

## **PARLIAMENT OF THE REPUBLIC OF MACEDONIA**

Pursuant to Article 75, Paragraphs 1 and 2 of the Constitution of the Republic of Macedonia, the President of the Republic of Macedonia and the President of the Parliament of the Republic of Macedonia proclaim a

### **DECREE PROMULGATING THE LAW ON INTERMUNICIPAL COOPERATION**

The Law on Inter-Municipal Cooperation, passed at the Session of the Parliament of the Republic of Macedonia held on 17 June 2009 is hereby promulgated

No. 07-2728/1  
17 June, 2009  
Skopje

President  
of the Republic of Macedonia  
**Gorge Ivanov**

President  
of the Parliament of the  
Republic of Macedonia  
**Trajko Veljanovski**

## **LAW ON INTER-MUNICIPAL COOPERATION**

### **I. GENERAL PROVISIONS**

#### **Article 1**

This Law shall govern the manner, conditions and procedure for establishing inter-municipal cooperation and the forms of financing, registering and supervision of inter-municipal cooperation as well as other issues of importance for inter-municipal cooperation.

#### **Article 2**

(1) Inter-municipal cooperation in the sense of this Law shall be the cooperation established between two or more municipalities for a more efficient and cost-effective execution of the competences set forth by law and for achievement of their common interests and goals.

(2) Inter-municipal cooperation shall also mean the performance of certain functions under the competence of municipalities by one municipality on behalf of one or more other municipalities pursuant to a contract entered into by the municipalities.

### **Article 3**

In accordance with this or some other Law, municipalities shall decide independently and voluntarily on the establishment of inter-municipal cooperation in order to exercise their competences.

## **II. ESTABLISHING INTER-MUNICIPAL COOPERATION**

### **Article 4**

(1) Inter-municipal cooperation shall be established for joint performance of functions under the competence of municipalities, performance of common functions and achievement of common interests and goals.

(2) For achievement of common interests and goals in the execution of their competences, municipalities shall join financial, material and other resources.

(3) A decision to establish inter-municipal cooperation shall be passed by each of the municipal councils by a majority vote of all council members.

### **Article 5**

(1) A proposal to establish inter-municipal cooperation shall be made by the mayor of the municipality or by a member of the municipal council.

(2) An initiative to establish inter-municipal cooperation may be raised by at least 10% of the constituency of a municipality.

(3) The proposal or the initiative from paragraphs (1) and (2) of this article shall contain the purpose of cooperation, the competences pertaining to it, the form the cooperation will go through, the potential financial implications from the cooperation as well as other issues of importance to the establishment of inter-municipal cooperation.

(4) The proposal or initiative shall be submitted to the municipal council.

(5) The mayor of the municipality shall give an opinion on the initiative or on the proposal not raised by the mayor of the municipality.

## **Article 6**

- (1) The municipal council shall decide upon the proposal or initiative from article 5(1) and 5(2) of this Law based on a previously conducted assessment of the needs for establishment of inter-municipal cooperation.
- (2) The municipal council shall be obligated to hold a hearing on the initiative under Article 5(2) of this Law within 90 days from the submission of the initiative and shall inform citizens on its decision.
- (3) If the municipal council approves the proposal or initiative for establishment of inter-municipal cooperation it shall draft a Proposal for establishment of inter-municipal cooperation.
- (4) The Proposal from Paragraph (3) of this article shall be submitted to the municipality or municipalities that the inter-municipal cooperation is to be established with.

## **Article 7**

- (1) The municipal council/councils to which the proposal to establish inter-municipal cooperation from Article 6(3) of this Law has been sent shall decide on the establishment of the proposed cooperation within 90 days from the day of submission of the proposal to establish inter-municipal cooperation.
- (2) The mayor of the municipality to which the proposal to establish inter-municipal cooperation from Article 6(3) has been sent shall give its opinion on the proposal.

