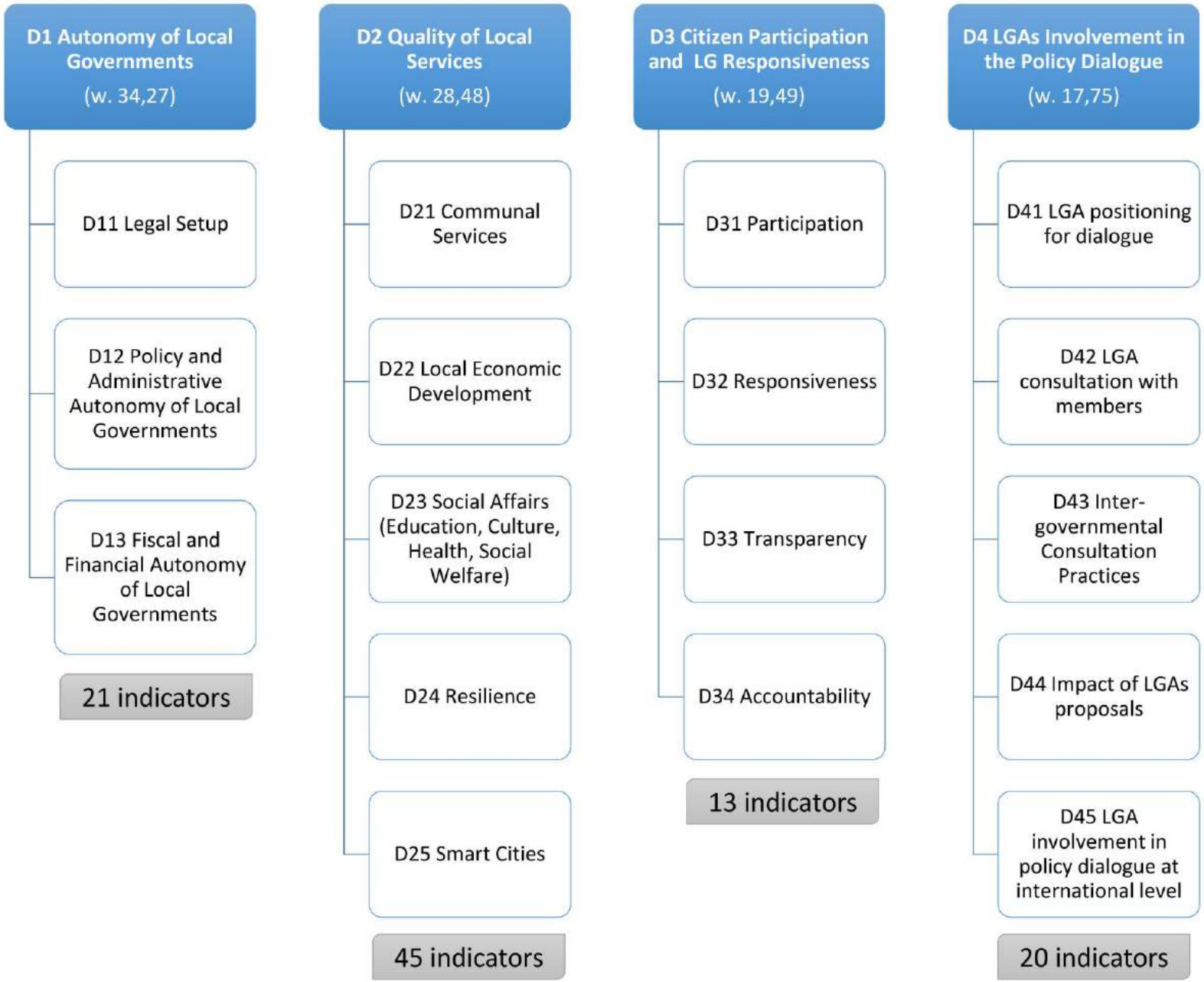
NALAS's Regional Decentralization Observatory (RDO) **Index**

Preliminary results for South East Europe

What is the RDO Index?

- Monitoring tool - comprehensive **measuring** and **comparing** the degree of **decentralization** and the quality of **local governance** across countries, necessary for **bench-learning** rather than for benchmarking.
- Support **intergovernmental dialogue**
- Development of **evidence based policies** at national and regional level
- Developed and implemented by NALAS member associations of local authorities, across 12 countries of SEE region

