

Open Regional Fund for South-East Europe – Modernisation of Municipal Services

The challenge

All countries in the Western Balkans are striving to join the European Union. This transformation process presents enormous challenges to the municipalities and their utilities in particular, especially when regards the provision of municipal services and strengthening of local economic development.

The regional project supports the partners in all six countries of the Western Balkans to jointly develop and apply practicable solutions for the modernisation of municipal services.

The goal

The conditions for municipal development and local economic growth in the six countries of the Western Balkans are improved in line with the requirements for the EU accession.

Our approach

The project supports municipalities and public utilities in the entire region. The associations of municipalities and public utilities are the key actors, as they provide support and expertise to help the local authorities across borders to organise their services in line with Sustainable Development Goals (SDGs).

The project covers traditional municipal services such as water supply, sanitation and waste management.

At the same time, the project strengthens the local self-governments to better the business climate, establishing regional economic partnerships and offer better employment perspectives to vulnerable groups in the municipal community.

Name	Open Regional Fund for South-East Europe – Modernisation of Municipal Services
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Countries	EU accession countries in South-East Europe, namely Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North-Macedonia and Serbia
Lead executing agency	Regional Cooperation Council (RCC), Sarajevo
Duration	Total duration: 2006 – 2024 Current module: 04/2021 – 03/2024
Project value	Current module: 5.900.000 EUR Incl. 1.800.000 EUR from the Swiss State Secretariat for Economic Affairs (SECO)

The project strengthens the capacities of relevant stakeholders and offers access to effective solutions for the improvement of municipal services.

The project also promotes cooperation between decision-makers at national and regional levels, to assure that the reform processes are reinforced through legally binding agreements.

A special focus is placed on innovative digital solutions for municipalities and public utilities, to leverage gains in effectiveness, transparency and service orientation.

Results

With the help of national and regional associations, networks and specialist organisations, instruments, procedures and processes for improving municipal services were developed and prepared in such a way that they can be used between cities and municipalities throughout the region. Thanks to the high level of commitment of



Left to right:
Seasonal workers, Waste Management

the partners, a total of 33 solutions from different areas such as improved municipal water supply, sanitary waste water, circular economy from waste collection to recycling, improvement of business friendliness, cooperation partnerships with the private sector, as well as creation of employment opportunities were prepared as replicable models by 2020.

The relevant associations and specialist organisations were strengthened in their capacities in order to support the municipalities as service providers in the application of these solutions. And successfully so: a total of 1,176 municipalities, public utilities and other service providers in all 6 partner countries are already using the solutions developed.

With the Swiss State Secretariat for Economic Affairs, a Regional Capacity Development Network for water and sanitation (RCDN) was established, to offer high quality capacity development for the public water sector. Supported by a pool of over 130 expert trainers, these offers have already been used by 337 water utilities from 491 municipalities in SEE. The project also supports the partners in formulating relevant reform needs and passing them on to the decision-makers with substantial analyses and practical recommendations. Up to now, eight proposals have been the starting point for promotion of municipal interests at the national level or even of national legislative reforms.

To improve the local business environment, a regional network of chambers and investment agencies is now helping municipalities through a Business-Friendly Certification Programme in South East Europe (BFC SEE) to introduce concrete improvements. More than 100 municipalities have adapted their services. The business friendliness of certified municipalities is significantly higher than in other municipalities, thus these municipalities are also attracting more investors and creating more jobs.

At the same time, good practices, like a system for electronic building permits, were transferred amongst the partner countries to encourage the partners to learn from each other and grow together. The project also helps to create employment opportunities for vulnerable groups. With an e-registration system for seasonal workers

in the Serbian agricultural sector, more than 46,000 persons, most of them from vulnerable groups, were able to find employment more easily and work with full social security benefits. In the same period, the Serbian government generated 3.52 Mio. EUR additional contribution to social insurance and 1.25 Mio. EUR tax income through the system (from 01/2019-12/20). Following the great success, the compatible systems will now also be replicated in Albania, Montenegro and North Macedonia with the support of the Project. Additionally, a transfer to Bosnia and Herzegovina and Kosovo will also be facilitated. This will not only improve the employment opportunities of vulnerable individuals and communities, but is at the same time a contribution towards regional economic growth and reduction of grey economy in the Western Balkans.

Furthermore, the project promotes innovative development partnership with the private sector, leveraging additional resources and know-how for the modernisation of municipal services and local economic growth. The activities cover a whole range from smart city applications, integrated asset management in water utilities, economically viable recycling models and digitalisation of municipal services to digital land management.

The United Nations Sustainable Development Goals (SDGs) that the Project focuses on in its implementation are:



The project supports the introduction of the following chapters of EU-Acquis Communautaire:

- Chapter 9: Financial Services
- Chapter 10: Information Society
- Chapter 19: Social Policy and Employment
- Chapter 20: Enterprise and Industrial Policy
- Chapter 27: Environment

Contact: Peter Wolf, Sector Fund Manager

E: peter.wolf@giz.de

Published by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH Registered offices Bonn and Eschborn, Germany	Photo credits	© GIZ
	Project: Open Regional Funds for South-East Europe - Modernisation of Municipal Services GIZ Office Sarajevo Zmaja od Bosne 7-7a/ Importanne Centar 03/IV Tel +387 (0)33 957 500 Fax +387 (0)33 957 501 GIZ-BosnienHerzegowina@giz.de www.giz.de/bosnia-herzegovina	GIZ is responsible for the content of this publication.	
As at	05/2021	On behalf of	Federal Ministry for Economic Cooperation and Development (BMZ) Swiss State Secretariat for Economic Affairs (SECO)