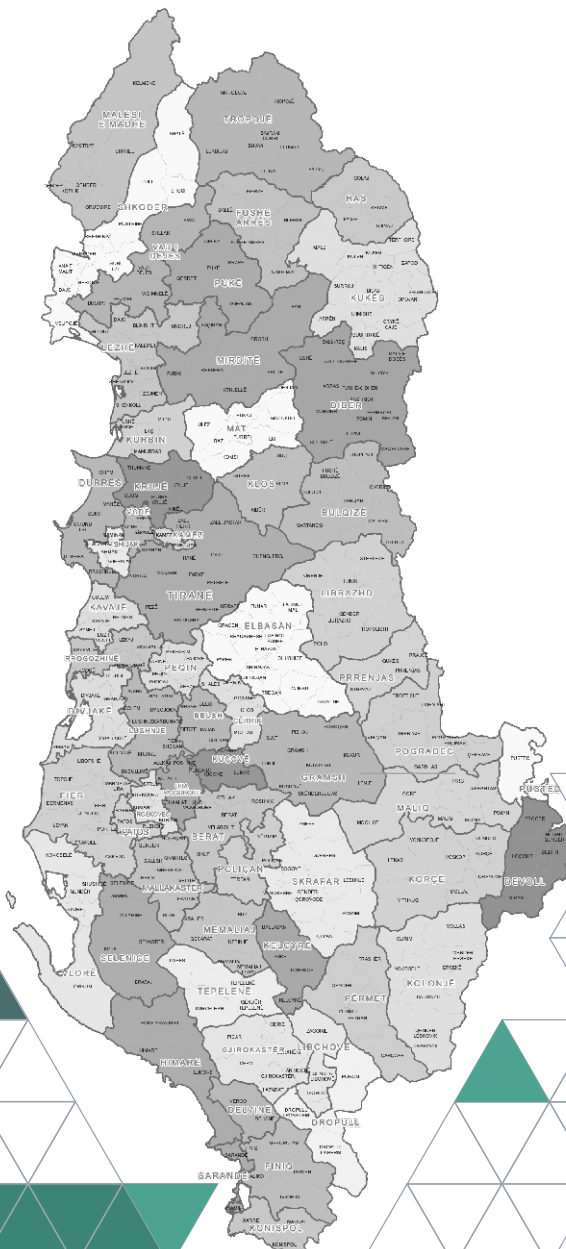




REPUBLIKA E SHQIPËRISE
MINISTRIA E BRENDSHME



October 2017

2015-2020

CROSS-SECTORIAL STRATEGY ON DECENTRALIZATION AND LOCAL GOVERNMENT

Second Monitoring Report



CROSS-SECTORIAL STRATEGY

ON DECENTRALIZATION

AND LOCAL GOVERNMENT

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Abbreviations

AITR	Agency for the Implementation of the Territorial Reform
EU	European Union
DoPA	Department of Public Administration
DLDP	Decentralization and Local Development Programme
E-PAV	Electronic Registry for the Administration and Local Government
ADF	Albanian Development Fund
CoE	Council of Europe
ICT	Information Communication Technology
TFIS	Treasury Financial Information System
IT	Information Technology
IOSSH	Integrated One Stop Shop
AU	Administrative Unit
LGUs	Local Government Units
MUD	Ministry of Urban Development
HRM	Human Resource Management
MoI	Ministry of Interior
MEFA	Ministry of Europe and Foreign Affairs
MIPA	Minister of State for Innovation and Public Administration
MLA	Minister of State for Local Affairs
MTBP	Mid-term Budget Program
PLGP	Planning and Local Governance Project of USAID
GLTPs	General Local Territorial Plans
CG	Central Government
DoCM	Decision of Council of Ministers
TNA	Training Needs Assessment
ATR	Administrative Territorial Reform
SSEA	State Secretariat for Economic Affairs (Switzerland)
STAR	Project on “Support to Territorial Administrative Reform”
ASPA	Albanian School of Public Administration
NISDLG	National Inter-sectorial Strategy on Decentralization and Local Government

1 Executive Summary

The National Cross-Sectorial Strategy on Decentralization and Local Government (NISDLG) 2015-2020¹, adopted in July 2015, completed its second implementation cycle in July 2017. It has now entered into its third year of implementation. This monitoring report represents the progress of the implementation of the Strategy's Action Plan activities during the second year of implementation, yet the reporting of the findings cover the period till the end of October 2017.

