

STRENGTHENING LOCAL GOVERNMENT CAPACITY IN
SOUTH-EAST EUROPE

MAYORS SYMPOSIUM
GRAZ February 29-March 1, 2016

Collaborative Governance for Inclusive Urban Development in South-East Europe



The Mayors Symposium held in Graz, Austria on February 29–March 1, 2016, was organized in cooperation with the City of Graz and the Austrian Ministry of Finance. The event gathered over 160 representatives from seven South East Europe countries. Participants included central and local government officials, including 50 Mayors and Deputy Mayors, representatives of finance departments, urban planning practitioners, Local Government Associations, Non-Governmental Organizations, the Network of Associations of Local Authorities of South-East Europe, and other partners and key stakeholders of the Program.

The Mayors Symposium is an event hosted on an annual basis by the World Bank – Austria Urban Partnership Program and offers a platform for dialogue in South East Europe with a view to sharing innovations happening in the region’s cities and beyond. It also offers an opportunity to present progress to date in the core areas of the Program: municipal finance, urban planning and land management, integrity building, and social sustainability and citizen engagement.

The event brought together transformational Mayors from Europe and beyond to share their inspiring stories and lessons learned with city leaders from South East Europe.

The Symposium showcased what has been achieved on the way to reform and how the Program helps cities move forward based on the application of self-assessment tools for local governments, including: Municipal Finances Self-Assessment, Urban Audit, Social Sustainability Assessment, and Integrity Building.

Day 1 – 29 February, 2016

1. Opening Remarks

The Symposium was opened on February 29 by Elisabeth Gruber, Austrian Ministry of Finance and Lada Strelkova, World Bank. They outlined the most important focus areas for the Urban Partnership Program (UPP) and explained that the Program was now in its fifth year and second phase, having enjoyed a very successful first phase.

Both speakers referred to the successes of the first phase of the UPP: in providing municipal support, building integrity, creating a platform for learning and inspiring cities. They referred to the success of previous events and to the beneficial initiatives which have already been established under the Program, including Center 72 hour civic feedback systems implemented in the City of Zenica and the Municipality of Ilidza (Bosnia and Herzegovina) inspired by the System 48 in the Municipality of Indjija (Serbia).

Ms. Strelkova pointed out that this second phase will look to build on the success of Phase I, by offering a very holistic and collaborative approach to evidence based policy making. Ms. Gruber described the Austrian government’s continuing commitment and enthusiasm for the project. Both speakers emphasized the cooperative nature of the project – which aims to bring different actors together to foster collaboration and encourage peer to peer learning.

2. Keynote address – *Honorable Siegfried Nagl, Mayor of Graz*



Photo credit: Dragutin Andric

Mayor Nagl welcomed the delegates to Graz and began by showing a short film which gave an overview of the city and its achievements. The film showed that Graz was Austria's second biggest city, but is also a UNESCO World Heritage Site, a city of design, of human rights, of education, the capital of culture and a cycling friendly city.

Nevertheless, the Mayor explained that Graz faces a number of challenges:

- Population pressure; Graz has been growing for the last ten years and this growth is projected to continue. The city has a young population with more than 45,000 children in its schools.
- Safeguarding quality of life;
- Mastering environmental issues;
- Maintaining and supporting business startups;
- Supporting the peaceful co-existence of the 150+ nationalities that live in the city;
- Safeguarding childcare;
- Responding to and coping with megatrends including individualization, urbanization, the female shift and increased connectivity.

In order to address these challenges, the city has identified five priority areas for its future development:

Smart City: Smart City initiatives are in existence in Graz West and on the site of an old brewery 'Graz-Reininghaus'.

Mobility: The city already has a good public transport system with free tram travel in the inner city. An expansion of the existing network and integration of transport modes with a single ticket are planned. A new cable car system and electric bus solution are also projects for the future.

Energy: The city's goal is to become an "Energy Plus District" which produces more energy than it consumes. Graz is committed to being a green city and will use renewable resources, including the river, solar and wind power, where possible.

Communications: Graz is home to a diverse population including many international students and residents. It also welcomes thousands of tourists each year for conventions, culture and relaxation. It now plans to actively promote citizen participation in city matters.



Photo credit: Dragutin Andric

Key quality of a city leader is “trying to find a way for people to live in peace together, to build social cohesion. Because without that, there is no future”.

Mayor Nagl



City Planning: As well as the Smart City areas, low emission districts and densification of certain inner city sites are also planned. Brownfield development will be prioritized in order to conserve green space.

The Mayor of Graz finished his presentation by giving three clear pieces of advice to the attendee Mayors. First, he recommended the leaders to consolidate all of their cities’ finances into one balance sheet which the Mayor can see and have oversight of. Second, he said that it was his belief that cities would do best if they did not privatize their public assets of energy and water. Finally, the Mayor outlined that he thought the most important skill or quality of a city leader was: *“Trying to find a way for people to live in peace together, to build social cohesion. Because without that, there is no future”.*

3. Municipal Finance / Urban Planning & Land Management / Capital Investment: Challenges and Opportunities

Ms. Catherine Farvacque-Vitkovic, World Bank, introduced the municipal finance, urban planning and capital investment streams of the UPP. She explained that although there were variations across the region, region-wide challenges could be found in each of the three sub-areas:

- In **municipal finance**, fiscal decentralization in the region is still a work in progress, and city authorities are being forced to do more with less. For most municipalities, a large share of their own revenues come from land based instruments, affecting their volatility and reliability.
- In **urban planning**, municipalities were generally facing the challenge of growing urbanization and increasing demand for urban services and infrastructure. Sustainability of spatial patterns (particularly urban sprawl) was problematic, and a lack of regulation threatened the 'rule of law' in relation to the land management. Across the region large percentages of housing stock are illegal and land registration remains a work in progress. Social trust in urban planning is another 'big picture' problem, stemming from the system's top down nature.
- In **capital investment**, cities often lack mature projects. Development of such projects is challenged by the unpredictability of local government revenues, a lack of political continuity and strategic planning.



