

MFSA and UA MACEDONIA

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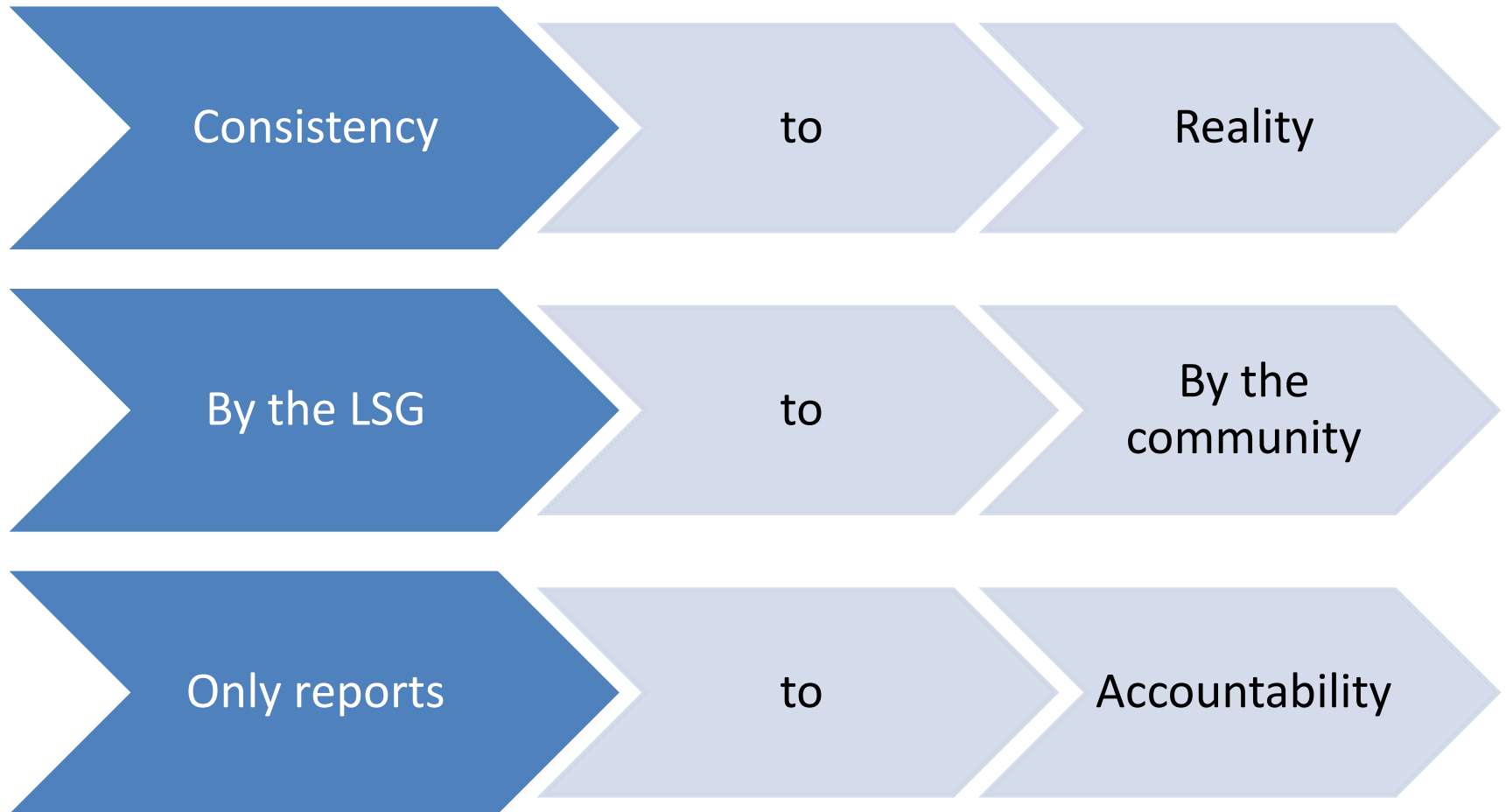
Marina Trajcovska

