



METHODOLOGY

*For measuring the Index of responsibility,
transparency and accountability at local level*

METHODOLOGY

*For measuring the Index of Responsibility,
Transparency and Accountability (RTA) at local level*

Skopje,
June, 2008



Prepared by
Zoran Jachev
Donald Bowser

Editing
Igor Kozarov

Design and printing
Arcuss design

ISBN
978-9989-188-41-1

Project
"Fighting corruption to improve governance"

Project Team UNDP
Fatmir Musa – Project manager
Aleksandra Vasilevska – Project assistant

CONTENTS

INTRODUCTION	5
1. Need for the Methodology for measuring the Index of responsibility, transparency and accountability at local level	7
2. Previous experiences in corruption measuring tools and weaknesses	7
3. Characteristics of Methodology and Instrument.....	10
4. Description of the Methodology and the Instrument	11
5. Recommendations for the implementation of the instrument	19
6. Tables for measuring the Index of RTA in urban planning	21
7. Tables for measuring the Index of RTA in financial management and property.....	24
8. Tables for measuring the Index of RTA in public procurement	27

INTRODUCTION

Corruption has been identified in the development literature as a very important obstacle for democracy, equitable economic growth and development as well as societal trust in institutions. The widely shared vision of joining the European Union further underlines this priority among candidate countries in the western Balkans, as anti-corruption measures are a fundamental pre-requisite in the EU pre-accession process. Although it is widely recognized as a problem to be tackled, one of the shortcomings in the fight against corruption is the lack of precise tools to identify the potential sources of corruption in the institutions.

The existing tools for measurement of the corruption mostly rely on a subjective approach, that is, the perception that citizens, businesspeople or the experts have. This subjective element is an important caveat in the methodology as perceptions may vary even when there is not a objective change in the actual corruption level (exposure in the media, rumors, political bias, prejudices, etc..). This is not to say that current methodologies do not have its role to play, as the worldwide acknowledged Corruption Perception Index of Transparency International shows.

Having this in mind, a methodology for measurement of the level of responsibility, transparency and accountability in the local government has been developed in the framework of the United Nations Development Programme's Good Governance & Decentralization programmatic interventions. The aim of this methodology is to make measurable assessments of the exposure and ability of a given institution in face of actual or potential corruption, by identifying quantifying the most vulnerable points to corruption. At the same time, the methodology provides mechanisms on how to address these vulnerabilities.

This methodology and its implementation tool – the instrument for assessment of the Index of responsibility, transparency and accountability are designed to be clear, simple and practical for use. It covers three areas: public procurement, urban planning and financial management in the local government. It can be used as a mechanism for self-evaluation by the local government or identification and monitoring by independent agencies. It is designed to be used in the local administration but its approach is also very suitable for implementation in the institutions of the central government, too.

Although originally developed for its use in municipalities, the methodology has been designed since in its inception as a universal instrument that, with adjustments to the specific local context, can be used all around the world, both in developed and developing countries. Thus enabling the possibility of using a common standard tool that can allow for comparative analysis. The methodology has been implemented with success as part of a pilot project in the municipalities of Tetovo, Veles, Bitola and Gevgelija and it is expected to be scaled up shortly through a wider second phase.

The use of this anticorruption tool will significantly contribute to the fight against corruption, disclosure of the factors that contribute to its occurrence, especially in the defining of measures for its prevention. The results from the implementation of the methodology and the instrument will be very useful for increasing of accountability, responsibility and transparency of the local government, which will enable the strengthening of the institutional frameworks and facilitate both the achievement of the Millennium Developments Goals and equitable development through improved governance and better public services.

Finally, we would like to thank everyone who provided their support, efforts and contribution in the development of the methodology and the Instrument - the engaged experts, State Commission for Prevention of Corruption, the Association of Local Self-government Units, the Ministry of Local Self-government, State Audit Office, Public Procurements Bureau, Agency for Civil Servants, the Mayors, experts, practitioners, NGOs and everyone else who actively participated in the process of development of this instrument.

NEED FOR THE METHODOLOGY FOR MEASURING THE INDEX OF RESPONSIBILITY, TRANSPARENCY AND ACCOUNTABILITY AT LOCAL LEVEL

Many countries in transition around the world are faced with an image of highly corrupted societies, which in turn produces serious critics from the domestic public and constant demands from the international community for more tangible results in the fight against corruption. They are trying to respond these demands with more or less efficient fight against corruption, but the progress is still not as obvious as domestic and international public opinion expects it to be. There are many reasons for the lack of success, which may vary from country to country, but one of the common denominators for all of them is the absence of a clear picture of the level of corruption. Although the areas and forms of corruption seem to be quite well known, there is an issue when it comes to the point of measuring it in a precise and undisputable way. Sufficient knowledge and skills for detecting, measuring, preventing and curbing corruption are not yet developed neither at the level of central nor, especially, at the local government.

Most of the transition countries are in a more or less intensive process of decentralization and improvement of governance at the local level. The process of transfer of competences from central to local level institutions is consuming most of the capacity of the local administration. Many municipalities are still not capable of developing mechanisms for preventing the possibilities for corruption, which come with the increased competencies in the scope of public procurement, finance management and urban planning. Without well-designed and tested tools for corruption detection and prevention, there is a possibility for the corruption to be 'transferred' from one (central government) to many more entities (local government units).

In these conditions, it is more than obvious that there is a need for the creation of a tool that measures the possibilities for corruption in the local government units. This Methodology and Instrument will contribute significantly in the clarification of the level of corruption, potential corruption practices as well as to the implementation of anti-corruption measures.

PREVIOUS EXPERIENCES IN CORRUPTION MEASURING TOOLS AND WEAKNESSES

There is no extensive experience in measuring the corruption at local level in transition countries, since there is no instrument customized to the specifics of the countries. The existing international tools applied in transitional countries are not adjusted enough to measure the corruption on the local level and, therefore, they cannot reflect the real level of corruption. The tools, developed over the last ten years of serious anti-corruption work, that are most widely implemented around the globe are:

Perception Surveys are built on public perceptions of incidents and levels of corruption. These include: **Household Surveys** that examine the citizens view of the corruption; **Enterprise Survey** – study the business environment, with a special emphasis on the effects of public sector governance and corruption of private sector development; and **Public Officials Survey** – The purpose of this survey is to understand institution-specific determinants of corruption (including bribery, nepotism, political interference, embezzlement, etc), discretion/informality, performance, and governance.

➤ **Aggregate Surveys or Indicators** are simply a survey of surveys that evaluate various individual surveys and attempts to weight the results and give an overall score. The Transparency International Corruption Perception Index (CPI) is an example of this.

➤ **Focused Group Discussions**

These qualitative diagnostics focus on identifying the public concept of corruption and the forms and mechanisms that it may have.

➤ **Report Cards**

A particular methodology pioneered by the Public Affairs Centre of Bangalore, is the use of “report cards” on public services. These involve interviewing the “customers” of various public utilities to ascertain what in the way of “extras” they have been required to pay in order to get their legitimate services. The resulting “report cards” are then discussed with managers responsible for the various services and published in the press and on radio. Various NGOs around the world are being trained in Bangalore to use this approach, including members from a number of TI national chapters.

➤ **Expenditure Tracking/Social Audits**

Expenditure tracking surveys and social audits are tools that are used to reveal system leakages in public finances. Expenditure tracking surveys compare the allotted sums to specific public services and measure these figures against their actual accountable usage, whereas social audits measure the delivery of public services based on household surveys against actual budgeted amounts for those services.

➤ **National Integrity System Assessments/Surveys**

Using the concept of the National Integrity System (NIS) developed by Transparency International, with the tool that examines the strengths of different institutions involved in preventing corruption (the integrity “pillars”) evaluated through the use of series of questions posed to a group of experts.