Photo credit: Dragutin Andric

Ms. Farvacque-Vitkovic introduced the UPP's contributions to help the region's Mayors to meet these challenges. Firstly, the Program sought to provide a platform for discussion, idea sharing and city to city dialogues across the region. Secondly, the UPP offered the application and customization of two diagnostic tools for local government: Municipal Finance Self-Assessment (MFSA), which had been used by 25 municipalities in the first phase with more ready to engage, and the Urban Audit (UA), which looks to identify key investment needs and to select priority

investments, and was piloted in the first phase.

In the future, it is anticipated that the self-assessment work will be scaled up, with an enlarged number of participating municipalities. The aim is also for the tools to facilitate the strengthening of the dialogue between central and local governments, enabling long term development planning.

Local experts from three countries gave their feedback on the tools, which was very positive: Mr. Marjan Nikolov, the **Macedonian** expert, explained that the tools acted as a useful "reality check". They forced municipalities to cooperate closer with their communities, enhancing transparency and therefore accountability. Overall, Mr. Nikolov felt that the tools helped the

municipalities to move towards their general goals of improving the quality of life and the quality of services. It was also reported that in Macedonia there had been useful partnering between municipalities, with those engaged in UPP Phase 1 helping and advising Phase 2 participants. Representatives from **Kisela Voda** and **Kocani** confirmed that the MFSA had helped them to identify specific actions for improving the mobilization of their local revenues. In addition, the UA helped Kocani to assess its infrastructure and service gaps. Both municipalities had been supported by experienced representatives from **Gazi Baba** municipality (who participated in the first phase of UPP).



Photo credit: World Bank

Ms. Ljiljana Brdarevic, the **Serbian** expert, reported an expansion of Serbian interest in the diagnostic tools in this second phase of the UPP. She explained that this was likely to be a response to a change in the national financing laws, which has reduced transfers from national government to the municipal level. This has forced municipalities to be more self-reliant. Ms. Brdarevic suggested that MFSA might be a useful tool for Serbian municipalities as it could act as an evidence base to advocate for new forms of revenue. The experiences of **Belgrade** and

Subotica were reported, both of which have suffered from a reduction in direct transfers. In Belgrade, the municipal budget has been almost cut in half. Both municipalities felt that the tools were helping them to keep track of and manage this situation.

Ms. Besmira Dyca, the **Albanian** expert, explained that the Territorial and Administrative reform in Albania in 2015 had led to greater efficiencies of local government, and brought an increase in the diversity and number of responsibilities of municipalities. The UA has helped the reorganized local governments (in the 5 pilot municipalities) to identify investment possibilities. The municipality of **Fier** reported that it had used the tool to identify deficiencies and needs in its area, and was aiming to use the results to produce a priority investment program.

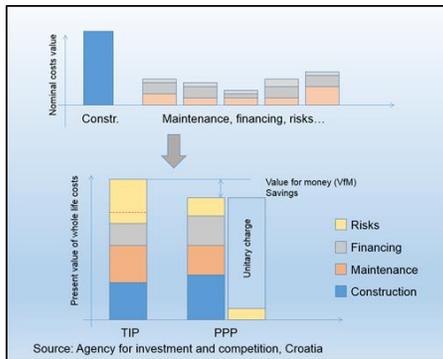


Photo credit: Dragutin Andric

A representative from **NALAS**, Mr. Emil Savov, explained that the organization had been involved in promoting the tools and training municipalities throughout the SEE region. He suggested that new challenges were emerging, including monitoring fiscal performance at the local level and creating the right legal/regulatory framework for fiscal decentralization.

4. Capital Investment Planning at Local Level

Mr. Sasa Drezgic, Mr. Slavko Colak and Deputy Mayor of Krizevci, Mr. Tomislav Katanovic shared their insights on capital investment planning from **Croatia**. The speakers explained the role which Croatia's recent accession to the EU had played in overcoming barriers to project affordability, in particular by facilitating more complex financing structures such as PPPs. Mr. Katanovic gave the example of a development center and technology park in his municipality, **Krizevci**, which had been largely financed by the EU.



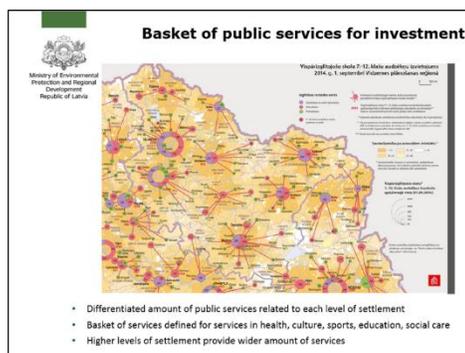
Mr. Drezgic emphasized that in planning capital investment projects, it was crucial for the cities to understand what standard of services they needed; for example, did they need to become a full smart city, or would an upgrade of public lighting be more realistic and sufficient? The speakers acknowledged that not all PPPs in Croatia had been successful – there were many examples of bad contracts and bad projects. It was felt that a good regulator and good advisors were critical in ‘making or breaking’ a PPP, given the complexity of the process.

5. Central – Local Government Roundtable

The roundtable was opened by Ms. Ilona Raugze, Deputy State Secretary for Regional Development in Latvia, who gave a presentation detailing progress on the decentralization agenda in Latvia.

Mrs. Raugze explained by way of background that Latvia had been suffering from falling population and employment over recent years and had an urgent need to create new jobs, increase productivity and attract investment. In 2009 Latvia introduced **territorial reforms** in order to enhance and empower local governance. However, Ms. Raugze argued that further fiscal decentralization and consolidation of municipalities was needed. She stressed that spatial re-organization should not be a purely theoretical exercise but should be linked to the **reality of economic functional areas**.

Ms. Raugze argued that local investment should be based on an integrated local strategy, on business drivers and taking account of the overall demographic trends. It should also be oriented towards long term results and impacts: attracting more private investment and creating jobs.



She also gave examples of initiatives in Latvia aimed at enhancing citizen participation, from interactive maps for reporting civic problems to coffee mornings with politicians. Ms. Raugze felt that this civic engagement was the real underpinning behind successful **placemaking**.