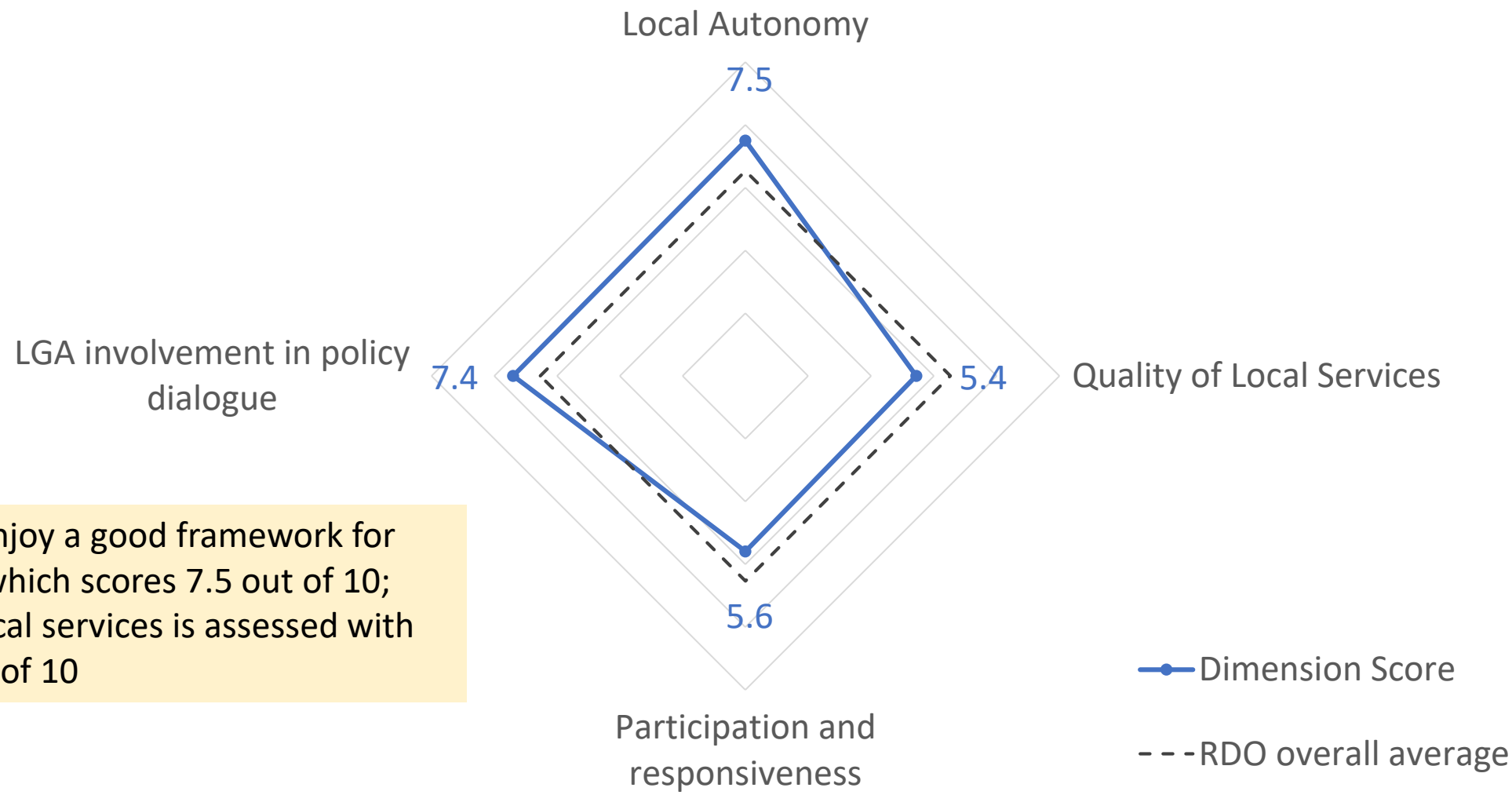
Structure of the RDO Index



- **4 dimensions**
- **17 indices**
- **9 sub-indices**
- **97 indicators:**
  - 32 quantitative
  - 65 qualitative