➤ **Indicator Based Governance Assessments**

Similar to the NIS assessments, these studies look at the individual institutions through posing of a number of questions that evaluate the strength of the institution in relation to corruption. The recent released second phase of Global Integrity Report is a good example of this type of survey as is the Country Assessment in Accountability and Transparency (CONTACT) a self-assessment handbook on financial accountability developed by the UNDP.

To use a widely recognized methodology, country ranking at the Corruption Perception Index (CPI) of Transparency International, almost all of the countries in transition were ranked at second half of the list, while most of them occupied the last third part of it. That image and position repeatedly created disagreement among the political structures in power in the moment of the presentation of the CPI, questioning the correctness and accuracy of the methodology and the fact that it is based on a perception, not on tangible indicators.

Although numerous, these diagnostic tools have their shortcomings, confirming that the corruption is a difficult area to be measured due to the issues point out below:

- There are no accurate means to measure a phenomenon that involves two parties that are both equally perpetrating malfeasance.
- Criminal or judicial statistics are unreliable as an indicator due to the large number of corrupt acts that go undetected.
- The most often used method of recording perceptions of corruption may or may not correlate to the realities of public sector corruption.
- Perceptions of corruption are increased as the issue becomes more publicized
- Expenditure tracking and other indicative surveys that show ‘leakages’ of public funds are effective indicators but are difficult to implement in a participatory manner and are readily used for political purposes.

➤ Qualitative surveys are useful diagnostic tools but must be well formulated and facilitated to move beyond perceived corruption and revolve around discussions that have non-evidence based accusations of corruption.

In past international practice, sub/national diagnostics on corruption have consisted of perception type surveys of households, enterprises or social audits/service delivery surveys. Neither has proven effective in developing an evidence base for effecting change at the local level. Audits or public expenditure tracking that has been conducted has only addressed those formal misuses of resources (i.e. theft).

Within an examination of risks of corruption, there are three separate aspects of public finances to take into consideration:

➤ Governance and institutional context within the country and sector that offer opportunities for corruption. This includes the general strengths and weakness of the institutions that can prevent corruption (i.e. national integrity studies) as well as the regulatory environment and policies/procedures of the targeted institutions.

➤ Formal budget, expenditure and internal control systems. Key areas of corruption risk that are identified in formal risk assessments (i.e. audits, public expenditure tracking surveys) tend to focus on weaknesses in procurement, audit systems, oversight and accountability.

➤ Real operational assessments that examine the informal systems that actually exist in the sector and country. That is, diagnosing the opportunities for corruption that are present but not necessarily exploited. This methodology looks into the informal aspects of a corrupt system that can occur without always violating the current policies and procedures and can escape detection by standard audits.

Lack of methodology and instrument for measuring the corruption adjusted to the local specifics, constant denials of the CPI from the governments with bad rankings as well as highly politicized anti-corruption debates are creating confusion among the public, which has no clear picture of the level of corruption in the country. Having in mind the decentralization and growing competencies of the local government, creation of the methodology and instrument for measuring the corruption at local level seems to be the most suitable solution for the needs of the countries in this scope.

CHARACTERISTICS OF METHODOLOGY AND INSTRUMENT

Lack of experience in measuring corruption as well as negative experiences with the application of the international experiences clearly shows that it is the time and need for tailor-made Methodology and Instrument that addresses the needs of transition countries in this scope. In order to make sure that local authorities, political factors, media and public, would accept them as well as to be sustainable in a longer period, the Methodology and the Instrument have to be:

- ❖ **clear**
- ❖ **simple and**
- ❖ **impartial**

More specific, abovementioned characteristics of the Methodology and the Instrument should be as follows:

- ❖ ***Clearness of the methodology and the instrument***

In order to avoid possible reluctance among the leadership of the local governments and political factor, the Methodology and the Instrument have to be clearly defined, well communicated with central and local institutions, as well as relevant stakeholders (civil society, media, etc...). They have to be easily understandable for the average officials and civil servants in the local government, as well as for the media; moreover, they have to contribute to the clarification of the corruption situation in the country and not to become a source of new political accusations on corruption basis.

The outcome of the Methodology is a clear and implementable Instrument as well as guidance on its implementation path with as much as possible accurate reflection of the level of corruption practices, corruption hot spots and anti-corruption mechanisms.

- ❖ ***Simplicity of the instrument***

Simplicity and user friendliness of the Methodology and the Instrument are of high importance for their acceptance by the stakeholders and their sustainability in a longer period. Hence, they are free of the need for complex research methods and techniques, as it is designed in a way that does not require highly specialized skills for their implementation. Although designed with ease to use and simplicity in mind, it is more convenient if they are implemented in the beginning by a specifically trained professional implementation agency, before local government units start their self-evaluation.

In the beginning, the instrument should be implemented in close coordination and cooperation with the municipality authorities in order to achieve two important goals – to decrease to a minimum the possibilities for complains and to train the staff of the municipality for self-evaluation in future.

- ❖ ***Impartiality of the instrument***

Impartiality of the Instrument is of highest importance and will be a key for its acceptance by the leadership of the municipalities and the political factor by persuading them that the result would be objective reflection of the situation in the municipality. Therefore, the Methodology and the Instrument are designed in a way to be as much as possible free of complaints for biasness in their implementation or inclusion of personal opinion of the individuals in charge of that process. This attribute is closely related to their simplicity and clearness – all those characteristics should convince the stakeholders that the measuring of the corruption with the proposed Methodology and Instrument would be of their benefit.

Due to the previous comments and the lack of acceptance of the results of measuring corruption on a basis of a perception, it is clear that measuring the level of corruption using the personal perceptions should not be used as a main research technique. Perception depends too much on the personal opinion of the interviewed individuals, their previous experience in communication or cooperation with the municipalities, their political affiliation and level of understanding the processes in the local government as well as other factors. Those factors are almost impossible to be predicted, calculated and correlated into measurable, comparable and accurate system of measuring the corruption.

The Instrument designed on the base of this Methodology uses more tangible, measurable and objective criteria and indicators. Using that approach, it would be, for sure, far more acceptable, would last longer and would be much more useful for its purpose besides measuring corruption – to identify corruption hot spots and to contribute to the development and implementation of anti-corruption measures.

DESCRIPTION OF THE METHODOLOGY AND THE INSTRUMENT

Corruption itself and especially tangible data on the level of corruption usually disturbs political actors and individuals that could be pointed as corrupted, and creates negative reactions to the institution and individuals presenting those data. Having in mind sensitiveness of the anti-corruption situation in the transition countries, it would be very useful not to declare municipalities as corrupted, but rather to take modified approach. Instead of measuring the level of corruption, the Methodology and the Instrument are pragmatically oriented towards measuring the susceptibility, or even better - resistance to the corruption.

The most suitable approach is to base the Instrument on risk assessment of the susceptibility of the local government to corruption, assuming that the level of actual corruption is directly correlated with the level of susceptibility to it. In that case, level of susceptibility of corruption could be taken as level of corruption vulnerability of the local government and up to certain point (if there are no proper protective mechanisms in place) as a level of expected actual corruption.

The most important elements of resistance to corruption of every institution are responsibility, transparency and accountability – therefore the Methodology and the Instrument are designed in the way to measure their level in the respective municipalities. Hence, the result of the implementation of the Methodology and the Instrument is the Index of Responsibility, Transparency and Accountability (RTA), which shows the level of the resistance to corruption of the respective municipalities.

The positivistic approach would decrease to a large extent possible reluctance of the stakeholders to implement the instrument and would increase the possibility for design and implementation of anti-corruption measures in the municipalities.