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MFSA and UA

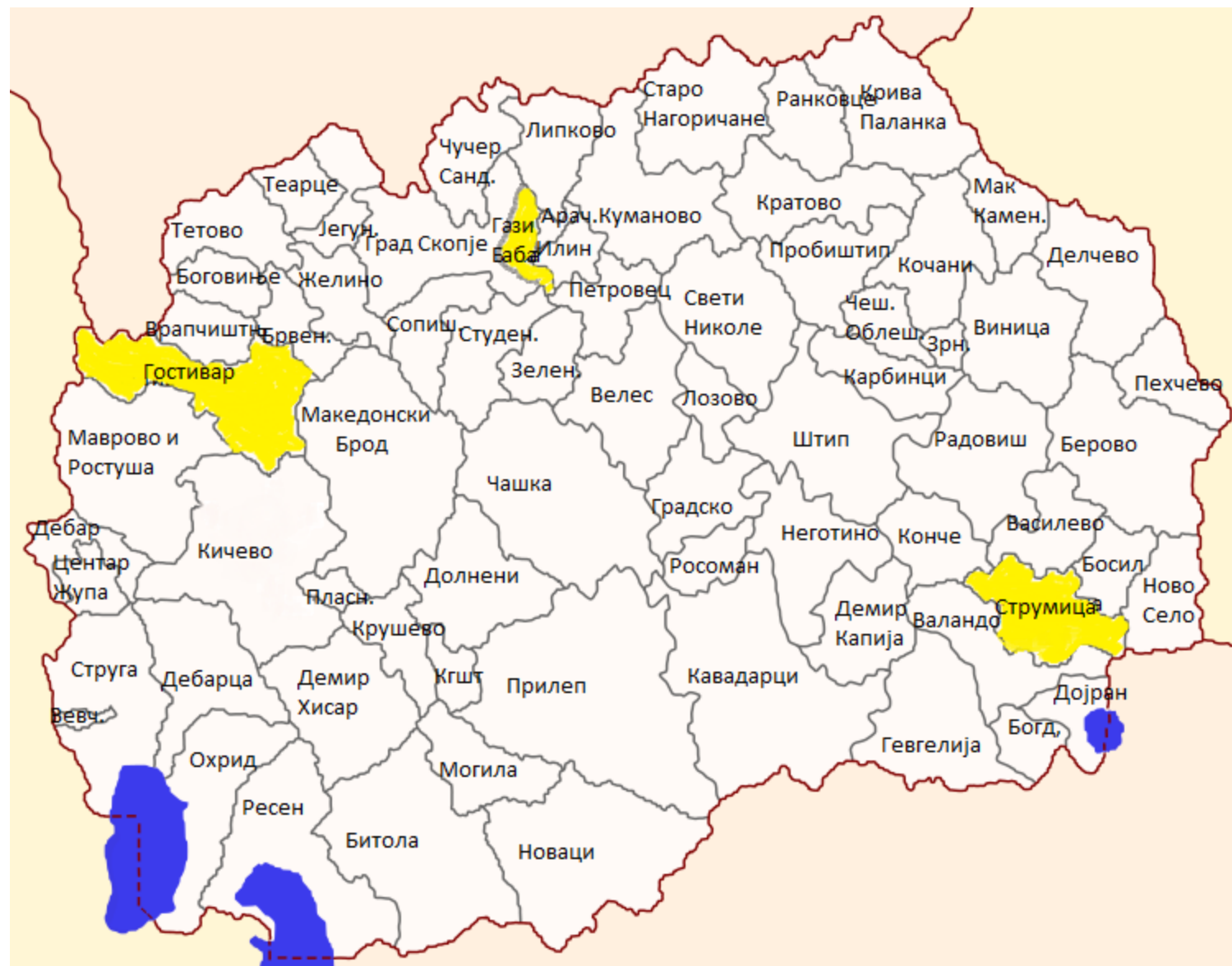
- Tools but not only tools
- Brings new value in the country but also in the municipalities

