



ROMA INTEGRATION 2020
Regional Cooperation Council

Roma Responsive Budget Brief



Republic of North Macedonia II

Roma Responsive Budgeting

Program for supporting the implementation of Local Action Plans for Roma integration

KEY MESSAGE

- 1. The local self-governments in the Republic of North Macedonia develop Local Action Plans for employment, housing, education and healthcare of Roma people aimed at integrating them at local level.** However, the Local Action Plans in the majority of local self-governments are not publicly available which limits the possibility for analysing them and monitoring their implementation. Therefore, it is recommended that the competent Ministries (above all the Ministry of Local Self-Government, the Ministry of Labour and Social Policy and the Minister without Portfolio in charge of implementing the Strategy for the Roma) should oblige the Municipalities to publish the LAPs regularly on their web-sites.
- 2. Every year as of 2018, the Ministry of Local Self-Government of the Republic of North Macedonia allocates funds in the budget to support the implementation of the Local Action Plans for integration of Roma people on local level.** The Ministry provides funds for implementation of activities in the areas of housing, employment, education and healthcare, depending on the area for which the municipality has developed a LAP. Having regard to the fact that the areas of housing, education and healthcare are under direct competence of the local self-governments, it is recommended that the funds should be used to improve the situation of Roma people in one of these areas. The MLSG is encouraged to single out one priority area in which the allocated funds of the municipality would be used from 2020 further on.
- 3. The Ministry of Local Self-Government allocates funds from the budget programme for decentralisation, under the item “Miscellaneous Transfers”.** In this way, it is not obvious that the item refers exclusively to Roma integration; therefore, it is recommended that it should be renamed into “Transfers to the LSG for support of Roma integration” or a similar title which will clearly show that these funds are intended just for that particular ethnic community.
- 4. The local self-governments receive the funds on the revenue account “Transfers from the Budget of the RNM”.** Thus, it is not evident that the funds received refer exclusively to Roma people; therefore, it is recommended opening a new revenue account titled “Earmarked Transfers for Activities related to Roma People” or a similar title that would enable the funds received for this purpose to be clearly categorised in Category 1.

5. **The amount of the funds allocated to support the implementation of the LAP for Roma people is very small – only MKD 64 or EUR 1 per Roma person.** The budget of the MLSG that is allocated to this activity every year amounts to MKD 3 million, although the number of municipalities that receive funds has increased from 12 in 2018 to 16 municipalities in 2019. Therefore, it is recommended increasing the amount of funds allocated to support the implementation of the LAP for Roma people in order to achieve better effect, real changes and easier integration of Roma people on local level.
6. **The Ministry establishes a Working Group for defining a programme for allocation of funds for implementation of the LAP for Roma people.** It is recommended strengthening of the institutional cooperation and involvement of representatives of the local self-governments in the working group with the purpose of more efficient spending of the budget intended for Roma integration. In addition, the working group should act as an Evaluation Commission, in such a way that every municipality that is entitled to receive portion of the funds should submit to the working group a detailed proposal for the use of funds and provide its own co-financing with the purpose of selecting priority activities and ensuring rational use of the funds received.
7. **The local self-governments still did not submit financial statements and reports on the use of the funds allocated in 2018.** According to the agreement between the municipalities and the Ministry, the municipalities should submit a report on the use of the funds received in 2018 not later than 30.11.2019. This reporting is considered method as unsuitable. It is recommended that the municipalities should submit semi-annual reports (in June and in December of the year when the funds have been allocated) and a final report not later than 31 March of the next year. This enables constant monitoring and evaluation of the use of the funds in order to prevent any kind of abuse. The established Working Group can act as an authority in charge of assessing the reports.

Preface

According to the last census conducted in the Republic of North Macedonia in 2002, there are 53,879 Roma people living in the country, which is around 2.7% of the total population. It is estimated that the number of Roma people is bigger due to the following reasons: not having personal identification documentation, low awareness about the importance of the census, frequent migration to a different settlement, etc. Roma people are registered in more than 50 municipalities throughout the economy; however, the majority of them live in Skopje in the municipalities of Shuto Orizari, Chair and Gazi Baba, and in urban areas in the municipalities of Prilep, Kumanovo, Bitola and Tetovo.