Concerning the expertise of existing instruments for measuring the corruption at global level one cannot expect that proposed Methodology and Instrument for measuring RTA at local level could be completely different. The best effects and high accuracy could be achieved by combined and upgraded use of already existing methodologies and instruments for measuring the corruption, advancing them and adjusting them to the specifics of the transitional local governments.

Closest to the need for measuring the level of responsibility, transparency and accountability in local government in transitional countries and used as a base for this Methodology and Instrument are:

- **Corruption Risk Assessment based** on the National Integrity System (NIS) of Transparency International (TI) and
- **Indicator Based Governance Assessments**, based on Country Assessment in Accountability and Transparency (CONTACT) of UNDP.

Added methodological value of the proposed instrument is - introducing the **assessment of the corruption resistance capacity** of the municipality as an indicator of its capability to defend itself against the corruption.

Combining those upgraded approaches of UNDP and TI would base measuring corruption in the municipalities on more tangible, measurable, comparable and as much as possible – accurate data compared with the perception based instruments. Since the perceptions are still valuable source of data on the existence of the corruption, they cannot be excluded fully as a tool for measuring the corruption. Therefore, perceptions of the experts and users of the services of the municipalities are to be used as an important source in the process of adjusting the Instrument to the specifics of the countries where Methodology and Instrument will be used. In that case, the perceptions are not used as a tool to measure the corruption, but as an input in the design of the Instrument, which later on uses more tangible data to measure it.

The product of this methodological approach is the Instrument for measuring the level of Responsibility, Transparency and Accountability (RTA) of the units of local government. Result of the implementation of the instrument would be creation of Index of Responsibility, Transparency and Accountability (RTA Index). Basic methodological assumption for the design of the instrument and the RTA Index are the following:

- **corruption pressure is constantly present and there are no significant changes in its intensity and**
- **the level of corruption is in inverse proportion with the existence and functioning of the anti-corruption mechanisms.**

The Methodology is designed to be used in virtually any transition country, while the specific Instrument to be applied is to be designed for every country respectively, in order to include as much as possible the local specifics. The Methodology is a guideline for the creation of the tailor-made Instrument for measuring the level of RTA for the countries where it will be implemented and therefore the creation of the country-specific Instrument has to pass through the following phases:

- ❖ **Defining corruption hot-spots**
- ❖ **Defining anti-corruption mechanisms versus corruption hot-spots**
- ❖ **Defining indicators for the anti-corruption mechanisms**
- ❖ **Quantification of the indicators**
- ❖ **Setting up of the RTA Index**

For easier understanding of the methodological approach of the creation of the Instrument, abovementioned phases in the afterward text are illustrated with examples of the development of the instrument through the pilot experiences in four municipalities. Examples are developed for the scope of public procurement and they shall illustrate the proposed structure of the instrument.

The final product after completion of those phases of the methodology is the instrument for measuring the level of RTA in the units of local government. Its implementation in respective municipalities would generate a value of the Index, which is easy to compare and allows monitoring of the changes of their resistance to corruption.

❖ **Defining corruption hot-spots**

The first step is to define the corruption hot spots, which are the specific activities and competencies of the local government which are susceptible to corruption behavior, which are similar but enough diverse in the transitional countries. Corruption hot spots are to be defined in cooperation with local experts coming from the institutions and organizations, which are related to the local governance. Therefore, there is a need to conduct series of interviews with: The representatives of local self-government, like Mayors, Presidents of Municipal Councils, Chief of Administration, Central institutions in charge of tutelar activities, such as: Ministry of Local Government, State Audit Office, Ministry of Environmental Protection and Urban Planning, Ministry of Transport and Communications, State Commission for the Prevention of Corruption, Bureau of public procurement etc; and users of the services of the municipalities like Citizens, Business community, Media, NGOs

Stakeholders will provide their perceptions and experience with corruption challenges that they have met with or have been informed about concerning units of local government. Points of interest are on the difficulties and obstacles that stakeholders have in the cooperation with the municipality related to:

- direct corruption demands
- slowness of the procedure
- refusal of the requests
- bottlenecks in the municipalities
- stockpiling of the cases
- nepotism and conflict of interest
- number of complaints per municipality department
- number of corruption related articles per municipal department etc.

Stakeholders will share their experience with these issues and their perceptions as well as their opinion about the level of the impact of the respective issues for the development of the corruption in the municipalities. Previous surveys on similar subjects are also very useful in the process of defining corruption hot spots in the municipalities. Specific corruption hot spots, which are to be included in, the Instrument should be selected based on two main criteria:

- frequency of their repetition in the answers of the stakeholders
- level of their impact to the development of the corruption.

In order to make sure that the Instrument would be applicable widely in the local government in respective countries, one of the important steps in defining the hot spots is estimation whether they are valid for all municipalities throughout the country. If in the process of implementation some hot spots are less valid for some municipalities, depending whether they are urban or rural, big or small, with larger or smaller number of inhabitants, there is a possibility of developing different list of hot spots according to their specifics.

In the process of defining the specifics of the country regarding the character of the corruption hot spots, following steps are to be taken:

- examine the laws and by-laws that regulate the competencies of the local government, within the scopes of:

- urban planning
 - public procurement
 - financial management.
- check convergence of the documents of the municipalities in order to determine whether there are differences that can influence creation and implementation of the methodology and the instrument
 - examine the organizational setup of the communities in order to check whether there are differences that can influence creation and implementation of the methodology and the instrument
 - examine municipal regulations in order to define specific corruption hot-spots in every respective abovementioned scopes

In the process of defining specific corruption hot spots, documents that regulate the following matters that are to be examined are as follows:

- municipal regulations
- administrative procedures
- administrative capacity
- forms of internal control
- forms of external control
- level of transparency.

Result of this phase is pointing out at least 10 to 15 most frequent corruption hot spots in the local government describing the opportunities for corrupt behavior, which are valid for majority of units of local government.

Example of a defined hot spot for the purpose of the illustration of the development of the instrument is the **competitiveness of the bidding**.

❖ **Defining anti-corruption mechanisms versus corruption hot-spots**

After defining country specific corruption hot spots, next step is to define anticorruption mechanisms that can prevent appearance of the corruption practices for every respective hot spot specifically. They are to be defined as antipodes to the corruption opportunity and projected in a way to be at a relatively high level of prevention of corrupt behavior. Anti-corruption mechanisms are to be defined in cooperation with the representatives of the institutions in charge of coordination and monitoring the work of the local self-governments, such as:

- Ministry of local government,
- Office of State Audit,
- Ministry of Environment and Urban Planning,
- Ministry of Transport and Communications,
- State Commission for the Prevention of Corruption,
- Bureau of public procurement etc.

Their experience of dealing with the corruption, misdemeanor and misuse of the office is to be

used to define as precise as possible anti-corruption mechanisms, which could prevent the corruption to occur in the identified hot spots. Professionals from these institutions are to be asked to identify conditions and measures that would be enough effective prevention of the appearance of corruption in the local self-governmental units. Similarly, like with the selection of the corruption hot spots, the selection of the specific anti-corruption mechanisms that is to be included in the Instrument for measuring RTA is to be done on the basis of two main criteria:

- frequency of their repetition in the answers of the stakeholders
- level of their impact to the prevention of the corruption.