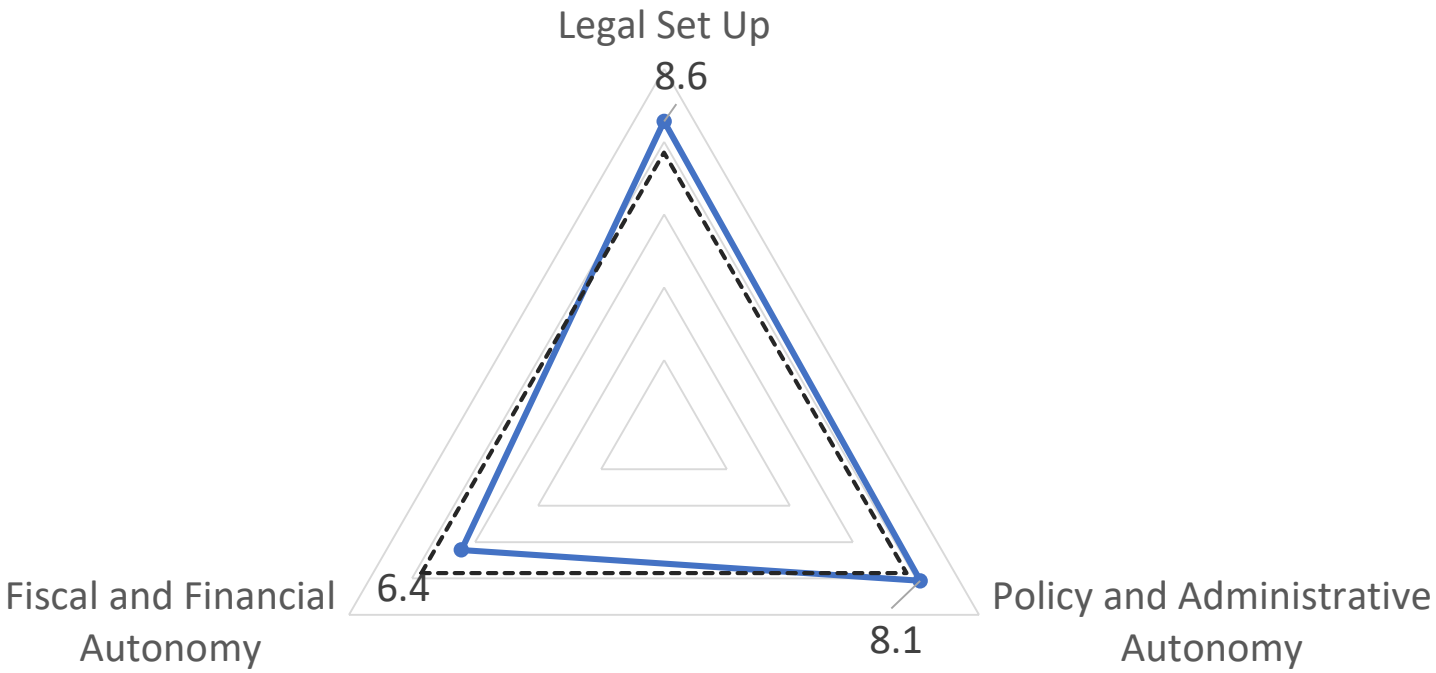
Preliminary Findings from the RDO Index Assessment: Progress by NALAS Countries

The Overall RDO Index* across Dimensions



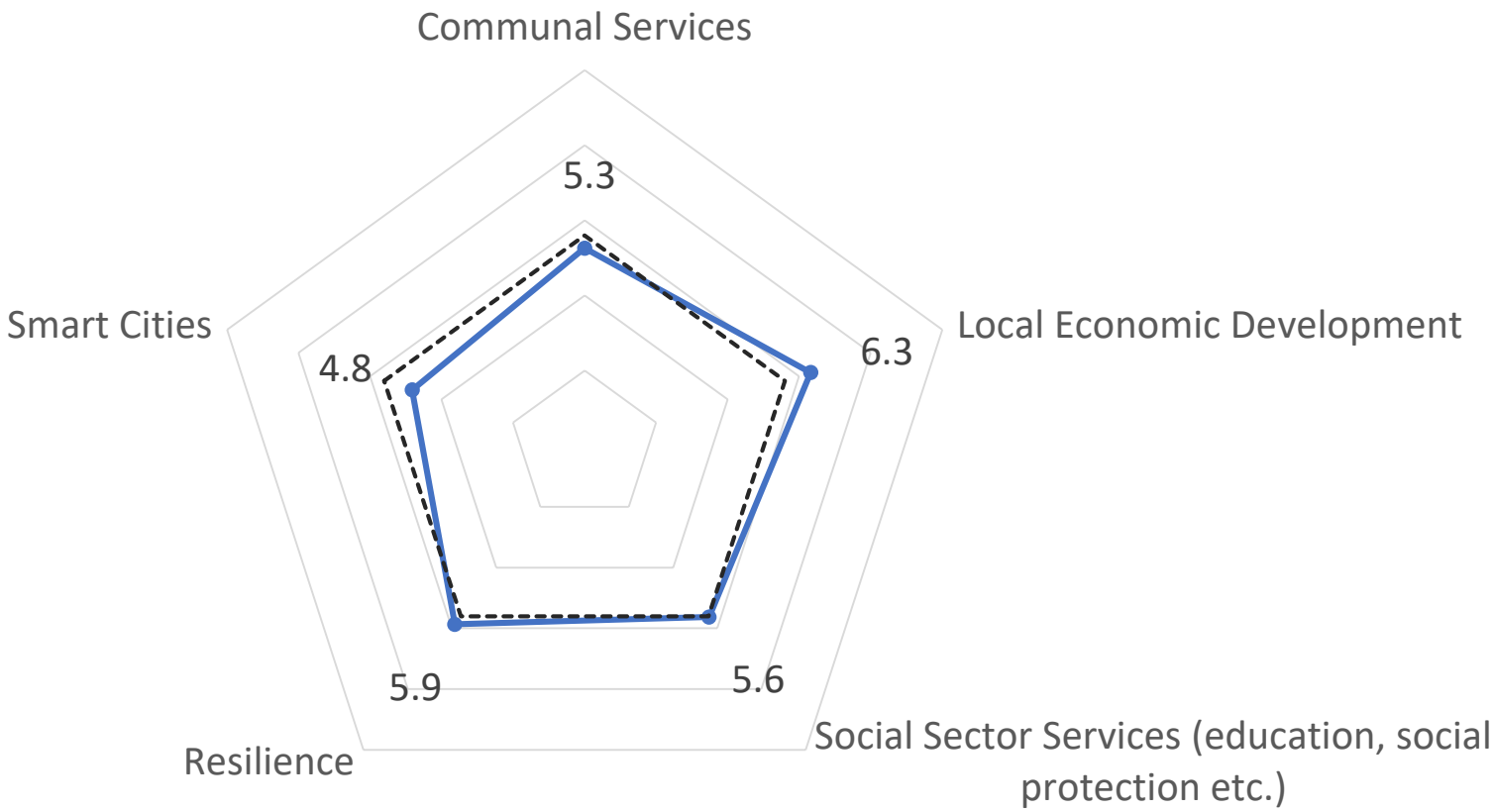
LGs in SEE enjoy a good framework for autonomy, which scores 7.5 out of 10; quality of local services is assessed with only 5.4 out of 10