## **Article 8**

- (1) The municipal councils that have approved the proposal or initiative to establish inter-municipal cooperation shall establish a joint commission to compose a draft act for establishment of inter-municipal cooperation and draft acts for establishment or set-up of the forms the inter-municipal cooperation is to be exercised through.
- (2) The joint commission under Paragraph (1) shall compose the draft acts pursuant to a previously conducted analysis.
- (3) The joint commission under Paragraph (1) shall consist of equal number of members nominated by the municipalities establishing the inter-municipal cooperation.

### **III. FORMS OF INTER-MUNICIPAL COOPERATION**

## **1. Attainment of the Inter-Municipal Cooperation**

### **Article 9**

- (1) The inter-municipal cooperation may be attained through:
- a) establishment of bodies for inter-municipal cooperation
    - common working body and commission, and
    - common administrative body
  - b) establishment of common public services
    - common public enterprise
    - common public institution.
- (2) The inter-municipal cooperation may also be attained through entering into contracts on:
- joining financial, material and other resources, and
  - performing certain functions by one municipality on behalf of one or more other municipalities

## **2. Common Working Bodies and Commissions**

### **Article 10**

- (1) Two or more municipalities may set up ad-hoc or standing common working bodies and commissions for reviewing certain issues under the competence of the mayor of the municipality or of the municipal council.
- (2) The mayor shall decide on the set-up of a common working body or commission for reviewing certain issues that are under the competence of the mayor and the municipal council shall decide on issues that are under the competence of the municipal council.
- (3) The common working bodies and commissions shall review issues and shall initiate decisions passed by municipal bodies which are of common interest for execution of the competences of municipalities.
- (4) Common working bodies and commissions shall also be set up for exchange of experience and for professional cooperation between the municipal administrations when executing the competences of the municipalities.

## **3. Common Administrative Body**

### **Article 11**

A common administrative body may be set-up by two or more municipalities in accordance with the Law on Local Self Government, in order to execute certain competences of the municipalities set forth by Law.

### **Article 12**

(1) The mutual rights and responsibilities of the municipalities setting up a common administrative body shall be regulated by contract.

(2) The contract from Paragraph (1) of this article shall be entered into by the mayors of the municipalities setting up the common administrative body.

(3) The contract from Paragraph (1) of this article shall particularly regulate the following issues:

- the identification of individual and common needs in the execution of certain municipal competences,
- the selection of a head of the common administrative body made by the mayors of the establishing municipalities, following a public vacancy announcement,
- the manner of staff allocation in the common administrative body, and
- the responsibility of the head of the common administrative body to the mayors of the establishing municipalities.

### **Article 13**

(1) The common administrative body shall perform professional, normative/legal, executive or administrative/supervisory functions in accordance with the individual and common needs in the course of execution of certain competencies of the municipalities establishing the common administrative body.

(2) The common administrative body may be established as a common sector, common department or a common project unit.

### **Article 14**

(1) The common administrative body shall carry out the functions it is set up to perform in the name and on behalf of the establishing municipalities.

(2) The head of the common administrative body every six months shall submit a report to the mayor and to the municipal councils for its work and for the work of the common administrative body.

(3) The rights, competences and obligations of the municipal bodies establishing the common administrative body may not be transferred to it.

### **Article 15**

The seat for the common administrative body shall be in the municipality with the largest number of residents, unless municipalities agree otherwise.

### **Article 16**

Municipalities shall participate in the financing of the common administrative body in proportion to the type and quantity of functions that are under the competence of each of the municipalities, unless municipalities agree otherwise.

### **Article 17**

The mayor of each municipality shall monitor the performance of functions within the scope of the common administrative body, pertaining to the functions under its competence.