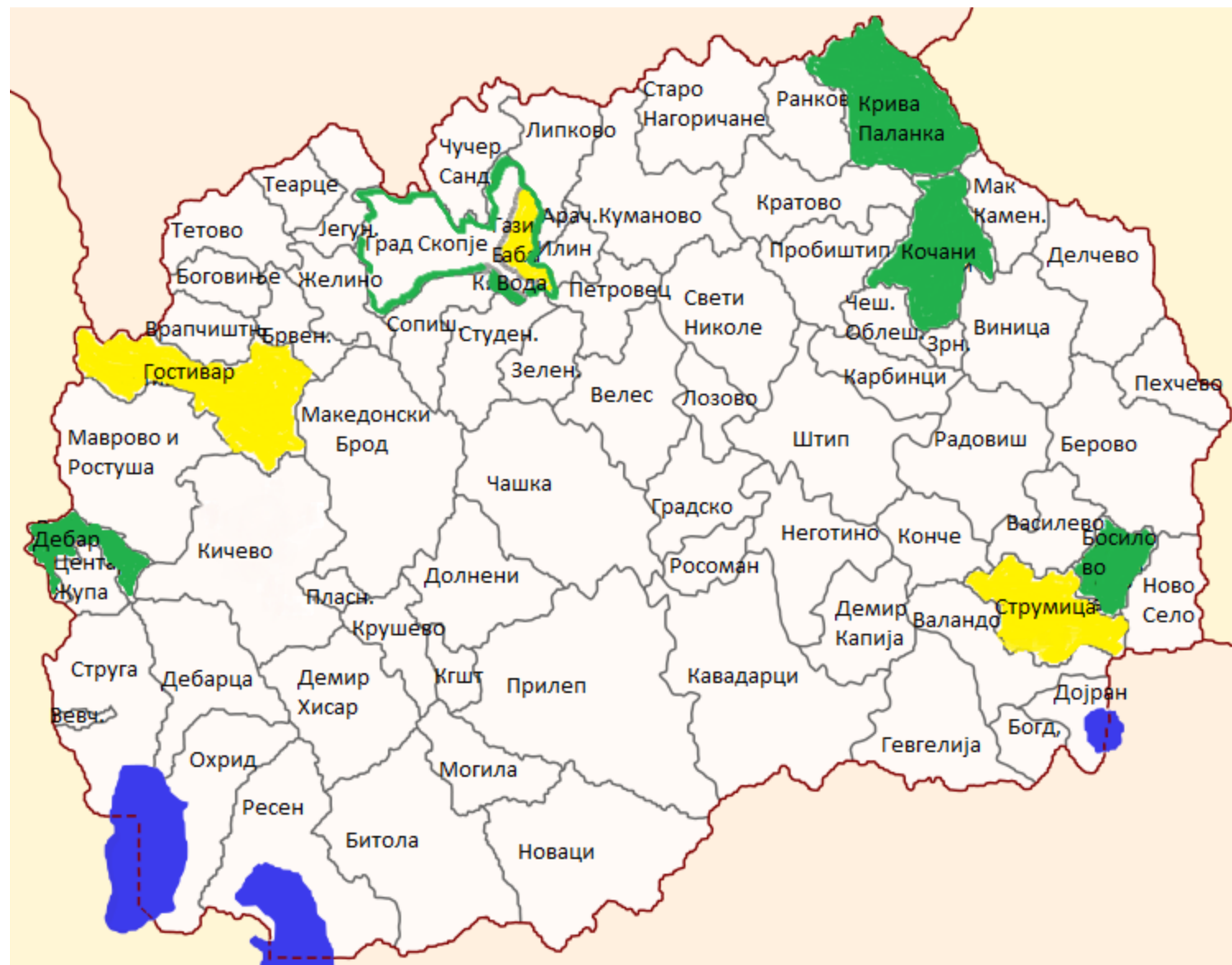
What is the value added?