D1 – Autonomy of Local Governments

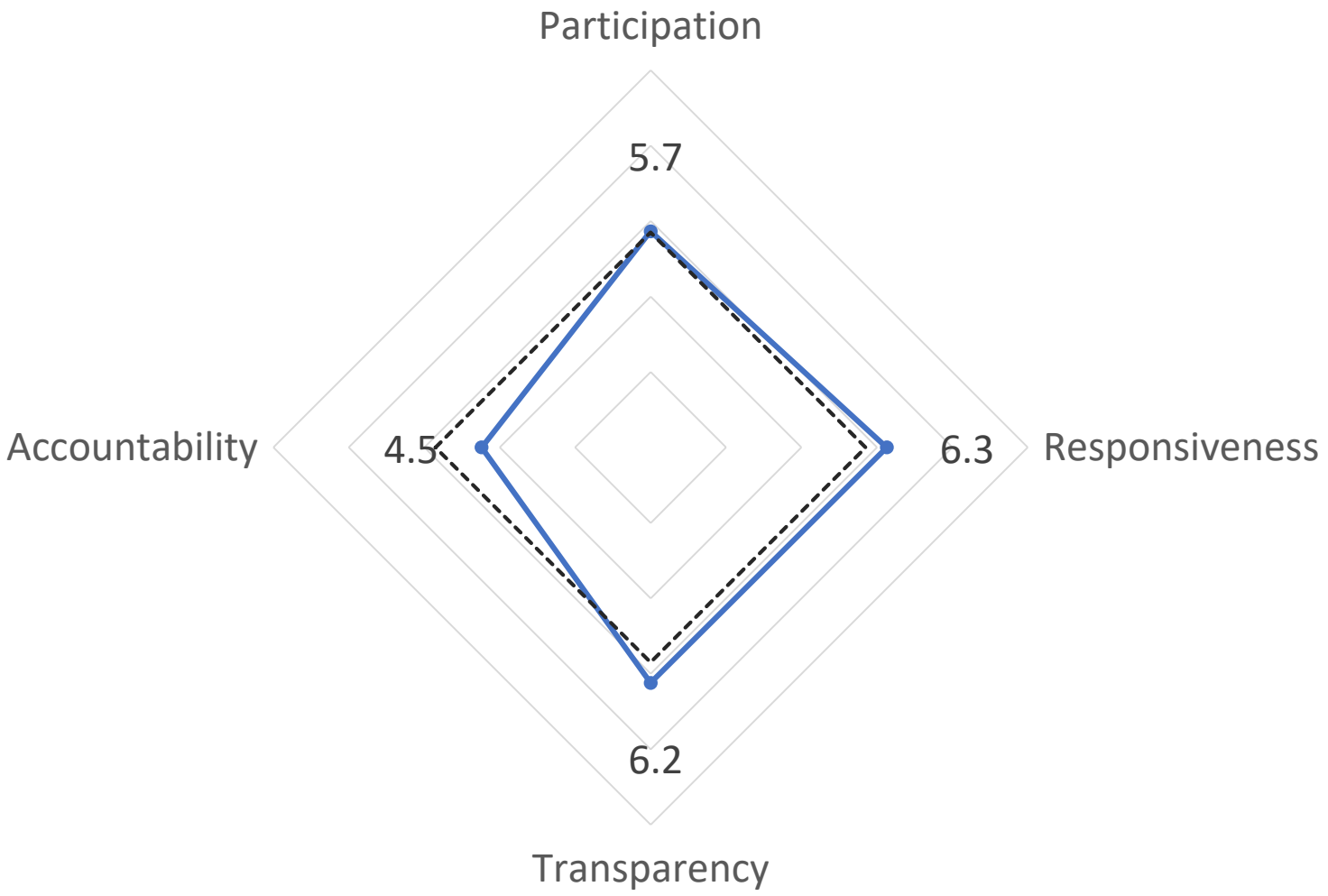


Good conditions, insufficient resources?