## **4. Common Public Enterprise**

### **Article 18**

- (1) A Common Public Enterprise shall be established to perform functions of common interest and of local importance.
- (2) The Common Public Enterprise shall be established in a procedure set forth by Law.
- (3) The Common Public Enterprise shall be established by a decision containing identical wording passed by the municipal councils, by majority vote of all council members in each of the municipalities that are founders of the Common Public Enterprise.
- (4) The mayors of the municipalities shall enter into and sign a contract for the Common Public Enterprise that shall regulate the mutual rights and obligations.
- (5) The Decision establishing the Common Public Enterprise shall particularly regulate:
  - the activity,
  - the name and seat,
  - the amount of invested funds for its establishment and the manner of their provision,
  - the organization of the Common Public Enterprise,
  - the manner of enforcement of the decisions of the bodies of the Common Public Enterprise,

- the responsibility of the Common Public Enterprise for its obligations in legal relations with third parties,
- the deadline for adoption the statute and appointment of the bodies of the Common Public Enterprise,
- the appointment of a person in charge of the enterprise business until its constitution,
- the number, composition and the manner of selection of the members of the management board,
- the manner of selection of the director of the Common Public Enterprise, and
- the composition and the manner of selection of the supervisory board.

### **Article 19**

The seat of the Common Public Enterprise shall be in the seat of the municipality with larger, i.e. largest number of users of the public services, unless founders agree otherwise.

### **Article 20**

The funds for the establishment of the Common Public Enterprise shall be allocated from the municipal budgets proportionate to the number of users of the public services, unless founders agree otherwise.

### **Article 21**

The person in charge of the enterprise business until the constitution of the Common Public Enterprise shall be appointed upon a proposal of the council of the founding municipality in which the seat of the Common Public Enterprise is to be located.

### **Article 22**

(1) The Common Public Enterprise shall submit the acts to be approved by the founding municipalities to the municipal councils at the same time and with identical wording.

(2) The approval of the acts of the Common Public Enterprise shall be granted by adoption of individual granting acts by each of the municipal councils from the founding municipalities.

(3) The act under approval shall be considered passed upon approvals granted by all councils of the municipalities founding the Common Public Enterprise.

### **Article 23**

(1) The founding municipalities of the Common Public Enterprise may take measures set forth by law to provide conditions for unobstructed operation of the public enterprise.

(2) For taking the measures under circumstances set forth by law, the municipal councils shall pass an identical act.

(3) The act shall be passed by majority vote of all council members in each of the municipalities that are founders of the Common Public Enterprise.

## **5. Common Public Institution**

### **Article 24**

(1) A Common Public Institution shall be established to perform functions of common interest and of local importance in the fields of education, culture, welfare, child protection, and other functions defined by law.

(2) The Common Public Institution shall be established in a procedure set forth by Law.

(3) For the establishment of a Common Public Institution the mayors of the municipalities shall enter into and sign a contract which shall regulate the mutual rights and responsibilities.

### **Article 25**

(1) The Common Public Institution shall be established by a decision containing identical wording passed by the municipal councils of the municipalities founding the Common Public Institution.

(2) The decision to establish a Common Public Institution shall be passed by majority vote of all council members in each of the municipalities that are founders of the Common Public Enterprise.

### **Article 26**

The Decision establishing the Common Public Institution shall particularly regulate:

- the names of the founders,
- the name and seat of the institution,
- the activity of the institution,
- the resources provided by the founders for the establishment and commencement of operation of the institution and the manner of providing these resources,
- the permanent sources, the manner and the conditions for obtaining operational resources of the institution,

- the rights and obligations of the founder related to the performance of the activity i.e. the performance of the functions of the institution,
- the mutual rights and obligations of the institution and the founders,
- the period the institution is established for,
- the rights, duties and responsibilities of the institution in the legal relations,
- the responsibility of the founders for the liabilities of the institution,
- the person representing and acting on behalf of the institution and his/her authorities in the legal relations,
- the organization of the institution,
- the appointment of the management body members,
- the deadline for adoption of the statute and appointment of a director,
- the manner of use of the surplus revenue and the manner of covering the shortage of funds for the operation of the institution,
- the person in charge of business until the constitution of the institution,
- the number, composition and manner of selection of the management body members
- the manner of selection of the director,
- the composition and the manner of selection of the supervisory body.

