

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, 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 practical 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 economic partnerships for competitive region.

Name	Open Regional Fund for South-East Europe – Modernisation of Municipal Services
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Countries	Economies of the Western Balkan Six (WB6): Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North-Macedonia, and Serbia
Lead executing agency	Regional Cooperation Council (RCC)
Duration	Total duration: 2006 – 2028 Current module: 04/2021 – 03/2028
Project value	Current module: 14.324.000 EUR Incl. 6.800.000 EUR from the Swiss State Secretariat for Economic Affairs (SECO)

At the same time, the project offers better employment perspectives to vulnerable groups in the municipal communities.

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

The project also promotes cooperation between decision-makers and other stakeholders at national and regional levels, to assure that the reform processes are reinforced through legally binding agreements which means that multi-level and multi-stakeholder policy dialogue is ensured.

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



Left to right:
Seasonal workers, Municipal Waste Management

Results

With the help of national and regional associations, networks and specialist organisations, many different tools, 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 entire region. Thanks to the high level of commitment of the partners, a total of **44 proven solutions** from different areas were prepared as replicable models from 2019 to 2023. The relevant associations and professional organisations were capacitated to support the municipalities as service providers in the application of these solutions. And successfully so: a total of **1,176 beneficiaries and service providers** are already using the solutions developed. With the Swiss State Secretariat for Economic Affairs (SECO), 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, services of the network have already been used by **337 water companies** from **491 municipalities** until 03/2021. That is why the project is further supported by SECO to achieve sustainable improvements of the water sector in the region through **RCDN+** measures. 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 Southeast Europe (**BFC SEE**) to introduce concrete improvements. More than 100 municipalities have been certified. 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. In 2023, BFC standard is upgraded with additional digitalization and circular economy assessment criteria and the network is transformed into Partnership for competitive region (**CORE Partnership**).

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 **83,000 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 **12.2 Mio. EUR** from tax income and contribution to social insurance through the system (from 01/2019-09/23). Following the great success, the compatible systems will now also be replicated in North Macedonia, Montenegro, and Kosovo with the support of the Project. Additionally, extension of the system to other sectors are envisaged in Serbia. This will significantly contribute towards reduction of grey economy in the Western Balkans. Furthermore, the project promotes development partnership with the private sector (develoPPP), leveraging additional resources and know-how for the modernization of municipal services and local economic growth. The activities cover a whole range from smart city applications, integrated asset management, economically viable recycling models and digitalization of municipal services.

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 and Media
- Chapter 19: Social Policy and Employment
- Chapter 20: Enterprise and Industrial Policy
- Chapter 27: Environment

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