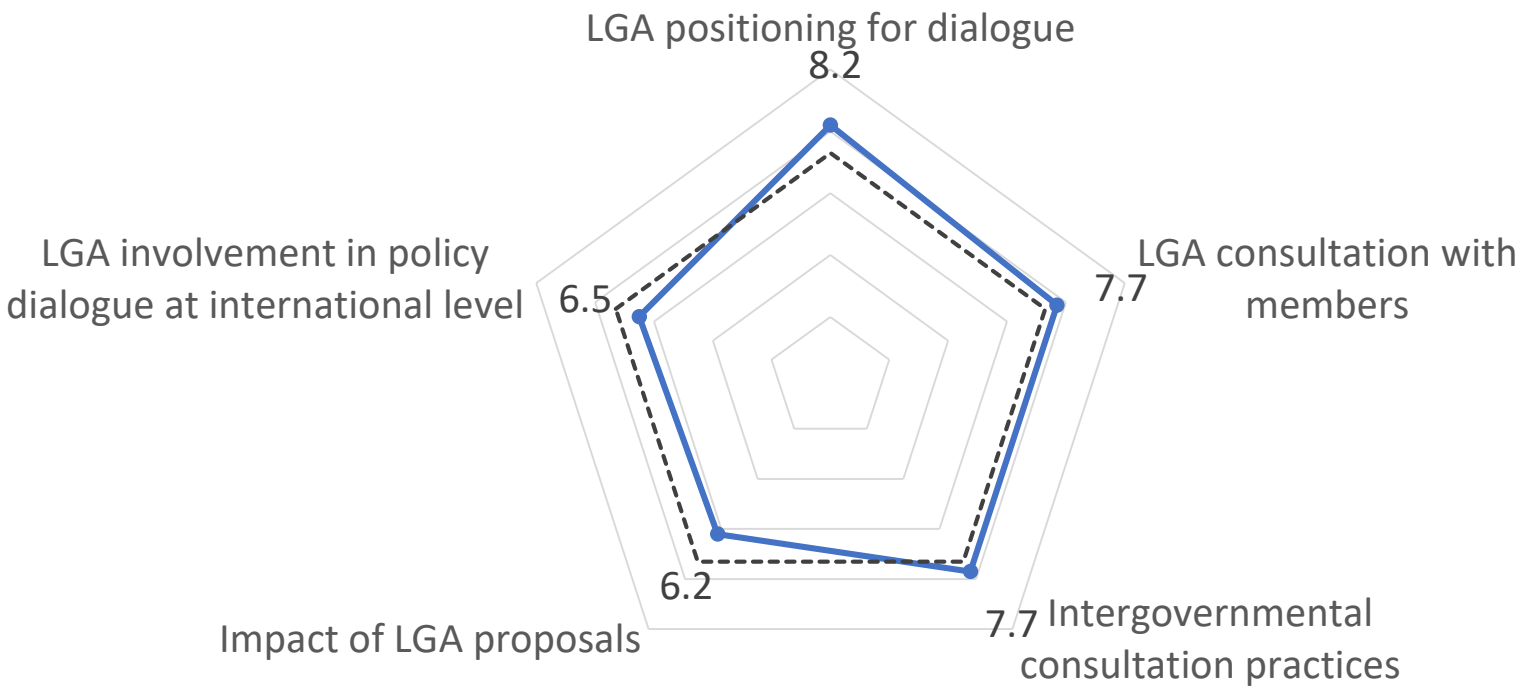
D2 – Quality of Local Services



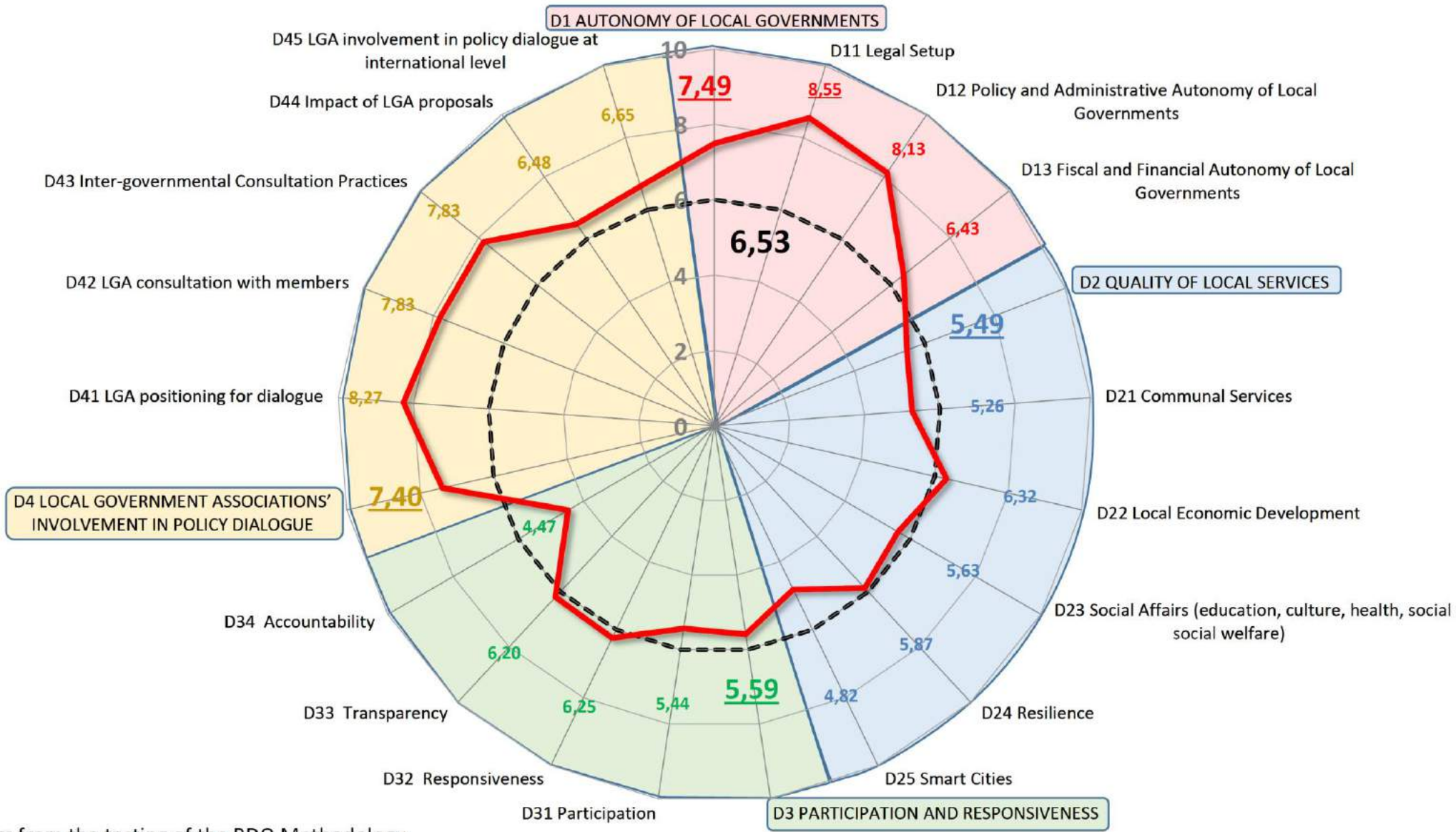
D3 – Participation and Responsiveness



D4 – LGA Involvement in Policy Dialogue



The Overall RDO Index* across RDO Dimensions and Indices



* Preliminary findings from the testing of the RDO Methodology