Finally, she emphasized that local-national **cooperation** and agreement on goals and impact was essential. She was satisfied, however, that Latvian local government had shown that barriers to central-local government cooperation *can* be broken down. Ms. Rauzge summed up her main learning point: *“a collaborative approach: whether national- local, local-local or private-public is what makes a difference, especially where resources are scarce. This helps you make the most of what you have.”*

The **panel discussion** that followed gave representatives from across the Region the chance to discuss the degree of decentralization in their own national systems. The degree of decentralization appears to be uneven across the region, and in some cases the process is slowing down. In **Albania** there has been a consolidation of 373 municipalities to 61, resulting in new competencies and powers being granted to local governments. National plans and local plans are being drafted at present. However, challenges remain, including a proliferation of informal settlements, and the threat that some cities may benefit at the expense/underinvestment of others.

In **Montenegro** there has been no functional decentralization although fiscal reform has begun: Real Estate tax law has been reformed and proceeds now go entirely to local government. The Montenegrin representative reported that there was a lack of political appetite for functional decentralization at present. In **Kosovo**, local authorities were reported to be getting stronger, but many challenges remain. For example, many municipalities await the return of state-owned properties to them. The Kosovo Mayor was of the opinion that *“there will always be a struggle between local and national government”*.

In **Slovenia** the decentralization process has begun but is not finished. Meanwhile in **Croatia** there has been a lot of debate about how many counties are needed and as yet there is no structural decentralization of powers. The Croatian tax system has been reformed such that local government units now retain *less* of the personal income tax.

The moderator Greg Clark summed up that there appear to be at least 4 different reasons to engage in municipal decentralization:

- enhancing financial efficiency;
- fulfilling the democratic mandate at the level that is closest to the voters;
- the need for territorial development; and
- the need to cater to and develop local needs and identities.

6. Leadership In Times of Emergency: Why Crises Need Leaders



Photo credit: World Bank

The session began with an introduction to the theme of disasters and emergency relief. Mr. Joaquin Toro, World Bank, explained that globally, disasters were increasing in number, and were not necessarily natural events. From the World Bank’s point of view, disasters are a development issue with major financial impacts. What is more, disasters are a local level issue, and accordingly *“resilience starts at the local level and ends at the*

local level". It is local leaders who need to be champions for resilience. Both disasters and the refugee crisis were highlighted as a particularly pressing emergencies in the region at present by the representative of the Standing Conference of Towns and Municipalities from Serbia.

Representatives from across the region shared their experience of disaster risk management. Attendees heard about hail, landslides, fires, snowdrifts, and an earthquake in **Kraljevo**, and recent major flooding in **Sremska Mitrovica** and **Bijeljina**. Amongst the insights and advice that leaders from these municipalities gave were the importance of:

- Citizen awareness and consciousness of disasters. In Kraljevo, civil protection has been reintroduced as a school subject at primary and secondary school.
- Collaboration between all tiers of government
- Leaders taking ownership of issues and making decisions in times of emergency
- Engaging in preventative actions e.g. dredging

A representative from **NALAS** confirmed that disaster management was an issue its members were interested in, and that NALAS would be producing a small manual for disaster risk management to help local authorities in times of emergency. The association also warned that the migrant crisis had the potential to get much more serious for local authorities in the Region.

Day 2 – 1 March, 2016

1. Keynote Address – *Honorable Michael Cornett, Mayor of Oklahoma City*

Mayor of Oklahoma City began the day with a lively and inspiring presentation on the recent transformation of his city, which has been guided by strategic leadership. He explained that Oklahoma City had experienced a series of booms and busts during its short history, largely owing to the fact that its economy had been traditionally closely tied to the price of commodities: first cotton, then wheat and later oil. In the 1970s for example, the economy boomed as oil prices rose. Following the OPEC crisis however, the city's economy collapsed and most young and talented people left during the 1980s.

It is only through a series of mayoral interventions that the city is once again thriving. The most notable interventions were:

- Mayor Ron Norick, a business minded mayor, was elected in 1988 on the promise of **creating jobs**. The Mayor planned to convince United Airlines to locate in the city, and he secured a £150m state incentive in order to do so. Despite the financial package on offer, United Airlines chose to locate in Indianapolis and cited Oklahoma City's poor quality of life offering as the primary reason for it being overlooked.

As a direct reaction to this insight, Mayor Norick sought to create new **vibrancy** and **vitality** in the city. He suggested a temporary 1% sales tax increase in order to fund a series of new amenities – a sports arena, convention center, dams and a new waterway. The initiative was known as the Metropolitan Area Project (MAPS) and was approved by the public at a referendum (required on account of the increase to taxes) in 1993.



Photo credit: Dragutin Andric

“People don’t necessarily follow jobs, they live where they want to live and the jobs follow. It is hard to get companies to move to your city, so first focus on your existing companies, on your own environment and schools, and the investment and people will follow”.

Mayor Cornett

- In 1995 a bomb exploded in downtown Oklahoma City. This was the largest domestic terrorism event in the US, killing 168 people and damaging more than 100 buildings. The population pulled together in the face of this event, but the city's next Mayor found that, although the city center had become more vital since MAPS, people were still choosing to live in suburban areas because the inner city **schools** were poor. He therefore launched 'MAPS for Kids' – a project aimed at rebuilding the public school system. Again, this initiative was supported by a 7 year 1% increase in sales tax, approved by the public.
- Mayor Cornet was elected as Mayor in 2004 and was concerned that the city ranked as one of the most obese in the US. He has focused on improving the city's **health**, particularly through changes to the built environment to enhance walkability and cyclability – a project known as MAPS 3.

The sum result of these interventions is that Oklahoma City has once again become a vibrant metropolis, drawing young people back to its core. The Mayor said one of his own major realizations had been that *"People don't necessarily follow jobs, they live where they want to live and the jobs follow. It is hard to get companies to move to your city, so first focus on your existing companies, on your own environment and schools, and the investment and people will follow"*.

2. Urban Governance & Integrity Building and Social Sustainability/Citizen Engagement

Sabine Palmreuther of the World Bank introduced the urban governance, integrity building and social sustainability workstreams of the UPP. She explained that the World Bank felt that improvements in urban governance had to have a two sided focus. On the supply side, there was a need to provide tools to help local governments manage their affairs better, but equally on the demand side there was a need to address citizen engagement with municipal government.