Table 1. Top 20 municipalities with Roma population

Municipality	Number of People	Percentage of the total number	Municipality	Number of People	Percentage of the total number
Shuto Orizari	13342	24.8%	Kichevo	1630	3.0%
Prilep	4433	8.2%	Gjorche Petrov	1249	2.3%
Kumanovo	4256	7.9%	Vinica	1230	2.3%
Chair	3083	5.7%	Debar	1080	2.0%
Bitola	2613	4.8%	Centar	974	1.8%
Tetovo	2357	4.4%	Veles	800	1.5%
Gostivar	2237	4.2%	Kisela Voda	716	1.3%
Shtip	2195	4.1%	Kavadarci	679	1.3%
Gazi Baba	2082	3.9%	Kriva Palanka	668	1.2%
Kochani	1951	3.6%	Delchevo	651	1.2%

Source: State Statistical Office

Roma people are a nationality with all access rights, freedoms and protection against discrimination regulated by a vast legal regulation. This also includes the Law on Local Self-Government having in mind that many of the problems faced by Roma people are under the competence of the local authorities. As a commitment to transfer part of the competences of the central government to the local government aimed at reducing the gap between Roma people and other ethnic communities, the development and adoption of Local Action Plans was initiated in 2011-2012 in 10 municipalities where the majority of the Roma population is concentrated. The Local Action Plans developed in line with the Strategy for the Roma and the National Action Plans present measures and activities whose implementation will improve the standard of living of Roma people in the municipalities where they live, in accordance with the specific needs and the local context. By 2019 inclusive, a total of 16 municipalities in the country have developed Local Action Plans for improving the situation of Roma people: Shuto Orizari,

Prilep, Kumanovo, Chair, Bitola, Tetovo, Gostivar, Shtip, Kochani, Kichevo, Vinica, Debar, Veles, Delchevo, Berovo and Pehchevo.¹

Support of Local Action Plans

On its twenty-third session held on 15.08.2017, through the adoption of the conclusion number 44-4296, item 3, the Government of the Republic of North Macedonia obliged the Ministry of Local Self-Government to annually integrate activities from the Strategy for the Roma 2014-2020 and the national action plans in its annual plans and programmes and to provide funds in the budget for their implementation. With the purpose of implementing the Local Action Plans for improvement of the situation of Roma people in the Republic of North Macedonia and establishing a Programme for Allocation of Funds for Implementation of the Local Action Plans, the Minister without Portfolio in charge of implementing the National Strategy for Improvement of the Situation of Roma People in the Republic of North Macedonia, in cooperation with the Ministry of Local Self-Government, on 13.09.2018 through the Decision no. 14-8646/1 set up a Working Group for Establishing a Programme for Allocation of Funds for Implementation of Local Action Plans with two representatives of the Cabinet of the Minister without Portfolio in charge of implementing the Strategy for the Roma 2014-2020, two representative of the Ministry of Local Self-Government, one representative of the Ministry of Finance, one of the Ministry of Labour and Social Policy and one of the Ministry of Transport and Communication. The working group for establishing the Programme for Allocation of Funds for Implementation of the Local Action Plans, after holding several meetings, concluded that the allocation of funds should be carried out by Decision of the Government of the RNM, specifying two criteria in the decision: 1. adopted Local Action Plan for Roma that is in force; and 2. number of Roma people per municipality as established in the last census of the population in the Republic of North Macedonia from 2002.

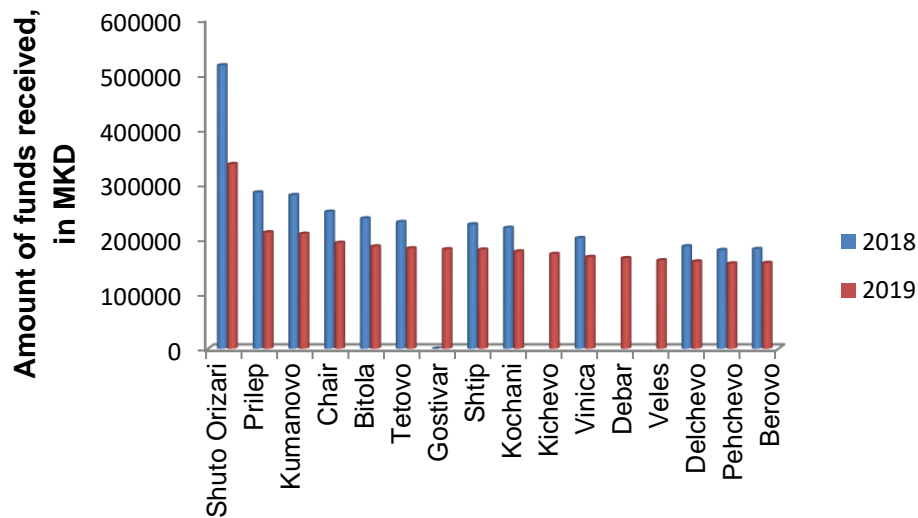
According to these two criteria, 3 million MKD were allocated in 2018 and distributed among 12 municipalities: Shuto Orizari, Prilep, Kumanovo, Chair, Bitola, Tetovo, Shtip, Kochani, Vinica, Delchevo, Berovo and Pehchevo. In 2019, with a decision of the Government of the RNM, the total amount of 3 million MKD was distributed among 16 municipalities: Shuto Orizari, Prilep, Kumanovo, Chair, Bitola, Tetovo, Gostivar, Shtip, Kochani, Kichevo, Vinica, Debar, Veles, Delchevo, Berovo and Pehchevo.

