiatives that support social protection and similar goals.

The precondition and unique financial implication for municipalities to participate in the project is to cover the cost of engaging a licensed moderator of community forums and budget forums.

7. Expenditures not covered by the project

The costs listed below shall not be covered by funds obtained by the selected municipalities for participation in the project:

- VAT charges
- Salaries for civil servants and municipal employees
- Personal income tax for persons who are engaged in the implementation of project activities

8. Where to submit the application and deadline for submission

Municipalities that will express interest to participate in this project should submit a complete dossier in accordance with the Operational Guidelines and the requirements contained in the Application. The application is filled in and submitted in English. One original and two copies of the complete application dossier (with annexes) in English, an electronic version of the Application form on USB, and one copy of the Application in Macedonian language (i.e. in the official languages of the municipality-applicant) must be submitted to the following address:

UNDP Office - 'Empowering Municipal Councils' Project
Jordan Hadzi Konstantinov - Dzhinot Str., no. 23, Skopje

Contact person: Lejla Nebiu Sulejmani, tel. 071 393 628 and Vencislava Lazarevska, tel. 070 477 516.

In order for the applications to pass the evaluation for admittance, they must be delivered by hand, by post, or by courier at the above address, no later than by **16:00 hours on 10 October 2019**.

IMPORTANT:

Please write on the envelope: "Application form for expressing interest in participating in the project" Empowering Municipal Councils" by _____ (state the name of the local self-government unit). Applications sent by fax or by e-mail shall not be admitted. No application shall be admitted after the deadline.

9. Evaluation of applications and selection of municipalities

Evaluation and selection of the new 9 municipalities that will take part in the project in the period 2019-2020 will be carried out by an evaluation and selection team comprised of representatives of UNDP and SDC. The list of selected municipalities will be reviewed and confirmed by the Advisory Project Board of the project involving representatives of the Ministry of Local Self-Government (MLSG), the Ministry of Finance (MoF), the Association of Local Self-Government Units (ZELS) and the SDC.

Proposals shall be evaluated in **two phases**:

- **Pre-selection phase:** This is the first phase of the evaluation process. It consists of checking the received applications for fulfilling the requirements, based on the list of criteria for fulfilling the requirements (see 11.1).
- **Selection phase:** Applications that will pass the pre-selection phase continue to be checked against the selection criteria based on the evaluation table (see 11.2). The evaluation team evaluates the applications by giving points on certain questions, i.e. selection criteria.

10. How is the procedure for evaluation and selection organized?

- UNDP records all incoming applications.
- Members of the Evaluation and Selection Team sign a letter of impartiality before starting the evaluation and selection process.

- The evaluation and selection team of the municipalities is responsible for evaluating the applications in terms of administrative acceptability (fulfilment of the requirements) and for evaluating the technical quality of the applications.
- The evaluation and selection team of the municipalities evaluates each application on the basis of the eligibility criteria and the selection criteria, keeps Minutes and makes recommendations and decisions in the form of Evaluation Report.
- The evaluation report is submitted to the Advisory Project Board of the project for review and confirmation.
- The Evaluation and Selection Team has the right to meet with the proposed municipalities for selection for review and confirmation of the data specified in the application.
- UNDP notifies all applicants in writing of the results of the evaluation and selection process.

11. Evaluation criteria

The Evaluation Team reviews all received applications in accordance with the criteria described below. Proposals shall be evaluated in two phases:

- Eligibility Criteria, and
- Selection criteria

11.1 Eligibility Criteria

1. Does the applicant have the status of a unit of local self-government?
2. Is the application accompanied by a Letter of Commitment (annex to the application) signed by the President of the Municipal Council and the Mayor and with municipal seal?
3. Does the municipality expressing interest in participating in the project accept to cover the cost for engaging a licensed moderator for the community forums and budget forums?
4. Does the municipality expressing interest in participating in the project accept to install and administer the municipal websites e-dashboard with data on the quarterly and annual budget performance?
5. Does the municipality that expresses interest in participating in the project accept in its Statute to introduce 'Community Forums' as a mechanism for participation / consultation with citizens in the selection of priority community projects? (if the municipality has not yet introduced the 'Community Forums' in its Statute)
6. Are all parts of the application filled in?
7. Have the original (signed and stamped) and two copies of the application been submitted?
8. Has an electronic version of the application been enclosed?
9. Has one copy of the application in an official language of the municipality-applicant (Macedonian or Albanian) been included?

Important: Each and every application that fails to provide a positive answer (YES) to all above listed eligibility criteria shall be excluded from further evaluation and selection.