There has been an increased impetus on Citizen Engagement (CE) and the Bank has been championing this agenda. Citizen engagement is highly embedded in the nature of the political and governance context and needs to be understood as a core component of any governance system. CE requires active participation of both citizens and decision makers, as well as transparent and effective mechanisms by government for responding to citizen voice. The end game for citizen engagement is to improve the accountability of governments and service providers, thus closing the feedback loop. CE gives citizens a stake in decision making.



Photo credit: World Bank

Mrs. Palmreuther mentioned that often there was lack of trust in local government; the municipality was often seen as totally detached from its citizens. Lack

of citizen representation in civic affairs can be accompanied by the increased corruption of municipal government institutions. Social accountability mechanisms are potentially powerful tools against corruption in local government, by e.g. involving citizens in monitoring government performance and exposing government failures, less space is given to corruption. Social accountability mechanisms can play an important role in enhancing government credibility and legitimacy, and increase citizen trust.

The UPP focus on integrity building is partially about assessing vulnerability to corruption in local government, but also looks to empower public leaders to build a culture of integrity in their local governments.

i) Overview of the UPP's tools:

Two experts gave overviews of the UPP's **Social Sustainability Audit** ("SSA") and the **Integrity Building Initiative** ("IB").

The **SSA** focuses on how to anchor social sustainability in everyday municipal practices. It has been piloted in five cities under UPP Phase I and will be performed in nine more cities in the near future. It involves mapping urban management, including service and citizen vulnerability, engaging and mobilizing the key interest groups in the city, and setting the agenda for change. At the end of the audit each city comes up with an **action plan** which commits them to improving their social sustainability.

The **IB** was launched in 2012 and has been applied in 10 municipalities in the SEE region. It is designed to build resilience to corruption using a practical approach. The *participatory* process, which is conducted by the local governments, follows a strategic planning methodology, moving from diagnosis to solutions formulation and implementation. It focuses not only on identifying corrupt individuals but also on laying the foundations for changing corrupt organizational systems, and it supports mayors as institutional reformers. The process consists of several stages: preparation, diagnosis, capacity building, solution identification and implementation. The Macedonian and Kosovo expert identified a number of challenges that had been successfully overcome in the program. These included:

- The sensitivity of the topic of corruption;
- Changing leadership following local elections;
- Changing legislation leading to changes in procedures; and
- Seeing the program as complementary to rather than overlapping with other projects or donors.

The implementation of the program amongst the first 10 municipalities has been widely viewed as successful and will be expanded to a second cohort of 13 municipalities in the Region.

ii) Local experiences of integrity building and engaging citizens

The municipality of **Maribor** has introduced participatory budgeting and has also opened *Romani Kafanova* – a Roma restaurant which operates on the principles of social entrepreneurship and has been important in improving the local integration of the Roma population. Participatory budgeting has also been introduced in **Elbasan**, along with a citizens' forum.



Photo credit: Dragutin Andric

In **Zenica** and **Krizevci** meanwhile anti-corruption action plans have been developed. In Zenica, almost 60% of the planned measures have been implemented, and the rest will be by the end of the year. One project in the city has been the introduction of a “Center 72” – a portal via which citizens can report problems or raise queries with a guaranteed 3 day response time. The Centre averages around 33 reports per month which is indicative of its success. In Krizevci the ‘Center 72’ feedback system has already been upgraded to a 48 hour system and also now has its own mobile app.

Both Zenica and Krizevci are also producing brochures which summarize their budgets for citizens.

iii) Panel Discussion

The subsequent panel discussion highlighted additional **challenges** in building integrity and engaging citizens. Several participants raised the difficulty of changing cultural norms.

The Mayor of Shkodra, Albania, explained that Albanian citizens “do not have a culture of raising their voice”, which limits their propensity to engage with local politics. The Mayor of Gjakova, Kosovo, meanwhile, argued that “you have to invest in people too” – her city is doing this through participation in the UNICEF Program “Kosovo Fit for Children”, for example.



Photo credit: World Bank

The Mayor of Pula, Croatia, agreed that Information Technology, brochures and social networking were all useful tools, but it was important to go beyond this and tackle the endemic low level of confidence of the public in politicians. He recommended “going to see people, showing them their opinions matter” as the best means of doing this. In Sabac, Serbia, it was reported that this type of engagement is already happening: the Mayor answers five questions from citizens per day on Facebook, and regularly meets citizens in person.

Panel members agreed that enhancing integrity, accountability and transparency were not just a goal in themselves but they saw these qualities as a **mechanism for achieving other goals** they wanted to achieve: improving quality of life, attracting investment, people and jobs, and enhancing relationships with central government.

Experts from NGOs emphasized the need for **substance behind the actions**. They explained that information must not just be publically available in order to build transparency, it must also be presented in a clear and comprehensible way. Equally, it is not only the speed of responses given in feedback systems which is important, but also their quality. They stressed that local authorities should look to focus on sustainability and continuity of citizen engagement, rather than individual or one-off initiatives. Emina Abrahamsdotter, Anticorruption practitioner working in Bosnia and

Herzegovina and Montenegro, added that city leaders had to demonstrate their integrity through their very actions in order to build trust – she felt that trust was the underlying basis for all transparency / accountability / integrity building.

3. Improving Service Delivery at the Local Level: The Water Agenda



The session on water was opened by David Michaud, World Bank, by introducing the **DANUBIS** benchmarking platform. DANUBIS rates water companies by calculating what percentage of best practice they are operating at (i.e. 90% would be excellent, 10% poor). Benchmarking in this way is seen as a means of enhancing value for money for municipalities, by providing a starting point

for rational discussions with water companies on their performance. It was cautioned however that benchmarking could not take local conditions into account and did not replace expert opinions. The DANUBIS tool is available at www.danubis.org.