The key issue: fiscal autonomy

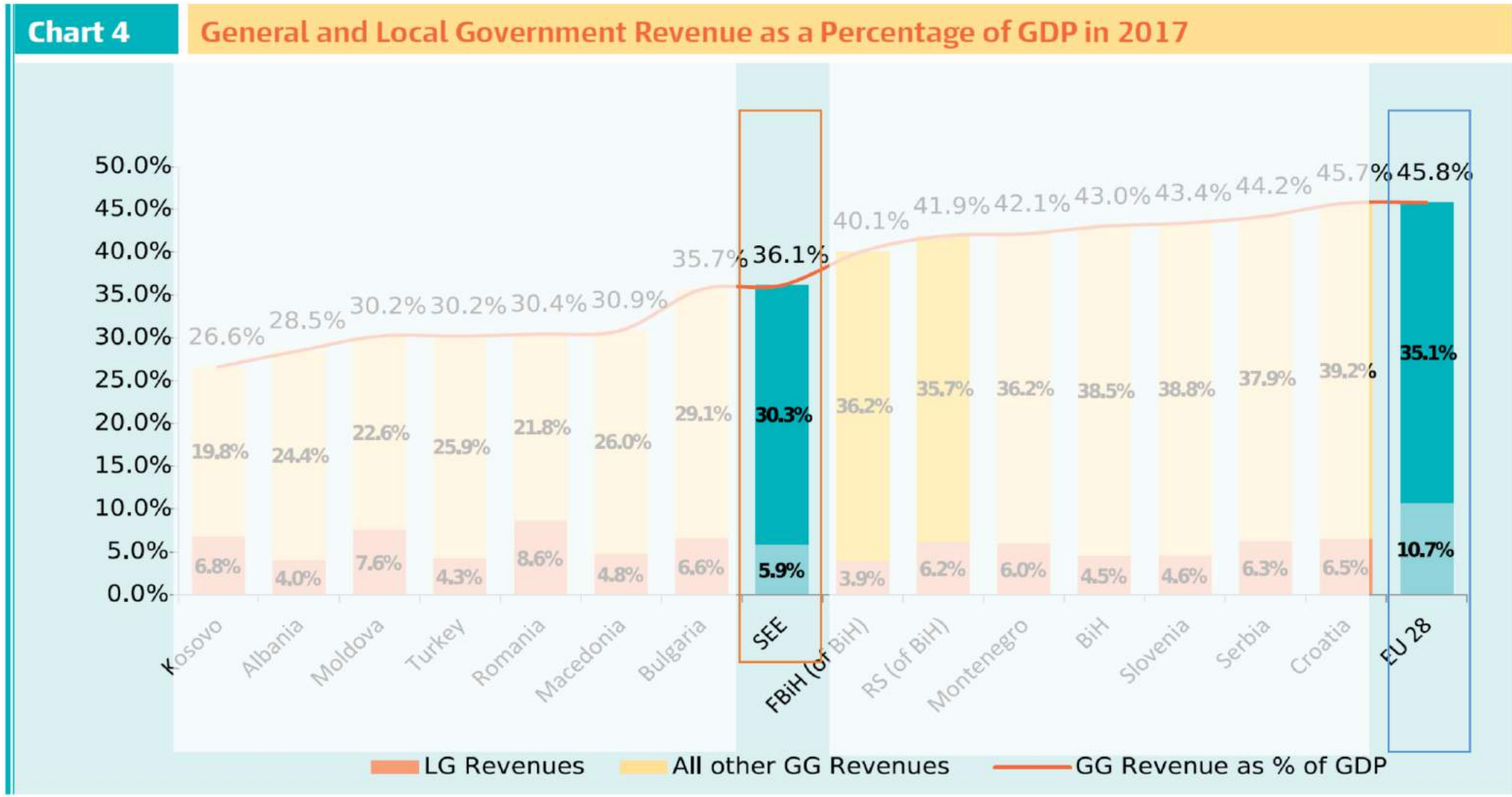
the control over sufficient resources to plan and manage the provision of local public services according to citizens' needs/priorities without continuous interference from higher authorities