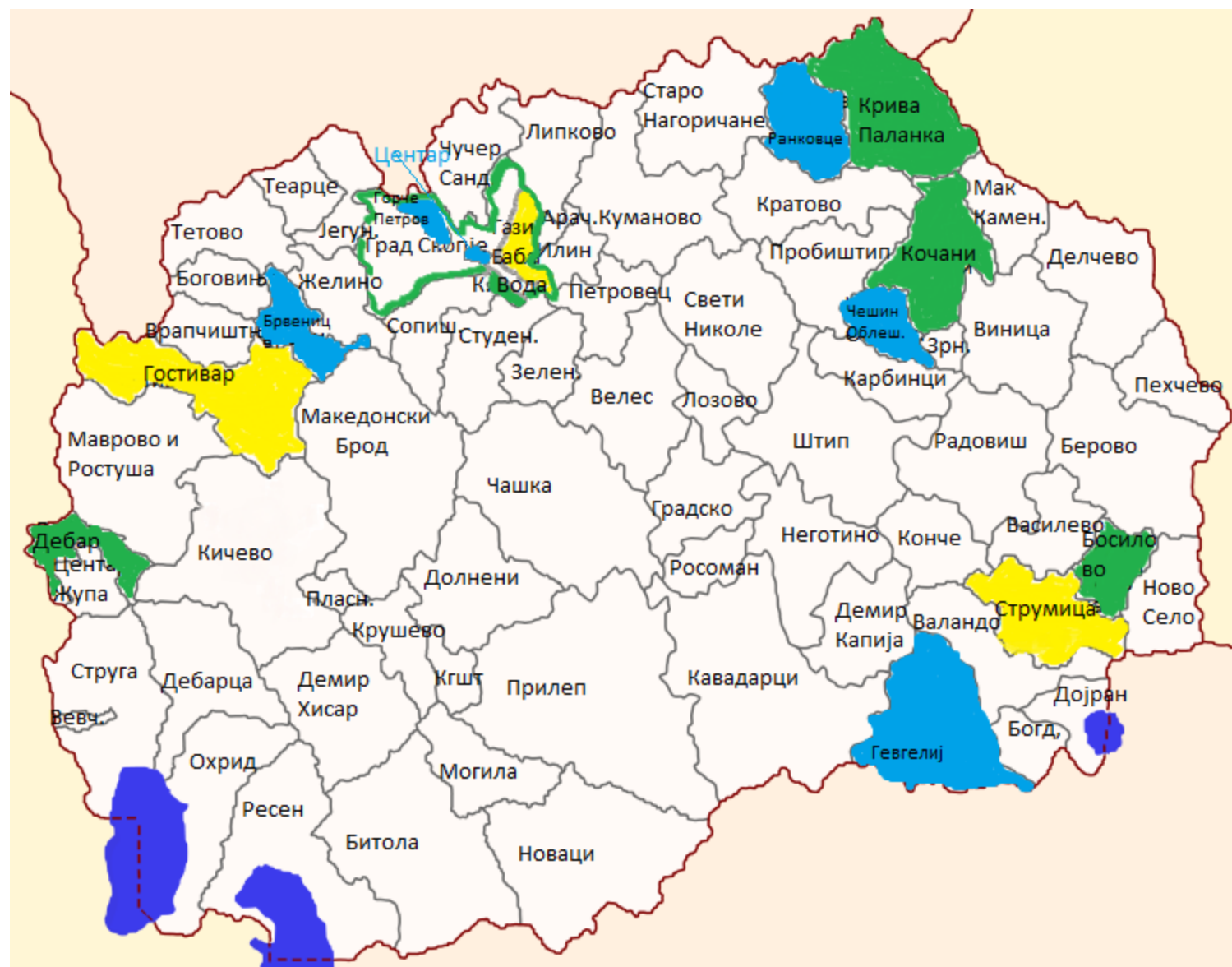


MFSA and UA in Macedonia

Municipality	Population (18%)	MFSA	UA
Strumica	54,676	X	X
Gazi Baba	72,617	X	X
Gostivar	81,042	X	X-
Kisela Voda	57,236	X	
Kocani	38,092	X	X-
Debar	19,542	X-	
Kriva Palanka	20,820	X	X
Bosilovo	14,260	X-	
Total	358,285		
Macedonia	2,022,547		