Successful examples of good asset management were presented by representatives from Bijeljina and Subotica. In **Bijeljina**, a new sewerage system was built in 2005 and a wastewater planning facility has recently been opened. The public utility company in the town focused on improving and rationalizing its reporting and now has a good overview of the lifecycle of its investments. They have been able to use the improved data to create a business plan for the future. Similarly, in **Subotica** GIS and ICT have been used to improve the collection of technical data.

The representative from NALAS explained that it is producing three tools to help improve existing asset management practices in the region:

- A municipal asset management tool kit, which will be translated into 6 local languages;
- An e-learning course to help participants understand meanings, benefits and best practice on asset management; and
- An asset management business planning tool. This is an ICT solution which will help in assessing performance and sustainability of each public utility and its ability to repay loans.

Much of the subsequent discussion revolved around water **tariffs**. Mr. Michaud explained that it was important to recognize the difference between the political price of water (i.e. the price acceptable to ratepayers) and the market price. However, he emphasized that ultimately citizens will always pay the full cost of water: whether through rates, indirectly through other taxes, or through the price of buying water from stores if water quality remains substandard through lack of investment. So in this respect, he suggested that the arguments over technical vs political price of water were academic. The Mayor of Bijeljina recounted that in his municipality citizens had willingly agreed to a six fold increase in the water tariff once the sewage system had been built because they saw the improvements that the increase was paying for.

4. **Keynote Presentation on the Transparency / Integrity Agenda: Honorable Remigijus Simasius, Mayor of Vilnius, Lithuania**



Photo credit: World Bank

The Mayor of Vilnius opened his presentation on the transparency agenda with a memorable definition of integrity. He said that to him integrity meant “*to say what you mean and do what you say*”. He added that integrity was an essential component of any Mayor’s make-up if they were going to be able to sleep at night! The Mayor explained that from his experience, there were four clear ways in which integrity and openness added value to local government:

- i. **Integrity and openness increase trust:** The Mayor argued that the question of trust is related to the question of justice. By opening decision making processes for public consumption, citizens can see that you have reached decisions in systematic, rational and non-arbitrary ways. If people believe you are making just decisions, they will trust your judgment.
- ii. **Integrity and openness increase efficiency.** By being open, politicians can involve citizens in decision making processes. It is citizens who are the true experts on their local areas and by engaging them the local leaders can enhance the efficiency of their internal processes. Engaging citizens also enables the collection of big data and the possibility of analyzing it (in turn enhancing efficiency).
- iii. **Integrity and openness increase private investment.** By opening data to the public, entrepreneurial individuals and companies are bound to spot and develop the potential for new products or initiatives. Entrepreneurial innovations can lead to solutions for public problems. The Mayor gave an example of a problem in his own city: the enforcement of public transport priority lanes, which the private sector was helping to tackle.
- iv. **Integrity and openness save you from mistakes** (or at least helps you to spot them sooner).

The Mayor was asked whether his citizens were actually demanding the degree of open data that his administration was providing. As the Mayor saw it, this was almost irrelevant: the supply side was more important. In his view, local authorities should not only be providing data because (or if) society demands it, but because it actually helps them to perform their jobs better. It is the city’s responsibility to create the demand: to make information publicly available and help society to understand why it is so important.

5. Mayors' Roundtable

The final session of the symposium was a roundtable of the Mayors from across the SEE region who discussed both the priorities for their municipalities and the type of leadership which was required to transform cities in the Region.



Photo credit: World Bank

Priorities for the region's Mayors are diverse and country-specific. For example, the Deputy Mayor of Tirana, Albania, mentioned many priorities for her city: perhaps most importantly the implementation of the new national plan, but also others such as reducing car dependency. For the Mayor of Novo Sarajevo, Bosnia and Herzegovina, the most pressing priority is administrative reform, whilst in Kocani, Macedonia, the priority is engaging and retaining youth in the city.

In Nis, Serbia, the priority is making infrastructure improvements (Corridor 10, for example) and stabilizing finances. The Mayor of Shtime, Kosovo, explained that his city has a number of priorities, including rational resource allocation, investment in innovation, and preservation of the environment and resources. He argued that coalitions were of vital importance to transforming cities and increasing the lobbying power of local governments.

The Mayor of Cetinje, Montenegro, recommended that leaders use and valorize natural resources in their local areas. He explained that Cetinje had experienced great success by investing in a local cave (Lipska Cave), which had had a multiplying effect on the local economy through visitor attraction. The Mayor also argued that creating a more business-friendly environment is crucial for the development of cities in the region.

Ms. Vesna Travlijanin from the Association of **FBiH** felt that the most important aspects of transformative leadership were the personal leadership attributes of enthusiasm and dedication, as well as working hard at listening to citizens and the private sector.

6. Closing Remarks



Photo credit: World Bank

Seena Garcia of the **Austrian Ministry of Finance** expressed the Ministry's great pleasure at the evident successes of the UPP's previous five years. She expressed her belief that the success of this program would make it *"a role model for other regions of the world"* and hoped that the second phase would perform just as successfully as the first.

David Sislen from the World Bank concluded the Symposium by thanking the Mayor of Graz for hosting the event, the UPP team and the moderator for its organization and smooth running, and finally the speakers and participants. He complimented the caliber of leadership that was clearly present at the event and emphasized that the content of the program and the issues which had been discussed were *"at the very core of the World Bank's mission"*.