In that process, one should bear in mind that defining those mechanisms directly influences the level of resistance to corruption with two possible undesired outcomes that has to be avoided:

- **to set up too high level** of expected anticorruption mechanisms, which:
 - would produce lower value of RTA Index since performances of the municipalities can not meet too high anti-corruption standards
 - would discourage municipalities to implement the methodology and the instrument
- **to set up too low level** of expected anticorruption mechanisms which:
 - would create higher value of RTA Index since most of the municipalities would meet such a low anti-corruption standards
 - would not mirror the actual situation and anti-corruption capacity of the municipalities

It is recommendable that the most useful for the sustainability of the methodology and the instrument as well as for the acceptance of the RTA Index is to set up standards of expected anti-corruption mechanisms in a way that would enable most of the municipalities to be ranked with the RTA Index between 2 and 3. That would allow only a few best-organized municipalities to be ranked with the Index 4 and none with the 5 and 1.

For every respective corruption hot spots, at least 2 or 3 anticorruption mechanisms are to be defined in order to:

- create a sufficient orienting points against which the level of the resistance to corruption would be measured and
- to point the direction in which the anti-corruption efforts of the municipality should be developed.

The result of this phase of the Methodology is a comprehensive list of anti-corruption mechanisms, which can efficiently prevent corruption for every corruption hot spot respectively. In order to make implementation easier and RTA Index more accurate there is a need to prepare a list of the documents where proof of their existence and condition could be traced down. It is recommendable that the list of the documents is created during the definition of the corruption hot spots and anticorruption mechanisms.

For the purpose of illustration, defined anticorruption mechanisms that could prevent the corruption in the hot-spot **competitiveness of the bidding are:**

- **transparent advertising of the bid**

- **existence of clear criteria for selection**

❖ **Defining indicators for the anti-corruption mechanisms**

Once the list of anti-corruption mechanisms is completed, next step in the Methodology is to identify and to define indicators of the existence and proper functioning of those mechanisms. The Indicators are to be selected and defined in a way to meet the following criteria – to be:

- **indisputable**, meaning that they definitely indicate whether the anti-corruption mechanism exists and functions proper enough to prevent corruption
- **simple for identification**, not requiring high expertise but average intellectual and educational level to be recognized
- **factual**, meaning not to be based on perception of the individuals or institution in charge of implementation of the instrument
- **gradable**, meaning the degree of their influence to the RTA Index have to be able to be categorized and measurable for its value
- **implementable in all municipalities** (or at least in the group of municipalities) in order to make comparison of resistance to corruption among the municipalities.

Defining the indicators is also one of the key phases of the Methodology and to determine the effectiveness of the instrument. There are two possible undesired outcomes that are to be avoided:

- defining too **high number of indicators**, which would aggravate implementation of the instrument and
- defining too **low number of indicators**, which could jeopardize its accuracy and credibility.

Outcome of this phase of the Methodology is a list of at least one indicator per every respective anti-corruption mechanism, which are pointing out undeniably whether the mechanism exists, and functions in a proper way.

For the purpose of illustration, defined indicators for the existence of the anticorruption mechanisms - transparent advertising of the bid and existence clear of criteria for selection in the hot-spot competitiveness of the bidding are as follows:

- **for transparent advertising of the bid**

- number of advertised bids
- value of advertised bids

- **for existence of clear criteria for selection**

- availability of the criteria before bidding
- complaints on the criteria

❖ **Quantification of the indicators**

Next, and without doubt a crucial step in the methodology, is the quantification of the indicators – setting up criteria for measuring the degree of the influence of the indicator to the level of the resistance to corruption for the respective anti-corruption mechanism. Those values of the indicators would have direct influence to the creation and the value of the RTA Index and, therefore, they have to be clearly defined in exact gradable way, which would not leave a room for the personal judgment of the individuals in charge of the implementation of the instrument. Every indicator has the value between 1 and to 5 depending of the specific weight of the anticorruption mechanism and its contribution to the prevention of the corruption.

For the purpose of illustration, quantification of the indicators would be done as follows:

- **transparent advertising of the bid (anticorruption mechanism)**
 - *number of advertised bids (indicator)*
 - proportion between advertised bids and number of all the procurements
 - *value of advertised bids (indicator)*
 - proportion between value of the advertised bids and value of all the procurements
- **for existence of clear criteria for selection**
 - *availability of the criteria before bidding (indicator)*
 - proportion of the bids with publicly available criteria vs. all the procurements
 - *complaints on the criteria (indicator)*
 - number of officially submitted complaints for criteria vs. all the procurements

Values of the Indicators are to be determined according to the previously defined criteria for quantification based on the specific weight of respective Indicators in prevention of the corruption. The criteria and the specific weight of the indicators are to be developed in the interaction with the representatives of major stakeholders at a workshop scheduled in the process of the design of the instrument.

❖ **Setting up of the RTA Index**

In order to make the RTA Index easy to understand for the media and broad public, as well as for the comparableness of the progress of the respective municipality through the time and the comparableness among the municipalities in respective country, there is a need of creation of a single digit figure out of all quantifications of the indicators.

The Methodology and the Instrument are designed in a way that allows the creation of separate RTA Index for the respective areas of competences of the local government, so it can be created at two levels in every municipality:

- **separate RTA Index** for the resistance to corruption in specific areas such as urban planning, public procurement, financial management etc.
- **overall RTA Index** for the resistance to corruption of the whole municipality in the scope of all abovementioned areas

This two level approach allows determining the level of the resistance to corruption in every respective scope, which would be used by the municipality to define the possibilities for corruption, but also development and implementation of the preventive measures. This approach would allow also to follow the positive or negative trends in every respective area during the time that follows and to intervene in case of deterioration of the existence or proper functioning of anti-corruption mechanisms and the direction in which the municipality should invest more anti-corruption efforts.

The first level – RTA Index for the specific areas allows measuring and comparing the municipal resistance to corruption in its respective administrative departments and tracking the changes within them.

The second indicating level – RTA Index of the whole municipality would allow comparison of the level of the resistance to corruption among the municipalities in the country where the instrument is going to be implemented.

Both levels of the RTA Index are to be produced using the same formula - out of the proportion of scored points in quantification of the indicators and the maximum possible points of all indicators for the respective scope of work of the municipality, according to the following formula:

▪ **SNP : MNP x 100 = PP where:**

• **SNP** is scored number of points, which is sum of all the points won by the respective municipality in the process of quantification of the indicators

- **MNP** is maximum possible number of points, which is the sum of all the maximal values of the quantification of the indicators
- **PP** is percentage points, which shows the percentage of points won by the respective municipality against the maximum number of points that could have been won.

Example:

If a given municipality obtains 65 points (SNP) out of a maximum of 105 (MNP), the amount of percentage points would be $(65 : 105) \times 100 = 61.9\%$

In order to simplify the Index and to make it easy to be understood and to be comparable, percentage points are to be transferred into single digit figure, similar to the grades in the elementary or secondary schools. The choice of the single digit could be different which depends on the specifics of the respective country – from 1 to 5, from 5 to 1 or in some cases letters can be used - from E to A, where the former means higher susceptibility to corruption and latter means lower susceptibility to corruption. For illustration, here the process of transferring of the percentage of won points to the single digit from 1 to 5 is illustrated.

After the percentage points (PP) are calculated, they are converted in RTA Index points according to the following formula:

- **$PP \times 0.05 = RTA IP$, where**
- **PP** is percentage points and
- **RTA IP** is RTA index point
- value of 0.05 is portion of every percentage point in the maximum value of RTA Index of 5 ($5 : 100 = 0.05$)

Then, the transformation of the percentage points into a single digit figure are proceed according to the following values:

- **RTA Index 5 – for the average arithmetic value between 4,5 and 5**
- **RTA Index 4 – for the average arithmetic value between 3,5 and 4,5**
- **RTA Index 3 – for the average arithmetic value between 2,5 and 3,5**
- **RTA Index 2 – for the average arithmetic value between 1,5 and 2,5**
- **RTA Index 1 – for the average arithmetic value between 1 and 1,5**

At the end of this phase, the result is values of the RTA Index would have a gradation of 1 to 5 with the following meaning:

- **RTA Index 5** – full responsibility, transparency and accountability
- **RTA Index 4** – high responsibility, transparency and accountability
- **RTA Index 3** – medium responsibility, transparency and accountability
- **RTA Index 2** – low responsibility, transparency and accountability
- **RTA Index 1** – absence of responsibility, transparency and accountability

Following the previous the example, the municipality obtain 61.9 Percentage Points, that is equivalent to 3.09 RTA Index Points ($61.9 \times 0.05 = 3.09$). Meaning that it would have a medium level of responsibility, transparency and accountability.