The total amount of funds was distributed in such a way that each municipality got 170,000.00 MKD in 2018 and 150,130.00 MKD in 2019, whereas the remaining amount of 960,000.00 MKD,

¹ The municipalities of Berovo and Pehchevo do not form part of the top 20 municipalities where Roma people live, but they have developed Local Action Plans. Contrary to this, the municipalities of Gazi Baba, Gjorche Petrov and Centar where 2082, 1249 and 974 Roma live respectively, do not have Local Action Plans for improving their standard of living.

or 597,920.00 MKD, was distributed in such a way that each municipality got the amount that is obtained when multiplying the number of Roma people living in the municipality according to the census of 2002 with the amount of 25.97 MKD, or 14 MKD in 2019. The amount of funds allocated per municipality is shown in Graph 1.

Graph 1. Amount of funds allocated to the municipalities



Budget of the Ministry of Local Self-Government for 2018

The Government of the Republic of North Macedonia at the session held on 11.12.2018 adopted a Decision for Allocation of 3 million MKD from the Budget of the RNM for 2018, organizational code 19101 – Ministry of Local Self-Government; programme 4 – Activities related to decentralisation, sub-programme 40 – Activities related to decentralisation, item 464 – Miscellaneous Transfers. According to the Decision, these funds are earmarked for support of the Local Action Plans for Roma Integration in 12 municipalities indicated above.

When looking at the Budget of the Ministry of Local Self-Government, it is not possible to directly identify a category 1 item in accordance with the Guidelines on Roma-Responsive Budgeting (See Figure 1) aimed exclusively at financing activities for improving the situation of Roma people.

Figure 1. Categorisation of budget programmes

All budget programmes are categorised as “1”, “2” or “0” in accordance with their relevance for Roma integration in order to identify programmes that could be transformed in a way that would contribute towards implementing Roma integration policies.

Category 1 – the programme is directly linked with Roma integration. These programmes serve the purpose of implementing Roma integration policy and are explicitly titled as such.

Category 2 – the programme is indirectly linked with Roma integration. These programmes do not implement explicitly the Roma integration policy, but can have an indirect impact.

Category 0 – the programme is not linked with Roma integration. From the title of the programme it is evident that it is not relevant for Roma integration.

Practical example

Budget programme	Activity	Budget	Category
Ministry of Local Self-Government			
	1. Activities related to decentralisation	300.000	
	10. Transfer to LSG for implementing Local Action Plans for employment of Roma	100.000	1
	11. Transfer to LSG for implementing Local Action Plans for employment of the population	100.000	2

The categorisation of the Budget of this Ministry shows that at first glance all programmes fall within category 0 (programme that is not linked with Roma integration) or 2 (programme indirectly linked with Roma integration). The situation is the same with the Budget for 2019, although according to the Decision of the Government of the RNM adopted on 13.08.2019, the Ministry of Local Self-Government is obliged to allocate 3 million MKD for support of the implementation of the Strategy for the Roma from the Budget for 2019.

Table 2. Budget of the Ministry of Local Self-Government for 2018 and 2019

Ministry of Local Self-Government	2018		2019	
	Budget	Category	Budget	Category
Programme				
1. Administration	38,553	0	41,320	0
40 Salary and benefits	29,400	0	29,970	0
42 Goods and services	9,153	0	11,350	0
4. Activities related to decentralisation	128,000	2	3,000	2
40 Activities related to decentralisation				
46 Subsidies and transfers				
464 Miscellaneous transfers				
4A Skenderbeg square	3,000	2	3,000	2
48 Capital expenditures	125,000	0	0	
M. EU integration	42,474	2	122,843	2
MБ. Cross-border cooperation				
O. Regional development	211,373	2	1,307	2
OA. Balanced regional development				

Source: Budget of the Republic of Macedonia for 2018 and 2019

However, item 464 – Miscellaneous Transfers in programme 4 – Activities related to decentralisation, sub-program 40 – Activities related to decentralisation, refers exclusively to Roma integration and belongs to category 1. Therefore, **it is recommended** renaming item 464 – Miscellaneous Transfers into Transfers to LSG for support of Roma integration or a similar title which will clearly show that these funds are intended just for that particular ethnic community.