Photo credit: Dragutin Andric

Annex 1: Mayors' Symposium Agenda

Day 1

Sunday, 28 February 2016 <i>Venue: Hotel Weitzer Graz</i> <i>Moderator: Greg Clark, Chairman, OECD, LEED Forum</i>	
Afternoon	Arrival to Graz
19.00	Dinner at the Restaurant Hotel Weitzer Graz Welcome remarks by the Moderator and round of introductions
22.00	<i>End</i>

Day 2

Monday, 29 February 2016 <i>Venue: Congress Center Graz</i> <i>Moderator: Greg Clark, Chairman, OECD, LEED Forum</i>	
09.00 - 09.30	Registration
09.30 - 10.00	Opening remarks: The World Bank - Austria Urban Partnership Program Partners Elisabeth Gruber, Senior Advisor, International Financial Institutions, Austrian Federal Ministry of Finance Lada Strelkova, Operations Adviser, World Bank Vienna/ECCU4
10.00 -10.30	Keynote Address Honorable Siegfried Nagl, Mayor of Graz, Austria: <i>Strategic Urban Planning in Graz</i> Presentation and questions from delegates
10.30 - 11.00	<i>Coffee break</i>
11.00 – 12.45	Municipal Finance/ Urban Planning & Land Management/ Capital Investment: Challenges and opportunities Catherine Farvacque-Vitkovic, Lead Urban Specialist, World Bank: Setting the Stage Opportunities: innovative diagnostic tools for local governments - Municipal Finance Self-Assessment (MFSA) and Urban Audit (UA) <u>Tale of 3 cities:</u> <ul style="list-style-type: none">➤ Municipality of Kisela Voda; Municipality of Kocani + Marjan Nikolov, local expert➤ City of Belgrade; City of Subotica + Ljiljana Brdarevic, local expert➤ Fier municipality + Besmira Dyca, local expert Mr Emil Savov, NALAS Task Force on Fiscal Decentralisation, Deputy Director of the National Association of Municipalities of the Republic of Bulgaria

12.45 – 13.15	<p>Capital Investment Planning at Local Level</p> <ul style="list-style-type: none"> ➤ Mr. Sasa Drezgic and, University of Rijeka and Mr. Slavko Čolak, AIK ➤ Honorable Tomislav Katanovic, Deputy Mayor, City of Krizevci
13.15 - 14.30	<i>Lunch</i>
14.30-15.45	<p>Central-Local Government Roundtable Discussion</p> <p>Guest Speaker: Mrs. Ilona Raugze, Deputy State Secretary for Regional Development at the Ministry of Environmental Protection and Regional Development of the Republic of Latvia</p> <ul style="list-style-type: none"> ➤ Mrs. Adelina Greca, General Director of National Agency for Territorial Planning , Ministry of Urban Development, Albania ➤ Mrs. Gordana Radovic, Ministry of Finance, Montenegro ➤ Honorable Haki Rugova, Mayor of Istog, Kosovo ➤ Honorable Petrit Sinaj, Mayor of Berat, Albania ➤ Honorable Aleksandar Žurić, Mayor of Bjelo Polje, Montenegro ➤ Honorable Rupert Gole, Mayor of Šentrupert, Slovenia ➤ Mr. Dario Runtic, Advisor, Association of Cities, Croatia <p>Representatives of LGAs and NALAS</p>
15.45-16.15	<i>Coffee break</i>
16.15-17.30	<p>Leadership in times of emergency: why crises need leaders</p> <ul style="list-style-type: none"> ➤ Mr. Djordje Stanicic, Secretary General, Standing Conference of Towns and Municipalities <p>WB Representative: Joaquin Toro, Disaster Risk Management Regional Coordinator</p> <ul style="list-style-type: none"> ➤ Mr. Zdravko Maksimovic, Head of DRM Unit Kraljevo, Serbia ➤ Honorable Branislav Nedimovic, Mayor of Sremska Mitrovica, Serbia: Insurance for catastrophic events ➤ Honorable Mico Micic, Mayor of Bijeljina, Bosnia and Herzegovina ➤ NALAS & LGAs Quick response initiative: Kelmend Zajazi, Executive Director, NALAS ➤ Mr. Darko Drndic, Standing Conference of Towns and Municipalities DRM initiative
17.30 – 17.45	Moderator: Wrap up of Day 1
19.00 – 21.00	Dinner at the Hotel Weitzer

Day 3

Tuesday, March 1, 2016 <i>Venue: Congress Center Graz</i> <i>Moderator: Greg Clark, Chairman, OECD, LEED Forum</i>	
09.00-09.30	Keynote Address: Honorable Michael Cornett, Mayor Oklahoma City City Transformation through Strategic Leadership – Experience from Oklahoma, USA
09.30-11.10	Urban Governance & Integrity Building + Social Sustainability/ Citizen Engagement Guest Speaker: Mr. Igor Kos, Cabinet of the Mayor of Maribor, Slovenia Sabine Palmreuther, Senior Operations Officer, World Bank Setting the stage: Challenges and opportunities <ul style="list-style-type: none">➤ Mrs. Aida Ciro, Co-Plan: Social Accountability Initiative in SEE➤ Mrs. Ljupka Simonoska: Integrity building in Macedonia and Kosovo <i>Good practices towards building Integrity and Social Accountability in the SEE region</i> <u>Tale of 3 cities</u> <ul style="list-style-type: none">➤ City of Elbasan: Mayor of Elbasan, Honorable Qazim Sejдини (SSCE)➤ City of Zenica: Municipal Council President, Mr. Nebojša Nikolić and Head of Administration Mrs. Dzevdana Brajic (IB)➤ City of Krizevci: Deputy Mayor of Krizevci, Honorable Tomislav Katanovic (IB) Panel discussion <ul style="list-style-type: none">➤ Honorable Voltana Ademi, Mayor of Shkodra, Albania➤ Honorable Boris Miletic, Mayor of Pula, Croatia➤ Honorable Nebojsa Zelenovic, Mayor of Sabac, Serbia➤ Honorable Mimoza Kusari Lila, Mayor of Gjakova, Kosovo➤ Mrs. Emina Abrahamsdotter, Integrity Building, BiH and Montenegro➤ NGO representatives: MANS Montenegro, NALED Serbia, CPI BiH
11.10-11.30	<i>Coffee break</i>
11.30 - 12.45	Improving service delivery at local level: The Water agenda <ul style="list-style-type: none">➤ Presentation of DANUBIS platform: David Michaud, Senior Water Specialist, World Bank (Danube Water Program)➤ Danube Water Program: Asset management in utility corporations and upcoming international standards for public asset management: Ms. Violeta Wolff, IAWD