RECOMMENDATIONS FOR THE IMPLEMENTATION OF THE INSTRUMENT

The Methodology and the Instrument are designed in a way to be easy to implement, not to leave an opportunity for an influence of the subjective factors and to guarantee uniform way in operating with it. Their implementability has already been tested in four municipalities (Tetovo, Veles, Bitola and Gevgelija) and had proved to be user-friendly both for the agency that applied it and for the municipalities themselves.

This was confirmed by the experts who were included in the implementation, municipalities and other stakeholders, representatives of local NGOs, which were trained for their implementation. This approach of informing and training all relevant local stakeholders for the implementation of the Methodology and the Instrument is recommendable for the sustainability of measuring the level of RTA. Once trained, municipalities, together with local stakeholders could implement the Instrument themselves performing regular self-evaluations.

Having in mind this experience and the similarities in the corruption issues in most of the transitional countries, one can expect that this methodological approach can be used for creation of country specific Instrument for measuring level of RTA in a wider context - regional and international.

For easier and more accurate implementation of the instrument, specially designed tables are designed (attached) which reflects two levels of the development of the RTA Index:

- ***first table would be used in the development of the instrument and***
- ***second would be used in the implementation of the instrument***

In the first table, the instructions for the collection of the data needed to identify the indicators are listed, and it contains the following information:

- ***Area for which RTA Index is formed***
- ***Corruption hot-spots***
- ***Anticorruption mechanisms***
- ***Defined indicators***

In the process of defining the indicators, existing analyses like CONTACT or the assessment/mapping of the municipal administrative procedures in urban planning or license issuing processes in the local administration have been used.

The second table content would be defined on the basis of the findings and conclusions of the abovementioned interviews, and would contain the following data on the indicators, which would be used in the creation of the RTA Index:

- ***Name of the Indicator***
- ***Criteria for the quantification of the Indicator***
- ***Value of the RTA Index***

The Instrument is designed in a way to be able to be implemented by various subjects, such as:

- specifically trained professional agency
- mixed team of the municipal stakeholders (NGOs, public officials, citizens, etc..) and
- municipality itself as a tool for self-evaluation.

In order to avoid problems in the initial implementation of the instrument and not to jeopardize its capacity to improve anti corruption, it is highly recommendable in the first year to be implemented by a specifically trained agency. In the process of initial implementation, the team of the agency would include official and administrative staff of the municipality, which would allow them to familiarize with the Instrument and its implementation. Gained skills could be used for future self-evaluation as a base for more efficient municipal anti corruption activities.

Presentation of the results of the initial implementation in the public at local and national level is expected to produce high interest among the stakeholders and it could initiate their demands for participation in the future implementation of the instrument. Desirable outcome of the implementation of the instrument would be participation of major relevant stakeholders in the evaluation of the resistance to corruption and the design of anticorruption mechanisms in the near future.

UNDP should not be perceived as an owner of the instrument or the process of its implementation, but will have a facilitation role. The benchmarking would be based on internationally recognized good practice (e.g. principles for transparent procurement, disclosure of public information), and the method should focus on making sure that all relevant (local) stakeholders properly participate in the assessment (local authorities, businesses, NGOs). With UNDP facilitation, local communities could identify through a participatory process the main shortcomings of the local situation / practices compared to the reference benchmarks. UNDP's role would be to ensure the integrity of the process, not to produce its results.

DATA GATHERING TABLE – URBAN PLANNING

"Critical Points" of the corruption		Anticorruption mechanism	Indicators
1	Development, adoption and changes of a General Urban Plan (GUP) and Detailed Urban Plan (DUP) without the participation of a participative body	Setting up a qualified Participative body and its direct and active participation in the development and changing of the GUP and DUP	Minutes from the work of the Participative body, number of negative opinions of competent institutions on proposed versions of GUP and DUP
2	Development and adoption of GUP and DUP without a public debate and an opportunity for suggestions by interested parties	Timely publication and posting up of GUP and DUP, obtaining a positive opinion from competent institutions	Public invitation for insight view into and comments on GUP and DUP, number of versions annulled by the court competent for administrative procedure
3	Limiting the opportunity for insight view into the adopted GUP and DUP by the interested investors and their unequal treatment	Unlimited opportunity for insight into the GUP and DUP for interested investors, other entities and citizens	Proportion between the number of approved and the number of required insights into the GUP and DUP, number of complaints for refused insight into the GUP and DUP
4	Creation of an impression of complexity of the procedure for obtaining a construction permit, to allow possibility to extorting bribe	All interested parties must be clearly and precisely informed with the course and duration of the procedure and the documents required	Existence of a system for informing parties through written notices posted up or obtainable at the windows or from a clerk
5	Extending the procedure for issuing licenses, to create conditions for extortion of bribe for accelerating the procedure	Efficient analysis of the requests submitted and bringing the number of contacts with the party down to the minimum required	An average number of actions undertaken in acting upon the requests for construction permits, findings of the administrative inspection
6	Favorable treatment in the calculation and collection of the fee for developed construction land (communal taxes)	The fee for developed construction land is to be calculated and collected equally for all parties requesting permits, on the basis of the municipal acts	Number of deviations from the defined zoning, amount of fees and manner of payment of fees for developed construction land
7	Issuance of construction permits without the participation of all competent officers or managers in the procedure for issuance of construction permits	The final documentation for issuance of each individual permit is to be signed (endorsed) by each officer and manager who took part in the procedure	Existence of a rulebook defining the obligation for a signature (endorsement) of each of the participants in the procedure for issuing construction permits
8	No clear and mandatory division of the competencies in the municipal administration in the procedure of issuing construction permits	Clear and mandatory division of the competencies in the municipal administration in the procedure of issuing construction permits	Existence of a by-law defining the division of competencies in the procedure of issuing construction permits
9	Issuance of construction permits that are not in accordance with the GUP and DUP or refusal of issuing construction permits despite requests in accordance with the GUP and DUP	Consistent and maximum respect for the DUP and GUP as well as for the rules regulating the issuance of construction permits	Number of positive and negative decisions on complaints passed by the municipality, second-instance committees or competent courts
10	Connections between the employees in the urban planning department and construction design companies and favored treatment of projects and requests submitted by such companies	Equal treatment of requests submitted and projects developed by any company licensed for development of construction projects	Disproportional difference in the average number of actions undertaken in acting upon the requests developed by individual companies
11	Insufficient expertise of the officers, which causes slowness in the procedure and possibility for extortion from parties	Regular informing of officers, their continuous training and occasional checks of their knowledge of the legislation	Data on organized trainings, seminars, a system of distribution of the new regulations to the officers and checks of their expertise
12	Failure to conduct monitoring or selective monitoring of the progress of construction works and meeting the conditions for construction of buildings for which a construction permit was issued	Conduct of required inspections on the construction site for each license issued and writing down minutes for each of those inspections	Disproportionate difference in the number of inspections conducted in the case of certain construction permits issued for buildings of similar size and type
13	Failure to act or selective acting upon reports from citizens to the construction inspection in case of buildings for which a license has been issued	Inspections after each report submitted by citizens, writing minutes of each inspection and notifying the party submitting the report	Number of reports submitted, number of inspections conducted, number of minutes composed and number of notifications to the reporting parties
14	Causing delays in the issuance or enforcement of decisions for corrections or demolition of buildings that are not built in accordance with the issued license	Each building has to be built in accordance with the conditions contained in the licenses and, once the act becomes final, it has to be brought into compliance with the conditions therein	Number of non-enforced decisions for demolition or corrections of the building as opposed to the total number of decisions for demolition or corrections

INDEX DEVELOPMENT TABLE – URBAN PLANNING

	Indicators	Quantification of indicators	Value
1	Minutes from the work of the Participative body, number of negative opinions of competent institutions on proposed versions of the GUP and DUP	There are minutes confirming the active participation of the Participative body There are minutes, no confirmation of active participation of the Participative body There are no minutes	3 points 2 points 1 point
2	Public invitation to insight into and comments on GUP and DUP	There is a public invitation for insight into GUP and DUP, there are requests for correction There is a public invitation for insight into GUP and DUP, no requests for correction There is no public invitation for insight into GUP and DUP	3 points 2 points 1 point
2.1	Number of versions annulled by the court competent for administrative procedure	There are no annulled versions of GUP and DUP A part of the GUP and DUP versions is annulled A significant part of the GUP and DUP versions are annulled	3 points 2 points 1 point
3	Proportion between the number of approved and requested insights into the GUP and DUP; number of complaints on refusals to allow insight into the GUP and DUP	All requests for insight into the GUP and DUP are approved A bigger part of the requests for insight into the GUP and DUP are approved A smaller part of the requests for insight into the GUP and DUP are approved	3 points 2 points 1 point
3.1		All complaints on allowing insight into the GUP and DUP are positively resolved A bigger portion of the complaints are positively resolved A smaller portion of the complaints are positively resolved	3 points 2 points 1 point
4	Existence of a system of informing the parties through written notifications posted up or obtainable at the windows or from the clerk	Information for the parties are visibly posted or easily obtainable Information may be requested upon request of the party No system of informing the parties	5 points 3 points 1 point
5	Average number of actions undertaken in acting upon requests for construction permits, findings of the administrative inspection	No cases with an unnecessary large number of actions A smaller portion of the cases include an unnecessary large number of actions A bigger portion of the cases include an unnecessary large number of actions	5 points 3 points 1 point
5.1	Irregularities detected by the constructive inspection	The inspection did not detect irregularities in the work The inspection detected small irregularities in the work The inspection detected serious irregularities in the work	5 points 3 points 1 point
6	Number of deviations from the defined zoning, amount of fees and manner of payment of fees for developed construction land	No objections as to the fees determined There are objections in an insignificant number of cases There are objections in a significant number of cases	3 points 2 points 1 point
7	Existence of a rulebook defining the obligation for a signature (endorsement) of each of the participants in the procedure for issuing construction permits	There is a rulebook, all participants regularly sign There is a rulebook, the participants do not sign regularly There is no rulebook with an obligation of all participants to sign	5 points 3 points 1 point
8	Existence of a by-law defined division of competencies in the procedure of issuing construction permits	There is a by-law, the competencies are clearly divided There is a by-law, the competencies are not clearly divided There is no by-law on the division of competencies	3 points 2 points 1 point
9	Number of positive and negative decisions on complaints passed by the municipality, second-instance committees or competent courts	No procedure is resolved contrary to the decision of the municipality An insignificant portion of the procedures are resolved contrary to the municipality decision A significant portion of the procedures is resolved contrary to the municipality decision	5 points 3 points 1 point
10	Disproportional difference in the average number of actions undertaken in acting upon the requests developed by individual companies	The average number of actions does not depend on the company that designed the project There is a small difference in the number of actions The difference in the number of actions is large	3 points 2 points 1 point
11	Data on organized trainings, seminars, a system of distribution of the new regulations to the officers and checks of their expertise	The officers regularly attend trainings The officers occasionally attend trainings The officers do not attend trainings	3 points 2 points 1 point
11.1		The officers regularly receive the new regulations The officers do not regularly receive the new regulations The officers do not receive the new regulations	3 points 2 points 1 point

11.2		There are regular checks of the knowledge 3 points The're are occasional checks of the knowledge 2 points There are no checks of the knowledge 1 point	
12	Disproportionate difference in the number of inspections conducted in the case of certain construction permits issued for buildings of similar size and type	There are no differences in the number of inspections by building 3 points In a small number of cases, there are differences in the number of inspections by building 2 points There are big number of cases with differences in the number of inspections by building 1 point	
13	Number of reports submitted, number of inspections conducted, number of minutes composed and number of notifications to the reporting parties	Inspections are conducted upon each report 3 points Inspections are conducted in the majority of reported cases 2 points Inspections are conducted in a smaller number of reported cases 1 point	
13.1		Minutes are composed after each inspection 3 points Minutes are composed on the majority of inspections conducted 2 points Minutes are composed on a small number of inspections 1 point	
13.2		Reporting parties are notified in all cases 3 points Reporting parties are notified in the majority of cases 2 points Reporting parties are notified in a small number of cases 1 point	
14	Number of non-enforced decisions for demolition or corrections of the building as opposed to the total number of decisions for demolition or corrections	All decisions for demolition or corrections are enforced within the deadline 3 points The majority of decisions are enforced within the deadline 2 points A smaller part of the decisions are enforced within the dead line 1 point	
15	Duration of issuing building licences as opposed to the period determined by the Law, which enables extorting bribe by the officials in the municipal sector for urbanism	The largest part of the requests were not solved within the determined timeframe 1 point Part of the requests were solved within the determined timeframe 2 points The greatest part of the requests were solved within the determined timeframe 3 points	

DATA GATHERING TABLE – FINANCIAL MANAGEMENT AND PROPERTY

	“Critical Points” of the corruption	Anticorruption mechanism	Indicators
1	Unrealistic and incomplete planning of the types, amount and pace of collection of the municipal charges and income	Realistic and precise annual, mid-term and long-term planning of collection of municipal taxes and charges	Official annual, mid-term and long-term plan for the amount and pace of collection of municipal charges and income
2	Incomplete and selective collection of local taxes, charges and fees for which the municipality passes acts for collection	Non-selective and complete collection of all local taxes, charges and fees in accordance with the acts issued for that purpose	Instruments for calculation and non-selective collection, as well as for the rate of collection of projected taxes, charges and fees
3	Realization of investments in the municipality without a plan for development and public investments adopted in a transparent procedure	Transparent development and adoption of a plan for investments and development of the municipality at a defined pace and with priorities in its implementation	Official annual, mid-term and long-term framework plan for development and public investments of the municipality
4	Development and adoption of a municipality budget which is not appropriate to the investment plan and the planned needs of the municipality	The municipal budget is in accordance with its annual, mid-term and long-term development and investment plan	Compliance of the municipal budget with the development and public investments plan of the municipality for the period for which the budget is planned and adopted
5	Non-transparent procedure for development and adoption of the municipal budget, without the participation of the public and experts	Participation of the public and experts in the process of planning and development of the municipal budget, as well as consultations with the public and experts	Level of participation of the public and experts in the development of the budget and access to information regarding the budget
6	Development and adoption of a budget that is not clearly broken down by items and has no clearly defined responsible parties and individuals for its enforcement	Adoption of a budget with clear indicators of the goals, direction, expected results and parties and individuals responsible for its enforcement	The budget contains clear indicators of the goals, directions, expected results and the parties and individuals responsible for its enforcement
7	Spending above the planned budget items due to a lack of insight into its enforcement	Introduction and functioning of a computer financial system for simultaneous monitoring the degree and realization manner of the budget	Existence of a regulated system for monitoring the implementation of the budget, supported by a computer system for that goal
8	Favoring creditors during the regular payments of liabilities by the municipality and in the process of repayment of inherited municipal debts	Payment when liabilities become due and repayment of old debts according to a plan that includes a schedule and amounts to be repaid	Degree of regularity in payment against liabilities when they become due and in accordance with the plan of repayment of debts to creditors
9	Lack of or irregular internal and external control over the financial operations of the municipality	Regular conduct of audits by the internal audit of the municipality and by the State Audit Office	Audits conducted, findings from such audits, recommendations and degree of respect for and acting in line with the recommendations
10	Unclear maintenance of the financial and other records, as an obstacle to quality internal and external controls	Existence and proper functioning of rules for the manner of maintaining financial and other municipal records	Existence of acts regulating the maintenance of records, findings and recommendations of the audits conducted in the municipality
11	Rebalance of the budget to cover expenses that are not in accordance with the budget adopted, particularly in the area of investments and public procurements	Budget rebalance with accompanying explanations thereto and a rebalance in line with the plans for investments and public procurements	Explanation for the reasons behind and goals of the rebalance, and a rebalance with the plans for investments and public procurements contained in the proposal for rebalance
12	Disproportionate gaps between the initially adopted budget and the actually used funds in the area of public investments and public procurement	The time and amount of investments and public procurements are in line with the plans for investments and public procurements	Level of gaps between the planned items for investments and public procurements and funds spent for that purpose
13	Renting and disposing of municipal property without criteria, price lists and public invitations	The municipal property is rented out and sold solely on the basis of acts and price lists of the municipality	Existence of and degree of respect for acts on the basis of which the municipal property is rented and sold
14	Trends of abuse of municipal property of which no inventory is made or whose value or level of depreciation are not evaluated	Inventory is regularly made of the entire municipal property, with a detailed description of its condition, level and items of depreciation	Existence of acts and a property inventory committee, regularity in inventory taking and conduct of external controls

INDEX DEVELOPMENT TABLE – FINANCIAL MANAGEMENT AND PROPERTY

Indicators		Quantification of indicators	Value
1	Official annual, mid-term and long-term plan on the amount and schedule of collection of municipal charges and revenues	There are an annual and several-year plan for collection of municipal revenues.....3 points There is only an annual plan for collection of municipal revenues.....2 points There are no plans for collection of municipal revenues.....1 point	
1.1		There is a plan and it contains all the elements.....3 points There is a plan, but it does not contain all the elements.....2 points There is no plan for collection of the municipal revenues.....1 point	
2	Instruments for calculation and non-selective collection, as well as a rate of collection of the projected taxes, charges and fees	There are instruments for each individual revenue.....5 points There are instruments for a portion of the revenues.....3 points There are no instruments.....1 point	
3	Official annual, mid-term and long-term framework plan for development and public investments of the municipality	There are an annual and multi-annual investment plans.....3 points There is only an annual investments plan.....2 points There are no investment plans.....1 point	
4	Harmonized municipal budget with the development and public investments plan of the municipality for the period for which the budget is developed and adopted	The budget is in full accordance with the investment plan.....3 points The budget is mostly in accordance with the investment plan.....2 points The budget is not in accordance with the investment plan.....1 point	
5	Degree of participation of the public and the experts in budget preparation and access to information regarding the budget	The budget preparation is publicized, there is participation of the public.....3 points The budget preparation is publicized, there is no participation of the public.....2 points The budget preparation is not publicized.....1 point	
6	The budget contains clear indicators of the goals, directions, expected results and parties responsible for its enforcement	The budget contains all indicators of goals, results, parties and responsibility.....3 points The budget contains indicators for a portion of the stated elements.....2 points The budget does not contain indicators of the stated elements.....1 point	
7	Existence of a regulated system for monitoring the budget implementation, supported by a computer system for that purpose	The system exists and is regularly used.....5 points The system does exist, but it is not used regularly.....3 points No system exists for monitoring the budget implementation.....1 point	
8	Degree of regularity in payment against liabilities when they become due and in accordance with the plan of repayment of debts to creditors	Payments are carried out regularly, as liabilities become due.....3 points Payments are mostly carried out as liabilities become due.....2 points Payments are not carried out as liabilities become due.....1 point	
9	Conducted audits, findings from such audits, recommendations and level of actions undertaken in line with the recommendations	There is an internal audit and it regularly conducts audits.....3 points There is an internal audit and it conducts audits occasionally.....2 points There is no internal audit in the municipality.....1 point	
9.1		The findings of the internal audit are positive.....3 points The findings of the internal audit contain no opinion.....2 points The findings of the internal audit are negative.....1 point	
9.2		The findings of the internal audit are positive.....5 points The findings of the internal audit contain no opinion.....2 points The findings of the internal audit are negative.....1 point	
9.3		The municipality has acted in line with all the recommendations of the auditors.....5 points The municipality has acted in line with most of the recommendations.....3 points The municipality has not acted at all or has acted in line with some of the recommendations.....1 point	

10	Existence of acts regulating the maintenance of records, findings and recommendations of the audits conducted in the municipality	There are acts, records are kept in line with those acts There are acts, records are not kept entirely in line with them There are no acts regulating the record keeping3 points2 points1 point
11	Explanation for the reasons and goals of the rebalance are brought in accordance with the plan for public investments and procurements as contained in the proposed rebalance	There is an explanation, based on the investment and procurement plan There is an explanation, but is not based on the investment and procurement plan There is no explanation for the rebalance3 points2 points1 point
12	Level of gap between the planned items for investments and public procurements as well as the funds spent for that purpose	There is an insignificant gap between the planned and spent funds There is a significant difference between the planned and spent funds3 points1 point
13	Existence of and compliance with the acts on the basis of which the municipal property is rented out and sold	The municipality has acts regulating in detail the renting and selling of property The municipality has acts partially regulating the renting and selling of property The municipality has no acts regulating the renting and selling of property3 points2 points1 point
13.1		Property is always rented out and sold upon a public invitation Property is in most cases rented out and sold upon a public invitation Property is rented out and sold without a public invitation5 points3 points1 point
14	Existence of acts and property inventory committee, regularity in taking inventory and conduct external controls	There are no acts and committee, inventory taken regularly There are no acts and committee, inventory not taken regularly There are no acts and committee, inventory not taken3 points2 points1 point

DATA GATHERING TABLE – PUBLIC PROCUREMENT

“Critical Points” of the corruption		Anticorruption mechanism	Indicators
1	Planning and realization of public procurements that are not in accordance with the budget and the municipality development plan	All public procurements of the municipality is to be in accordance with its budget and development plan	Existence and level of respect for the annual public procurement plan, which is in accordance with the budget and the municipality development plan
2	The municipality has failed to submit the annual public procurement plan to the Public Procurement Office	The annual public procurement plan is to be submitted with the Public Procurement Office	The annual public procurement plan is received by the Public Procurement Office
3	Division of larger procurements into smaller parts, to avoid the obligation of organizing a public tender	Procurements of the same type over the year are to be carried out as a bulk, through a public tender	Implementation of procedures for small value procurement of the same type of goods and services in the course of one year
4	Defining the technical specification of the goods and services in a way that favors a certain supplier	Detailed technical specification of the goods or services is defined clearly and is an integral part of the tender documentation, without specifying a specific trade name or brand	Existence of a precise technical specification of the goods and services in the tender documentation, documentation that stated the trade name or brand
5	Defining the criteria for awarding points in a way that favors a certain supplier	The evaluation criteria contain both detailed and clear sub-criteria for the way in which points are awarded to the bids	Existence of precise criteria for evaluation and sub-criteria for awarding points to the bids
6	Implementation of a public procurement without previous research of the market, prices and features of the goods and services to be procured	The previous market research provides orientation as to the price and features of the goods and services, which is of assistance in the decision-making process	Existence of data on previously conducted market research in terms of the prices and quality of the goods and services to be procured
7	Implementation of public procurements upon a negotiation procedure, without notifying the Public Procurement Office and obtaining its consent	The public procurements upon a negotiation procedure are carried out following a previous notification and consent of the Public Procurement Office	Number and value of public procurements upon a negotiation procedure about which the Public Procurement Office is not notified and has not granted consent for such procurement
8	Publication of and invitation for bids done in a way that not as many as possible bidders are informed about it	The public procurements, particularly those of a larger value, should be published in a daily newspaper of a larger circulation, instead of in newspapers of small or insignificant circulation	Number and value of public procurements carried out through adds in papers of large circulation
9	Submission of a small number of fictitious, less competitive bids by companies close to the supplier intended to win the tender	The majority of the bidders ensures higher competitiveness and more favorable conditions for the municipality in the public procurement process	Average number of bids in an open and limited invitation
10	No transparency in the procedure and the documentation related to the implementation of the public procurement	The procedure for implementing public procurements should be transparent, and the information related to it should be available for the bidders and the public	Informing all bidders with the outcome of the completed public procurements and allowing access to related information
11	Following the completion of the public procurement, the related documents and information are not archived in a complete, easily understandable file	The entire documentation from the public procurement should be archived in a separate, easy to find and analyze file	Existence of separate, neatly archived files containing all documents and information related to the specific public procurement
12	Entering into agreements for public procurement at a lower price and under terms and conditions that do not completely coincide with the selected bid	The public procurement agreement is to be signed at the prices, technical specification and conditions that are identical with those in the selected bid	Agreements stating no price, containing insufficient elements regarding quality and/or delivery terms or with terms and conditions different from those offered in the selected bid
13	Changing the agreements with annexes, amending the price, quality of the goods or services and the terms of the public procurement	The price, quality and terms of the agreement may only be changed as an exception and with a reasonable explanation for the reasons for such a change	Number and value of procurements where the price, features and terms of the public procurement have been changed by an annex to the initial agreement
14	Keeping records of companies that failed to meet the conditions from the previous public procurement agreements with the municipality	Incomplete or low quality realization of previous public procurements should be a serious obstacle to winning new contracts with the municipality	Existence of records of companies that have met their obligations under previous public procurements agreements incompletely or with poor quality

INDEX DEVELOPMENT TABLE – PUBLIC PROCUREMENT

Indicators		Quantification of indicators	Value
1	Existence and degree of abiding by the annual public procurement plan, which is in accordance with the budget and development plan of the municipality	There is an annual plan and it is in accordance with the budget and development plan 3 points There is an annual plan, but is not in accordance with the budget and development plan 2 points There is no annual plan 1 point	
1.1		Procurements are in complete accordance with the annual plan 3 points The majority of procurements are in accordance with the annual plan 2 points A smaller portion of the procurements are done in accordance with the annual plan 1 point	
2	The annual public procurement plan is received by the Public Procurement Office	The annual public procurement plan is submitted to the Public Procurement Office 3 points The annual public procurement plan is not submitted to the Public Procurement Office 1 point	
3	Implementation of procedures for small value procurements of the same type of goods and services in the course of one year	Small value procurements of the same type are very rare 3 points Small value procurements of the same type are done occasionally 2 points Small value procurements of the same type are done frequently 1 point	
4	Existence of a precise technical specification of the goods and services in the tender documentation	There is always a precise technical specification 3 points There is a precise technical documentation in most of the cases 2 points There is a precise technical documentation in some of the cases 1 point	
4.1	Existence of a technical specification of the goods, which states the trade name or brand	No trade name or brand are stated 3 points A trade name or brand is stated in a portion of the procurements 2 points A trade name or brand is stated in the majority of procurements 1 point	
5	Existence of precise evaluation criteria and sub-criteria for awarding points to the bids	There are always precise criteria for awarding points 3 points There are precise criteria for awarding points in most of the cases 2 points There are precise criteria for awarding points in some of the cases 1 point	
6	Existence of data on previously conducted market research related to prices and quality of goods and services procured	Previous market research is done frequently 3 points Previous market research is done occasionally 2 points No previous market research is done 1 point	
7	Number and value of negotiated public procurements for which the Public Procurement Office is not informed and has not granted consent	No negotiated procurements that the Public Procurement Office is not informed about 5 points A small number of negotiated procurements with no notification of the PP Office 3 points A large number of negotiated procurements with no notification of the PP Office 1 point	
7.1		No procurements without a public tender to which the PP Office has no consent 5 points A small portion of the procurements without a public tender are done without the consent of the Public Procurement Office 3 points A large portion of the procurements without a public tender are done without the consent of the Public Procurement Office 1 point	
8	Number and value of public procurements done by publicizing in a daily newspaper of a larger circulation	Most of the public tenders are publicized in a newspaper of a large circulation 5 points A portion of the public tenders is publicized in a newspaper of a large circulation 3 points Most of the public tenders are publicized in a newspaper of a small circulation 1 point	
8.1		The total value of the procurements publicized in a large circulation paper is high 5 points The total value of the procurements publicized in a large circulation paper is not high 3 points The total value of the procurements publicized in a large circulation paper is low 1 point	
9	Average number of bids in an open and limited public invitation	More than five 5 points Three to five 3 points Three 1 point	
10	Informing all bidders with the outcome of the public procurement and allowing access to the related information	Bidders are regularly informed about the outcome of the tender 3 points Bidders are frequently informed about the outcome of the tender 2 points Bidders are rarely informed about the outcome of the tender 1 point	

		Bidders are frequently allowed access to the tender information.....5 points The access to information about the tender is partial or rare 2 points Bidders are not allowed access to information about the tender..... 1 point	
11	Existence of separate, neatly archived files containing all documents and information related to a specific public procurement	All files are complete and orderly kept3 points Most of the files are complete and orderly kept 2 points A small number of files are complete and orderly kept..... 1 point	
12	Agreements stating no price, insufficient number of elements regarding quality, terms of delivery or agreements with terms different from those in the selected bid	No agreements that do not coincide with the selected bid3 points An insignificant number of the agreements do not coincide with the selected bid..... 2 points A significant number of the agreements do not coincide with the selected bid 1 point	
13	Number and value of procurements where the price, features and terms and conditions of the public procurement were changed by an annex to the initial agreement	There are no annexes to any of the public procurement agreements 5 points There are annexes to an insignificant number of public procurement agreements..... 2 points There are annexes to the majority of the public procurement agreements 1 point	
13.1		The total value of the procurements with annexes to the agreements is very low 5 points The total value of the procurements with annexes to the agreements is not high..... 2 point The total value of the procurements with annexes to the agreements is very high 1 point	
14	Existence of records of companies that have met their obligations in previous procurements in an incomplete or poor quality way	Records are kept and this is an obstacle for those bidders' participation in tenders..... 5 points Records are kept, but this is no obstacle for those bidders' participation in tenders..... 3 points No records are kept of companies with unfulfilled obligations towards the municipality..... 1 point	

CIP - Каталогизација во публикација
Национална и универзитетска библиотека „Св. Климент Охридски“, Скопје

343.352:352

Methodology for measuring the Index of responsibility, transparency and
accountability at local level. - Skopje : United Nations Development Programme,
2008. - 30 стр. : 21 cm

ISBN 978-9989-188-41-1

а) Локална самоуправа - Корупција - Спречување - Методологија - Водичи
COBISS,MK-ID 73450762

ISBN 978-9989-188-41-1