

Republic of Macedonia

Ministry of Finance

**“Central - Local Government
Cooperation and Coordination”**

October 2016

Legislation

- ◆ Budget law,
- ◆ Law on local self-government,
- ◆ Law on financing of local government units
- ◆ **Local Government Finances**
- ◆ Transfer of competences followed with own and transfer recourses (Fiscal decentralization)
- ◆ Local government revenue sources on general level are from tax revenue, non-tax revenue, block grants and earmarked grants, (education, culture, social care, firefighting protection) and donations and loans
- ◆ World bank project - MSIP I and MSIP II

Budget Circular for the Municipalities

- ◆ Budget Circular for the municipalities shall contain the following elements:
 - ◆ information on estimate of the revenues in the budget year
 - ◆ strategic priorities of the Government of the Republic of Macedonia
 - ◆ specific parameters to be used for distributing the approved share of VAT revenues to the municipalities and
 - ◆ information on Government decisions on earmarked, block and other specific grants to the municipalities, determined by law.

Cooperation

- ◆ **Committee for monitoring the development of the System for Financing the Municipalities**
 - ◆ **Working Group on Decentralization**
 - ◆ **Association of Local Government Units.**
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Thank you!

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