	<ul style="list-style-type: none"> ➤ Successful example of local PUC on Asset Management: Honorable Mico Micic, Mayor of Bijeljina, Bosnia and Herzegovina; Mrs. Ivana Stanišić, PUC Bijeljina; Mr. Tukacs Agi, PUC Subotica ➤ Asset Management in South-East Europe: Mr. Miodrag Kolic, Asset Management expert, NALAS <p>Discussion</p>
12.45-13.15	<p>Keynote Presentation on the Transparency/Integrity Agenda</p> <p>Honorable Remigijus Šimašius, Mayor of Vilnius, Lithuania</p>
13.15-14.30	<p><i>Roundtable discussion: City Leadership required to transform cities in South-East Europe</i></p> <p><u>SEE City Leaders/ LGAs/ NGOs: Panel discussion</u></p> <ul style="list-style-type: none"> ➤ Honorable Brunilda Paskali, Deputy Mayor of Tirana, Albania ➤ Honorable Nedzad Koldzo, Mayor of Novo Sarajevo, Bosnia and Herzegovina ➤ Honorable Naim Ismajli, Mayor of Shtime, Kosovo/President of AKM ➤ Honorable Ratko Dimitrovski, Mayor of Kocani, Macedonia ➤ Honorable Ljubivoje Slavković, Deputy Mayor of Nis, Serbia ➤ Honorable Aleksandar Bogdanovic, Mayor of Cetinje, Montenegro ➤ Mrs. Vesna Travljanin, Executive Director, Association of FBiH
14.30-14.45	<p>Closing remarks</p> <p>Seena Garcia, Advisor, International Financial Institutions, Austrian Federal Ministry of Finance</p> <p>David Sislen, Practice Manager, Urban and Disaster Risk Management Europe and Central Asia</p> <p>Wrap-up: Greg Clark, Moderator</p>
14.45	<i>Lunch</i>
15.30-18.00	<p><i>Site visits:</i></p> <p><i>Option 1: Renewable Energy</i></p> <p><i>Option 2: Water for the City of Graz</i></p>
19.30-22.00	<i>Mayor's Reception at the Rathaus (City Hall), Graz</i>

Annex 2: List of Attendees

Country	Name	Title	Organization/Municipality
Moderator			
UK	Greg Clark	Moderator	London
UK	Emily Moir	Reporteur	UK
Austrian Ministry of Finance			
Austria	Seena Garcia	Advisor	Ministry of Finance
Austria	Elisabeth Gruber	Sr. Advisor	Ministry of Finance
Guest Mayors/Speakers			
Austria	Siegfried Nagl	Mayor	Graz
Slovenia	Igor Kos	Mayors' Cabinet	Maribor
Slovenia	Rupert Gole	Mayor	Sentrupert
Lithuania	Remigijus Šimašius	Mayor	Vilnius
Lithuania	Sima Balciute	Municipal Enterprise "Vilnius planas"	Vilnius
USA	Michael Cornett	Mayor	Oklahoma City
Latvia	Ilona Raugze	Deputy State Secretary for Regional Development	Ministry of Environmental Protection and Regional Development, Latvia
SEE Mayors			
Albania	Zamira Rami	Mayor	Gjirokastra Municipality
Albania	Florjana Koka	Mayor	Saranda Municipality
Albania	Jorgo Goro	Mayor	Himara Municipality
Albania	Armando Subashi	Mayor	Municipality of Fier
Albania	Voltana Ademi	Mayor	Shkodra Municipality
Albania	Selfo Kapllani	Mayor	Kucove Municipality
Albania	Ilirjan Llangozi	Deputy Mayor	Kucove Municipality
Albania	Petrit Sinaj	Mayor	Municipality of Berat
Albania	Brunilda Paskali	Deputy Mayor	Tirana Municipality
Albania	Qazim Sejdini	Mayor	Municipality of Elbasan
Albania	Klevis Xhoxhi	Deputy Mayor	Municipality of Elbasan
Albania	Teuta Korreshi	Deputy Mayor	Municipality of Lushnje
Albania	Adelina Greca	Ministry of Urban Development	General Director of National Agency for Territorial Planning
Bosnia and Herzegovina	Nebojša Nikolić	Municipal Council President	City of Zenica

SEE Mayors			
Country	Name	Title	City/Municipality
Bosnia and Herzegovina	Mičo Mičić	Mayor	City of Bijeljina
Bosnia and Herzegovina	Nedžad Koldžo	Mayor	Municipality Novo Sarajevo
Bosnia and Herzegovina	Zijad Lugavić	Advisor to the Mayor	City of Tuzla
Bosnia and Herzegovina	Hajrudin Hadzidedić	Mayor	City of Odzak
Croatia	Tomislav Katanović	Deputy Mayor	City of Krizevci
Croatia	Boris Miletić	Mayor	City of Pula
Croatia	Marko Vesligaj	Mayor	City of Pregrada
Kosovo	Mimoza Kusari Lila	Mayor	City of Gjakova
Kosovo	Naim Ismajli	Mayor/President of LGA	Shtime Municipality
Kosovo	Haki Rugova	Mayor	Istog Municipality
Kosovo	Imri Ahmeti	Mayor	Lipjan Municipality
Macedonia	Nevzet Bejta	Mayor	Gostivar Municipality
Macedonia	Emil Doncev	Mayor	Vinica Municipality
Macedonia	Ratko Dimitrovski	Mayor	Kocani Municipality
Macedonia	Arsencho Aleksoski	Mayor	Kriva Palanka Municipality
Macedonia	Kiril Partalov	Municipal Secretary	Strumica Municipality
Montenegro	Gordana Radović	Advisor for LG Units	Ministry of Finance
Montenegro	Fatmir Gjeka	Mayor	Ulcinj Municipality
Montenegro	Aleksandar Žurić	Mayor	Bijelo Polje Municipality
Montenegro	Veselin Grbović	Mayor	City of Nikšić
Montenegro	Aleksandar Bogdanović	Mayor	City of Cetinje
Montenegro	Zoran Petranović	Municipal Manager	City of Tivat
Montenegro	Mirko Đačić	Mayor	Pljevlja Municipality
Montenegro	Zeljka Vuksanović	Mayor	Kolasin Municipality
Serbia	Ljubivoje Slavković	Deputy Mayor	City of Niš
Serbia	Saša Pavlov	Mayor	City of Pancevo
Serbia	Slađan Mančić	Mayor	City of Ruma
Serbia	Branislav Nedimović	Mayor	City of Sremska Mitrovica
Serbia	Nebojša Zelenović,	Mayor	City of Sabac