11.2 Selection criteria

Applications that have passed the eligibility criteria will be assessed on the basis of selection criteria according to established criteria and points, as set out below in the evaluation criteria.

The maximum number of points applicants can receive is 100. Only applications that have won a minimum of 70 points will be considered for selection, according to the ranking.

Selection criteria

	Maximum points	Question no. in the application
A. Clear budget calendar and qualitative review of the proposed budget - level of engagement of the Financial and Budget Committee (FBC) and the Municipal Council	20	2A
A1. Has your Municipal Council adopted the Budget Calendar?	3	A1
A2. Please briefly describe the process of preparing the budget calendar for 2019 in your LSGU	3	A2.
A3. Please briefly describe how and to what extent the Financial and Budget Committee was engaged in the process of preparing the budget calendar for 2019 in your LSGU.	6	A3.
A4. Please briefly describe how and to what extent the Municipal Council was engaged in the process of preparing the 2019 Budget Calendar in your LSGU.	6	A4.
A5. Please describe the process of application of the budget calendar during the current's year preparations of the municipal budget for the next year.	2	A5.
B. Efforts and existing mechanisms for citizens' participation (Community Forums and/or other mechanisms)	20	2B
B1. Please specify the forms through which you ensure the direct participation of citizens in the decision-making process in your municipality?	4	B1.
B2. Please briefly describe the last case in which you ensured citizens' participation in the decision-making process in your municipality for initiatives of interest to the citizens, the business sector, NGOs, the marginalized and vulnerable groups and other stakeholders.	10	B2.
B3. Are community forums held in your municipality?	2	B3.
B4. If they are, please indicate the number of forums held in the period January 2015 - June 2019.	4	B4.
C. Internal Audit Personnel and Internal Audit Performance	10	2C
C1. Please indicate the number of conducted internal audits in your LSGU in the period January 2015 - June 2019.	3	C1.

C2. Please indicate the number of internal audits conducted in public sector entities at the level of your LSGU (the municipality has founding rights) in the period from January 2015 to June 2019.	1	C2.
C3. If there is no internal auditor in your municipality, please describe briefly the manner in which the internal audit in your LSGU is conducted, i.e. explain how you receive advice on how to achieve the objectives of the ULSG.	3	C3.
C4. Please indicate the number of conducted internal audits of the financial statement in your LSGU in the period January 2015 - June 2019	3	C4.
D. Qualitative review of the financial statements and internal audit reports and monitoring improvements	10	2D
D1. Please explain the process of reviewing the financial statements (the municipality, PE and PI and other public sector entities where the municipality has founding rights) and the internal audit reports by the Municipal Council and the commissions in charge.	5	D1.
D2. Please describe the mechanisms used by the Municipal Council to monitor the improvements proposed in the financial and audit reports.	5	D2.
E. Responding to the recommendations of the Commission for Equal Opportunities and the Commission for Interethnic Relations	10	2E
E1. Does your municipality have a Commission on Equal Opportunities for Women and Men?	2	E1.
E2. Should such Commission exist, please describe the involvement of the Council in reviewing the Commission's recommendations.	3	E2.
E3. Does your municipality have a Commission on Equal Opportunities of Ethnic Communities?	2	E3.
E4. Should such Commission exist, please describe the involvement of the Council in reviewing the Commission's recommendations.	3	E4.
F. Readiness to install and administer the e-dashboard on the municipal websites with data on quarterly and annual budget performance.	15	2F
F1. Please describe the manner and the location where your municipality publishes data on its financial operation and budget performance and the frequency of updating such information.	6	F1.
F2. Please list the mechanisms that your municipality is using so as to strengthen the transparency of its overall operation.	9	F2.
G. Other Issues Related to the Operation of the Municipal Council	15	2G
G1. Please list the types of information and documents related to the work of the Municipal Council in your municipality that are publicly available.	5	G1.

G2. Please list the ways in which municipal council members communicate with the citizens.	3	G2.
G3. Is there, in your municipality, a dedicated time slot for meetings between council members and citizens?	2	G3.
G4. If there is, please indicate the frequency with which such meetings are organised.	5	G4.
Maximum total points	100	

11.3 Additional criteria

If the selection criteria are met by more than 9 municipalities, additional selection criteria will be applied providing maximum balance between the geographical, ethnic, gender and political aspects of the LSGU, the educational and professional status of the councillors, as well as the financial and personnel capacity of the municipalities to be selected for participation in the project.

12. Concluding the contracts

UNDP prepares a Memorandum of Understanding and a Cooperation Contract detailing the rights and obligations between UNDP and the selected municipalities. Project cooperation contracts shall be construed in English. The official start of the project implementation is November 2019.