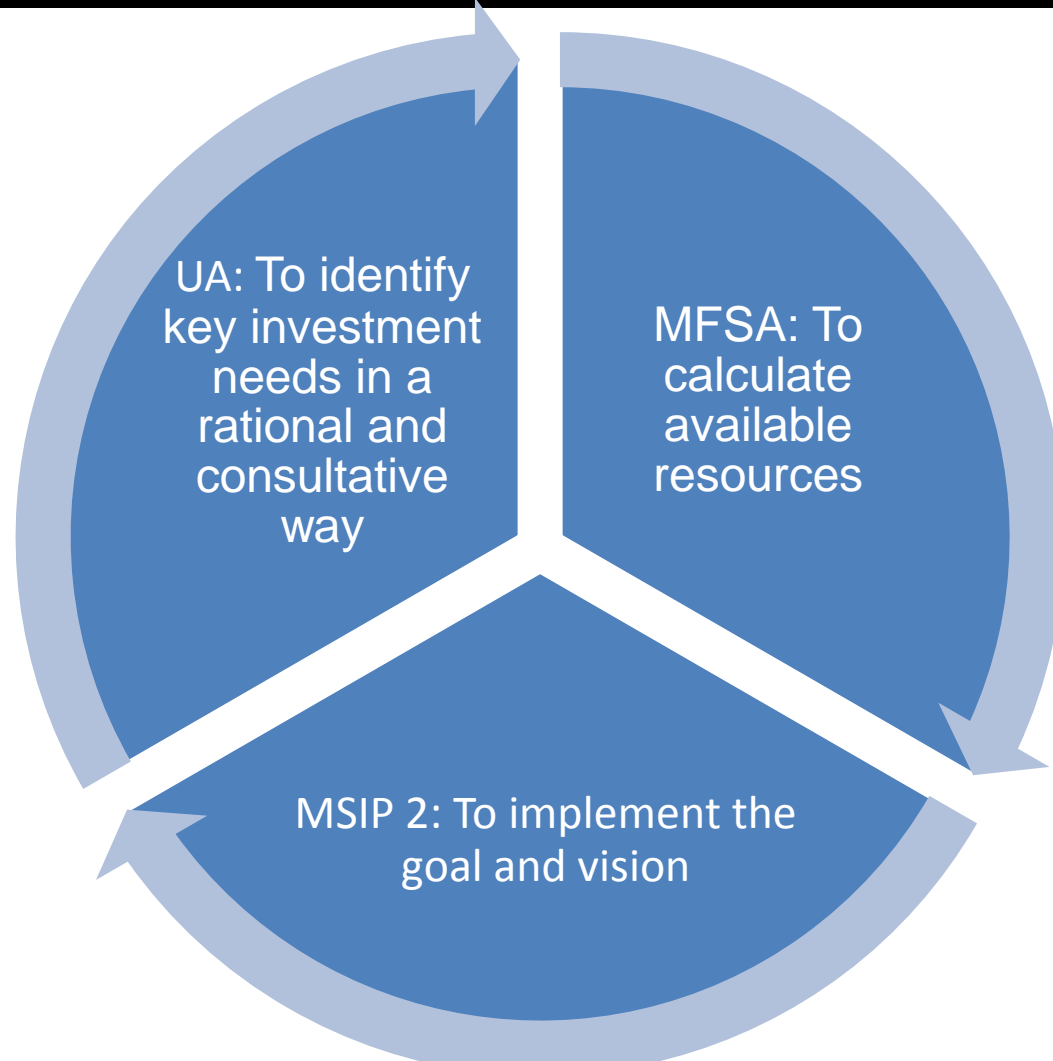






MFSA + Urban Audit + MSIP 2

GOAL: quality of life and quality of services





Clear criteria for the allocation of capital transfers from the central government to the municipalities