Municipal staff			
Country	First Name	Last Name	Organization
Albania	Besmira	Dyca	Tirana Municipality
Albania	Besmir	Blana	Berat Municipality
Albania	Enekelejda	Peshkepia	Fier Municipality
Albania	Renilda	Hyseni	Fier Municipality
Albania	Mimoza	Haxhiu	Lushnje Municipality
Albania	Entela	Bani	Gjirokastra Municipality
Bosnia and Herzegovina	Ankica	Todorovic	City of Bijeljina
Bosnia and Herzegovina	Ivana	Stanisic	City of Bijeljina (PUC)
Bosnia and Herzegovina	Natasa	Pelja-Tabori	Sarajevo Canton
Bosnia and Herzegovina	Zina	Ruzdic	Sarajevo Canton
Bosnia and Herzegovina	Edina	Habibija	Municipality of Novo Sarajevo
Bosnia and Herzegovina	Mirela	Spaho	Municipality Novo Sarajevo
Bosnia and Herzegovina	Dzevdana	Brajic	City of Zenica
Bosnia and Herzegovina	Nevenka	Lucar	City of Prijedor
Bosnia and Herzegovina	Nevenka	Predojevic	City of Banja Luka
Bosnia and Herzegovina	Zoran	Novakovic	City of Banja Luka
Croatia	Martina	Kobilar Kantoci	City of Pregrada
Croatia	Dragutin	Andric	City of Krizevci
Croatia	Ante	Mađerić	City of Rijeka
Croatia	Srdjan	Skunca	City of Rijeka
Croatia	Lovorka	Hajdic-Golic	City of Pula
Croatia	Leonard	Poropat	City of Pula
Croatia	Vjekoslava	Glavan	City of Crikvenica
Croatia	Snjezana	Sikiric	City of Crikvenica
Kosovo	Tamara	Nicic	Municipality of Gracanica
Kosovo	Dejan	Jovanovic	Municipality of Gracanica
Kosovo	Armend	Vokshi	City of Gjakova
Kosovo	Osman	Sadikaj	Istog Municipality

Macedonia	Evgenija	Gramatikova	Municipality of Strumica
Macedonia	Sofija	Ristovska	Municipality of Strumica
Macedonia	Pajtim	Saiti	Municipality of Gostivar
Macedonia	Sasho	Trajkov	Municipality of Gazi Baba
Macedonia	Vladimir	Bozinovski	Municipality of Gazi Baba
Macedonia	Valentina	Angelovska	Municipality of Kriva Palanka
Macedonia	Elena	Dimitrovska	Municipality of Kocani
Macedonia	Marina	Trajcovska	Municipality of Kisela Voda
Montenegro	Anela	Krijestorav	Pljevlja Municipality
Montenegro	Petar	Vujovic	City of Tivat
Montenegro	Biljana	Peranovic	City of Kotor
Montenegro	Drazen	Blazic	City of Cetinje
Serbia	Zdravko	Maksimovic	City of Kraljevo
Serbia	Dubravka	Rodic	City of Subotica
Serbia	Zaklina	Gligorijevic	Urban Institute Belgrade
Serbia	Gordana	Jelenic	Belgrade City Administration
Serbia	Tamara	Jovanovic	Urban Institute Nis
Serbia	Agi	Tukacs	City of Subotica (PUC)
Local experts			
Country	First Name	Last Name	Title
Macedonia	Marjan	Nikolov	Local Expert
Montenegro	Natasa	Obradovic	Local Expert
Serbia	Ljiljana	Brdarevic	Local Expert
Bosnia and Herzegovina	Goran	Rakic	Local Expert
Bosnia and Herzegovina	Dzenita	Kovacevic	Local Expert
Albania	Merita	Toska	Local Expert
Albania	Elton	Stafa	Local Expert
Croatia	Anto	Bajo	Local Expert
Kosovo	Fortuna	Haxhikadrija	Local Expert
LGAs			
Country	First Name	Last Name	Organization/Function
Albania	Argon	Haxhimali	AAM
Bosnia and Herzegovina	Vesna	Travljanin	SOGFBIH
Croatia	Dario	Runtic	AOC
Croatia	Nives	Kopajtich-Škrlec	AOC
Kosovo	Sazan	Ibrahimi	AKM
Montenegro	Zana	Djukic	UOM
Montenegro	Refik	Bojadzic	UOM

Serbia	Djordje	Stanicic	SCTM
Serbia	Darko	Drndic	SCTM
Serbia	Nikola	Tarabuk	SCTM
Serbia	Klara	Danilovic	SCTM
NALAS	Miodrag	Kolic	NALAS
NALAS	Kelmend	Zajazi	NALAS
NALAS	Natasha	Acevska	NALAS
NALAS	Jelena	Janevska	NALAS
NALAS	Emil	Savov	NALAS FD TF
NGOs			
Montenegro	Dejan	Milovac	NGO MANS
Bosnia and Herzegovina	Damir	Mehmedbasic	NGO CPI
Anti-corruption Practitioners			
Albania	Ariola	Agolli	Partners Albania
Bosnia and Herzegovina	Emina	Abrahamsdotter	Proffs
Macedonia	Ljupka	Simonoska	Skopje
Croatia	Ivana	Puksec	METIS
Serbia	Tamara	Zivadinovic	MENA
Regional Guest speakers			
Croatia	Slavko	Čolak	AIK
Croatia	Sasa	Drezgic	Center for Local Economic Development (University of Rijeka)
SSCE city teams			
Albania	Aida	Ciro	Co-Plan
BiH	Elma	Demir	Association for Reseach and Social Inovations
Croatia	Maja	Horvat	GONG
Montenegro	Aleksandar	Maskovic	MANS
Macedonia	Sonja	Damchevska	CSD
Serbia	Ivana	Bogosavljevic-Cikic	NALED
Serbia	Simo	Vukovic	NALED
Guest institutions			
Albania	Valbona	Karakaci	Halvetas
Germany	Isabela	Santos	Engagement Global