#### **Article 27**

The person in charge of business until the constitution of the institution shall be appointed upon the proposal of the council of the founding municipality in the seat of which the seat of the Common Public Institution is to be, unless founders agree otherwise.

#### **Article 28**

(1) The founding municipalities of the Common Public Institution may take measures set forth by law to provide conditions for unobstructed operation of the public institution.

(2) For taking the measures under circumstances set forth by law, the municipal councils shall pass an identical act.

(3) The act shall be passed by majority vote of all council members in each of the municipalities that are founders of the Common Public Institution.

### **6. Performance of Certain Functions by One Municipality On Behalf of One or More Other Municipalities**

#### **Article 29**

(1) For the performance of certain functions under the competence of the municipalities by one municipality on behalf of one or more other municipalities a contract shall be entered into.

(2) The contract from Paragraph (1) of this Article shall be entered into by the mayors of the municipalities upon decisions previously passed by the municipal councils.

(3) The contract from Paragraph (1) of this article shall define:

- the municipality performing the functions under the competence of the municipality or the municipalities on whose behalf functions are performed,
- the type of functions,
- the type and amount of the fee for performance of the functions,
- the period of performance of the functions,
- the conditions and procedures for termination of the contract, and
- other issues.

## **7. Joining Financial, Material and Other Resources**

### **Article 30**

(1) Municipalities may join financial, material and other resources in order to carry out joint projects when executing of their competences in accordance with this or other Law.

(2) For the joining of financial, material and other resources a contract shall be entered into.

(3) The contract from Paragraph (2) of this article shall be entered into by the mayors of the municipalities joining the financial, material and other resources upon decisions previously passed by the municipal councils.

(4) The contract from Paragraph (2) of this Article shall particularly contain:

- the municipalities joining funds and resources,
- the type and amount of resources joined,
- the purpose resources are joined for,
- the manner of resource use and management,
- the manner of allocation of benefits and risks,
- the conditions and procedures for termination of the contract, and
- other issues.

## **IV. STIMULATION, MONITORING AND FINANCING OF THE INTER-MUNICIPAL COOPERATION**

### **1. Stimulation of the inter-municipal cooperation**

### **Article 31**

Instruments for stimulation of inter-municipal cooperation shall be:

- non-refundable grants,
- financing and co-financing of analyses and studies in the fields of broader importance and interest for the performance of functions in those fields,
- other instruments as regulated by law.

### **Article 32**

(1) The Government of the Republic of Macedonia may financially stimulate and support inter-municipal cooperation between two or more municipalities in the fields of broader importance and interest for the performance of functions in those fields

(2) Upon a proposal of the Ministry of Local Self-Government, the Government of the Republic of Macedonia with an act shall determine the functions of broader importance and interest for which it may allocate funds to stimulate inter-municipal cooperation.

(3) The Government of the Republic of Macedonia may financially stimulate and support inter-municipal cooperation between the municipalities according to the following basic criteria:

- administrative and financial capacity of the municipalities to execute the competences set forth by law
- expected benefits from the inter-municipal cooperation
- number of municipalities engaged in inter-municipal cooperation, and
- funds previously raised from other sources

(4) The detailed criteria for stimulation and support of the inter-municipal cooperation shall be regulated by an act of the Government of the Republic of Macedonia, upon a proposal of the Ministry of Local Self-Government

(5) The funds for stimulation and support of the inter-municipal cooperation may be planned in the budget of the Republic of Macedonia

## **2. Commission for Stimulation and Monitoring of Inter-Municipal Cooperation**

### **Article 33**

(1) The Government of the Republic of Macedonia shall establish a Commission for stimulation and monitoring of the inter-municipal cooperation

(2) The Commission for stimulation and monitoring of the inter-municipal cooperation shall:

- monitor the established forms of inter-municipal cooperation,

- review and give opinion on the annual report on the implementation of inter-municipal cooperation,
- initiate amendments to the legislation pertaining to inter-municipal cooperation,
- give opinion on the proposals of the acts from Article 32(2) and 32(4) of this Law,
- publish examples of best practices of inter-municipal cooperation,
- review other issues of importance to the inter-municipal cooperation.