2012 2013 2014 2015 2016 2017 2018

Fiscal Decentralization Indicators (baseline 2006)

NALAS Fiscal Decentralization Indicators for SEE

Fiscal decentralization indicator – Local Government Revenues

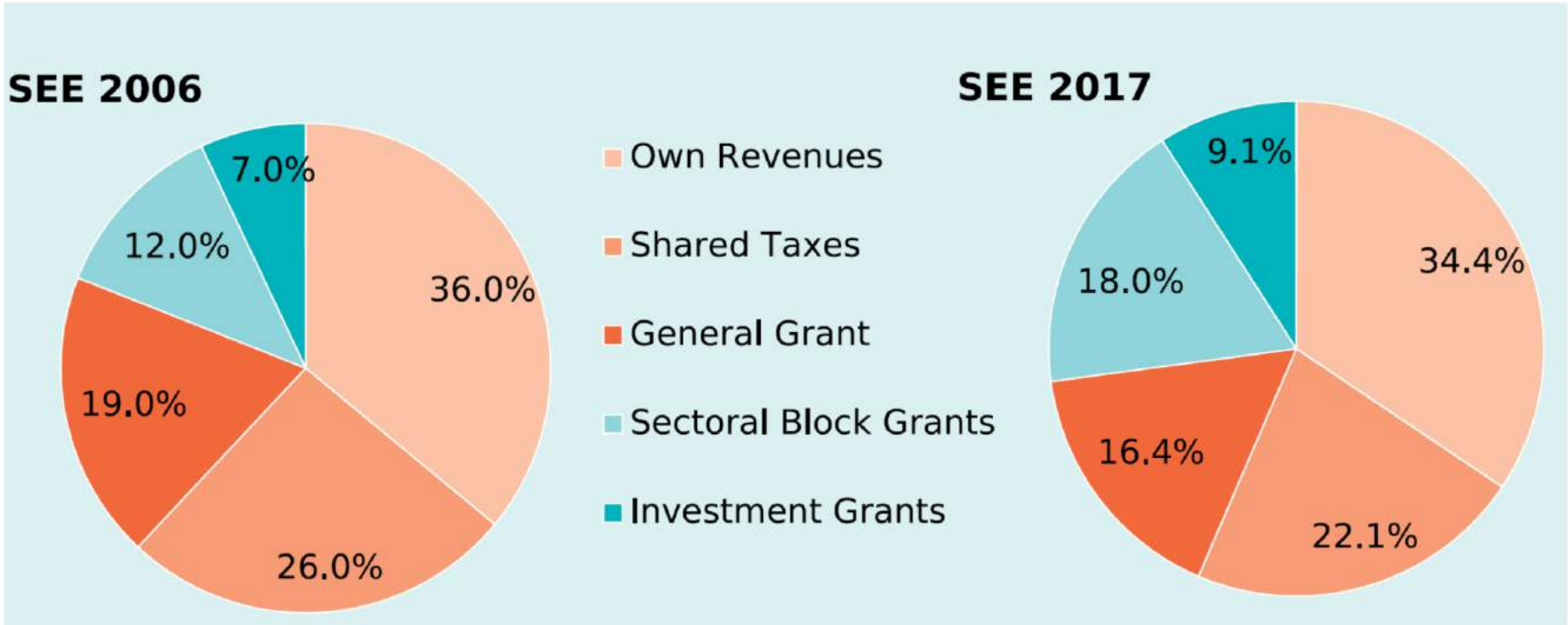


Findings from the NALAS Report on Fiscal Decentralization Indicators in SEE 2018 -
http://nalas.eu/Publications/Books/FDReport_18

Fiscal decentralization indicator – Local Government Revenues

Local governments in SEE in practice can freely decide on half their budgets, while the other half is preconditioned by the central level via the conditionality of the transfers.