Budget of the Municipality of Prilep

The Municipality of Prilep is one of the municipalities where larger part of the Roma population in the country lives. The municipality has developed a Local Action Plan for Roma integration even in 2012, and the latest revision was done in 2017. Having in mind that Prilep meets the two criteria for obtaining funds from the Budget of the Ministry of Local Self-Government, on the session of the Government of the RNM it was decided that an amount of 285,142.00 MKD will be allocated to the Municipality of Prilep in 2018 to support activities from the Local Action Plan for integration of 4443 Roma people living in Prilep. According to agreement no. 04-2764/1 entered into on 18.12.2018 between the Ministry of Local Self-Government and the Municipality of Prilep, the funds have been transferred to the revenue account of the municipality under code 741112 Transfers from the budget of the RNM.

These funds are intended for improving the situation of Roma people in Prilep in the area of housing through: 1) Reconstruction of streets and 2) Strengthening the capacities concerning the rights to housing and urban development of Roma settlements, projects that need to be implemented in the period 18.12.2018 – 31.12.2019, and for which the municipality should submit financial statements and reports by 30.11.2019. The budget planned for implementation of these activities by the Municipality of Prilep amounts to 1 million MKD, which means **that the funds provided by the Ministry make almost 29%, whereas the remaining amount up to the total amount of 1 million MKD will be financed by the Municipality from its own budget.**

Table 4. Revenue account 74 Transfers and donations to the Budget of the Municipality of Prilep for 2018

74. Revenues and donations	
741. Transfers from other levels of government	738,560,000
741112. Transfers from the budget of the RNM	2,500,000
741113. Transfers from the Budgets of the funds	9,005,000
741115. Revenues on the basis of VAT grants	87,148,000
741119. Earmarked grant for fire-fighting activities	17,548,00
741120. Block grants for specific purposes	622,359,000
742. Foreign donations	34,745,000
744. Current donations	4,715,000

Source: Budget of the Municipality of Prilep for 2018

It is exactly the same situation in the other 11 municipalities which received funds from the Budget of the Ministry of Local Self-Government for support of the Local Action Plans for Roma integration. This shows that on local level as well, the funds received for these purposes are not categorised into Category 1 (programme directly linked with Roma integration), so without a detailed analysis, it is difficult to identify that this programme comprises funds that are

intended exclusively for improving the situation of Roma on local level. Therefore, it is recommended that the municipalities which receive transfers from the Ministry of Local Self-Government intended for support of Roma integration and implementation of Local Action Plans, should keep the funds on a special revenue account titled Earmarked Transfers for Activities related to Roma people, or a similar title that will clearly show that the funds received for these purposes fall within Category 1.

Conclusion and recommendations

In order to improve the situation of Roma people on local level, the Government of the Republic of North Macedonia through the Ministry of Local Self-Government, during the last two years – 2018 and 2019 – has been allocating 3 million MKD to support Roma integration in the municipalities that have developed Local Action Plans and where Roma people live. However, the analysis of the Budget of the Ministry of Local Self-Government shows that no programme/sub-programme is directly linked to Roma integration, meaning that all programmes/sub-programmes fall within Category 0 or 2. Nevertheless, an in-depth analysis substantiated with documents and meetings with a representative of this Ministry showed that item 464 – Miscellaneous Transfers in programme 4 – Activities related to decentralisation, sub-programme 40 – Activities related to decentralisation, refers exclusively to Roma integration and falls within category 1. Therefore, it is **recommended** renaming item 464 – Miscellaneous Transfers into Transfers to LSG for support of Roma integration or a similar title which will clearly show that these funds are intended just for that particular ethnic community.

Since this shortcoming is also reflected on local level, more precisely in the Budget of the Municipality of Prilep, it is **recommended** that the municipalities which receive transfers from the Ministry of Local Self-Government intended for support of Roma integration and implementation of Local Action Plans, should keep the received funds on a special revenue account titled Earmarked Transfers for Activities related to Roma people, or a similar title that will clearly show that the funds received for these purposes fall within Category 1.

In addition, up to the moment, none of the municipalities, including the Municipality of Prilep, which have received funds from the Budget of the Ministry of Local Self-Government for 2018 for the aforementioned purposes, has submitted financial statements and reports on the use of the received funds, having in mind that the deadline for their submission is 30.11.2019. Thus, it is impossible to conclude that the funds allocated to the municipalities have been used exclusively for improving the situation of Roma people on local level. This shows that the categorisation of the budget items in Category 0 or 2 may lead to misappropriation or misuse of funds, both from the national and the municipal budgets, for activities that are not intended for Roma integration.