(3) The administrative functions of the Commission from Paragraph (1) of this article shall be performed by the Ministry of Local Self-Government

#### **Article 34**

(1) The Commission for stimulation and monitoring of inter-municipal cooperation shall be composed of two representatives from the Ministry of Local Self-Government and one representative from the Ministry of Transport and Communications, Ministry of Environment and Spatial Planning, Ministry of Education and Science, Ministry of Labor and Social Policies, Ministry of Culture, Ministry of Finance and the Protection and Rescue Directorate.

(2) Each of the Planning Region Development Councils and the Association of the Units of Local Self Government (ZELS) shall also appoint one representative in the Commission.

(3) One of the representatives of the Ministry of Local Self-Government shall be the president of the Commission.

(4) The manner of operation of the commission shall be governed by Rules of Procedure.

### **3. Financing of inter-municipal cooperation**

#### **Article 35**

Inter-municipal cooperation shall be financed from:

- municipal budgets
- donations and sponsorships from natural and legal entities
- other revenue sources set forth by law.

## **V. RECORD OF INTER-MUNICIPAL COOPERATION**

#### **Article 36**

(1) Record of inter-municipal cooperation shall be kept by the Ministry of Local Self-Government.

(2) Municipalities entering into inter-municipal cooperation shall be obliged to inform the Ministry of Local Self-Government and to submit the acts for the established inter-municipal cooperation within 30 days from day of the establishment of the cooperation.

(3) The Minister of Local Self-Government shall prescribe the content of the form for the record from Paragraph (1) of this article and the manner of record keeping.

## **VI. SUPERVISION**

### **Article 37**

The inter-municipal cooperation established shall be supervised by the municipalities establishing the inter-municipal cooperation.

### **Article 38**

(1) A coordinative body may be established to supervise and coordinate the inter-municipal cooperation between two or more municipalities.

(2) The coordinative body may be established by the act for establishment of the inter-municipal cooperation or by other decisions of the municipal councils in the course of the cooperation.

(3) The act or the decisions from Paragraph (2) of this article shall regulate:

- the purpose of the establishment,
- the scope,
- the composition and number of the coordinative body members,
- the period the coordinative body is established for, and
- other issues of importance to the performance of inter-municipal cooperation.

### **Article 39**

(1) The Ministry of Local Self-Government shall supervise the application of this Law.

(2) The Ministry of Local Self-Government shall compile and submit to the Government of the Republic of Macedonia an annual report for the performance of inter-municipal cooperation.

## **VII. PUBLICATION OF THE ACTS FOR INTER-MUNICIPAL COOPERATION**

#### **Article 40**

(1) The acts for establishment of inter-municipal cooperation shall be published in the official journal of the municipality, unless otherwise prescribed by law.

(2) The Contract or Agreement for establishment of inter-municipal cooperation shall be published in the Official Gazette of the Republic of Macedonia.

### **VIII. TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 41**

The municipalities that have already established inter-municipal cooperation at the effective date of this Law shall be obliged to submit their acts for establishment of inter-municipal cooperation to the Ministry of Local Self-Government within 30 days from the day this law shall enter into effect.

#### **Article 42**

The acts from Article 32(2) and 32(4) of this Law shall be passed within six months and the act from Article 36(3) shall be passed within three months from the day this law shall enter into effect.

#### **Article 43**

This Law shall enter into effect on the eight day from its publication in the Official Gazette of the Republic of Macedonia.