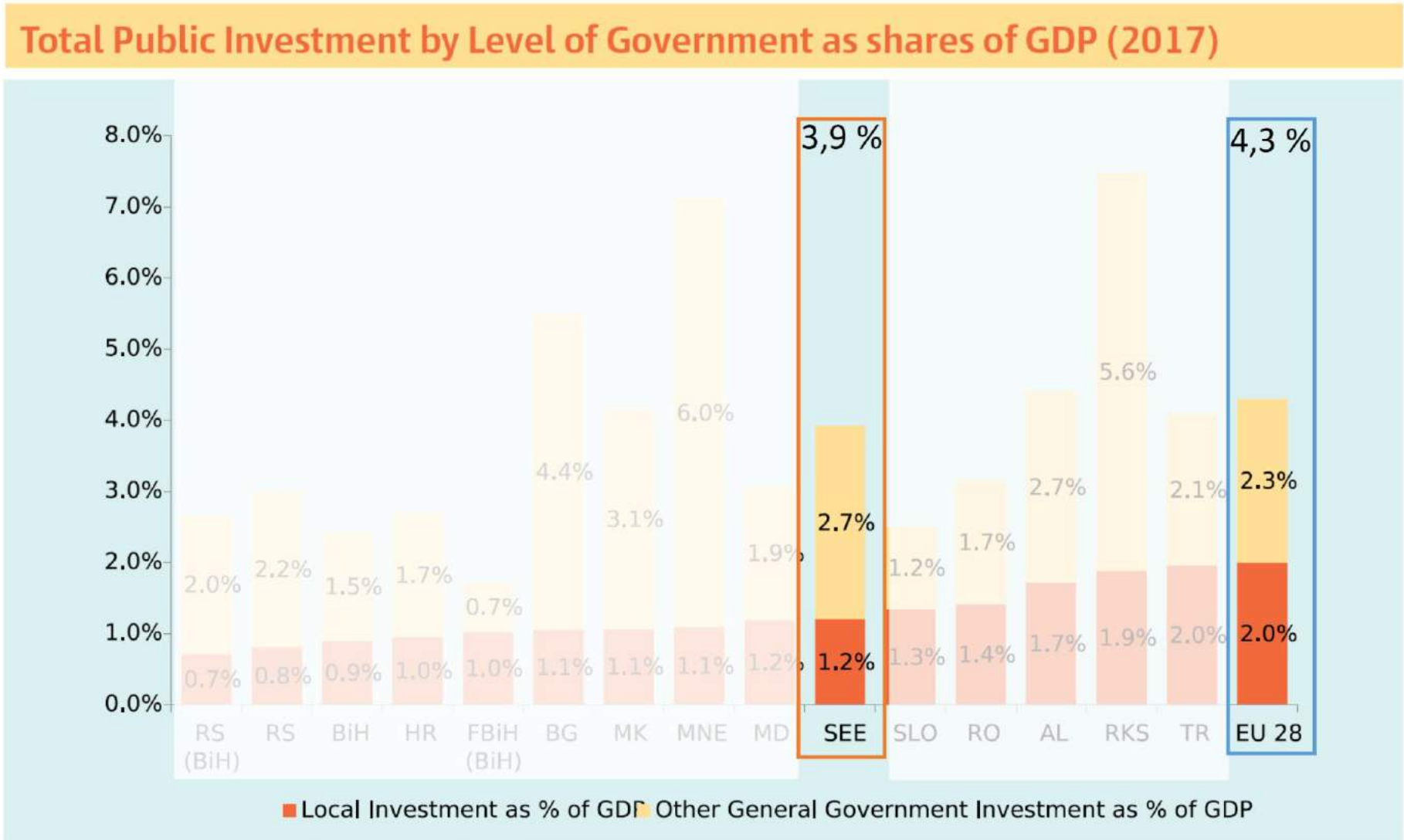
Composition of Local Revenue in SEE 2006 & 2017



Local governments powers to set and collect taxes, fees and charges are reduced

Findings from the NALAS Report on Fiscal Decentralization Indicators in SEE 2018 - http://nalas.eu/Publications/Books/FDReport_18

Fiscal decentralization indicator – Local Government Investments



Findings from the NALAS Report on Fiscal Decentralization Indicators in SEE 2018 -
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Tendency of decreasing the level of the fiscal autonomy of local governments:

- Decreased local revenues
- Decreased expenditures for local investments and services
- Increasing dependence on CG grants
- Lack of enabling environment for using borrowing as instrument for capital infrastructure investments