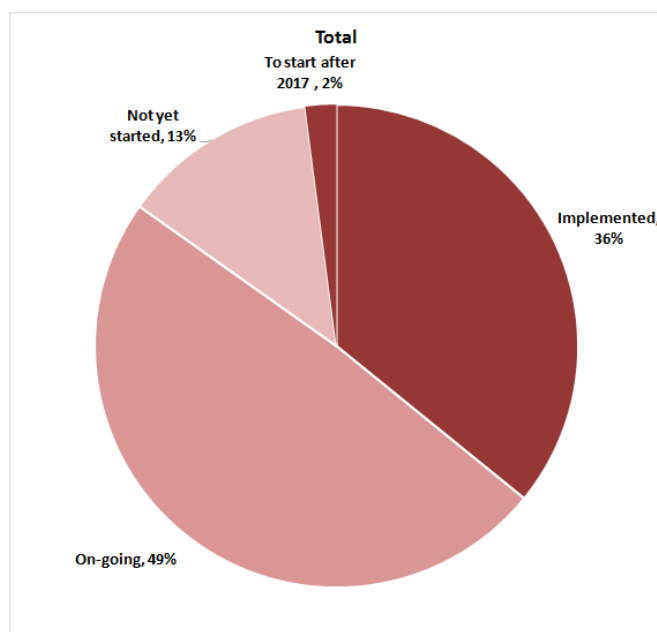
Based on drafting methodology, the report focuses on the following two main directions:

- (i) presentation of the achievements and issues encountered *during the second year of the implementation of the Strategy*;
- (ii) *progressive assessment of the implementation* of the activities of the Action Plan 2015-2020.

A special element of this report compared to the first report on the Strategy (2016), is the reporting on the achievement of the evaluation monitoring indicators, which represent the achievement of the Strategy mid-term goals.

The progress of the implementation of the activities foreseen in the Strategy is at satisfactory level. Out of 91 activities, or 61%, which begun in the first year of implementation, this level reached at 85%, or 123 activities. During the first year of the implementation of the Strategy, the implementation rate was 30%, while in the second year of its implementation it raised to 36% (or 42% of the activities that have actually started implementation).

Chart1: Level of implementation of the Action Plan in %



Number of activities

Implemented	52
On-going	71
Not yet started	19
To start after 2017	3

¹ The Strategy was developed with the support of the Planning and Local Governance Project (PLGP) project, financed by USAID.

Main results accomplished during the second year of Strategy implementation are as follows:

- Establishment of the *Consultative Council*, as the main tool for the institutional coordination and monitoring the decentralization reforms and the Strategy itself.
- *Establishment of the Sub Committee on Local Government*, part of the Standing Parliamentary Committee on Legal Affairs, Public Administration and Human Rights.
- Adoption of the *Law no. 68/2017 “On Local self-governing Finances”* which addresses some of the structural weaknesses of the intergovernmental financial system and improves the legal framework for local public finance management; At the same time, work is ongoing on the drafting and review of sub-legal acts for the implementation of this law.
- Adoption of the *Law “On Prefects”*.
- Approval of the General Local Plans for 26 Municipalities.
- Completion of the legal basis for planning and development of the territory with sub legal acts and instructions of the Minister on implementation of GLP, conversion of agricultural land, permitting system and creation of public space;
- Completion of the legal framework related to the new functions and completion of the legal framework related to social services;
- Increase of the unconditional transfer to local government units from the state budget by ALL 2.5 billion (or 19%) compared to 2016;
- Increase in revenues from local taxes and tariffs collected by municipalities by 28% and increase of local investment spending by 2.9 times in the first half of 2017 compared to the same period of 2016;
- Improvement of the macroeconomic indicators on local government revenue planning. In 2017, the specific weight of the revenue planned for the local government vis-à-vis the GDP increased by 0.1 points percent compared to 2016 budget.
- