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PRESS RELEASE

Prizren Municipality with shortcomings in budgetary performance

Within the project of overseeing the transparency of municipal executive of Prizren, EC Ma Ndryshe in March has looked at the financial statements of the Municipality of Prizren for the period from January to December 2013.

Annual financial report of the Directorate of Economy and Finances reveals that the last year Prizren Municipality was faced with downsides in budgetary performance since had concluded the year 2013 with outstanding debts close to EUR 2.500.000.

Statement of outstanding bills (liabilities) of Prizren Municipality shows that in the category of capital investments are close to EUR 2.000.000 of inherited debts, whereas the outstanding debt for municipal spending is EUR 135.000, followed then EUR 75.000 for subsidies and EUR 70.000 EUR for goods and services.

The amount of liabilities is worrying when compared to previous years. In 2012, the liabilities of the Municipality were close to EUR 993.000 and EUR 1.200.000 in 2011.

The issue turns out to be even more serious when considering the level of own-source revenue collection, where from EUR 6.200.000 planned for 2013, only EUR 4.200.000 have been collected, representing a decline compared to the year 2012, when close to EUR 4.400.000 were collected and with 2011 when collected nearly EUR 5.000.000.

Meanwhile, despite these negative trends, financial statements of the Municipality of Prizren indicate for an increase of expenditures in the category of goods and services, since in 2013 were spent close to EUR 2.500.000, which is about half a million of Euros more than in 2012.

Justification of municipal responsible officials is that these debts appear in the Financial Report because many projects start in the second semester of the year and that the execution and payments are reassigned to the next year.

However, 'EC Ma Ndryshe, based on its monitoring considers that such justification has no proper support because the second part of the year 2013 has been the election period.

According to these data results that local government in Prizren did not take into account the recommendations of civil society, recommendations produced with the sole purpose of improving the execution of the municipal budget.

On several occasions 'EC Ma Ndryshe' has sought better governance related to public money, in line with the findings of the Auditor General of Kosova, a state institution which has found various weaknesses in the budgetary performance of the Municipality of Prizren.

Herein, we remind the municipal government that it must apply standards of good governance, which are: focusing on outcomes that benefit the citizens; ensuring that citizens receive good

and enhanced services in return for their taxes; accountability; promotion of the institution's ethics, by setting an example with responsible behaviour and good budgetary execution and transparent decision-making.

For these reasons, EC Ma Ndryshe recommends Prizren Municipality the following:

- To take adequate measures to improve budgetary performance;
- To develop a proper plan for effective debt settlement;
- To execute without any further delay and accurately the recommendations of the Auditor General; and
- To submit broken down and detailed bills rather than summarized reports in order to demonstrate transparency and accountability to the public.

EC Ma Ndryshe's project for the transparency oversight of the executive branch will continue on publicizing monitoring findings through regular press releases and the project's website, where the findings will be posted directly by the monitors. So far, all monitoring findings, including regular press releases and other information relative to local governments of Prizren, Mamuşa/Mamushë and Prishtina are being regularly published on the project's website: www.online-transparency.org.

Thank you for your cooperation,

Elmedina Baxhaku, Monitoring Staff
NGO EC Ma Ndryshe
Saraçët Street 5, Prizren
Perandori Dioklician Street 14, 5th floor (at Qafa Complex), Prishtina
www.ecmandryshe.org & info@ecmandryshe.org
+381 38 224 967 & +381 29 222 771



British Embassy
Prishtina

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