Strengthen internal control and internal audit



Main urban challenges in mid term development plan

Additional financial resources-loans from MSIP 2

Efforts for capital investing-PPP

Increasing own revenues



Revenue enhancing needs

Lowering current expenditures

Enhancing fiscal capacity

Kisela Voda





Kisela Voda

- Kisela Voda: 58,000 inhabitants
- Urban/Rural = 60%/40%
- MSIP 1
- Financial sustainability:
Borrowing





Kisela Voda

- Expecting MSIP 2, thus MFSA is useful because:
 - Assessment of the borrowing possibility,
 - Increase transparency
 - Identify declining revenues in years
 - Identify actions for the Action plan to improve our revenues
 - Consolidated presentation of our financial capacity for capital investments

Kisela Voda

	Item	Calculation	2012 Realized	2013 Realized	2014 Realized	2015 Plan
1	Total current revenues		435.698.070	435.044.422	472.740.962	693.523.000
2	Balance N-1 (sufficit/deficit)		0	2.852.400	16.858.390	0
3	Current revenues	(1 - 2)	435.698.070	432.192.022	455.882.572	693.523.000
4	Operating expenditures		450.366.842	449.989.532	445.567.570	601.679.000
5	Operating margin	(1 - 4)	-14.668.772	-14.945.110	27.173.392	91.844.000
6	Debt		7.351.778	11.090.567	10.466.434	12.980.000
7	Net margin	(5 - 6)	-22.020.550	-26.035.677	16.706.958	78.864.000
8	Capital, expenditures		177.223.450	102.322.225	87.355.072	324.604.000
9	Financing needs	(8-7)	199.244.000	128.357.902	70.648.114	245.740.000
10	Own capital revenues		155.950.990	117.291.601	68.492.872	238.240.000
11	Transfers		4.352.107	0	0	0
12	Donations		0	0	0	5.500.000
13	Loans	(9- (10+11+12))	38.940.903	11.066.301	2.155.242	2.000.000
14	Investment balance	(8 - (7+10+11+12+13))	0	0	0	0
15	General balance	(1+10+11+12+13) - (4+6+8)	0	0	0	0
16	Balance		-34.119.967	-5.145.791	-98.331	0



Kisela Voda

- Specifically:
 - Management identified weaknesses in 2012 and 2013 (negative net margin) thus, MFSA helps easily to identify actions in the Action Plan for improving our finances
 - In 2014 with net positive margin we assess that we have own resources for capital projects
 - In that regards and in expectation of MSIP 2, MFSA can help us with the GAF to easily identify amount of additional finances in need for projects from MSIP 2

Kocani





City Information



- Inhabitants 38092
- Area 382 km²
- Settlements 28

- Kocani is well known by: Rice, Geothermal water & Ponikva



Municipal Service Improvement Project

- 2009 – Loan 600.000 Euro

Reconstruction of part of the water supply system in the middle pressure zone

- 2013 – Grant 60.000 Euro

Construction of street Krum Vraninski

- 2014 – Loan 1.000.000 Euro

Construction of 10 local roads



Urban Partnership Program

- 2015 Joining UPP

Municipality of Kocani prepared MSFA and UA as complemented tools for improvement of management of budget spending, strategic planning, investment programming, increasing staff capacity and transparency



Urban Partnership Program

- MSFA – To determine fiscal capacity for prioritization of projects and planning of budget spending, identify actions for improving mobilization of local resources, creditworthiness and access to external funding
- Urban Audit – to assess infrastructure and service gaps, increase transparency and citizens participation in process of investment programming

Thank you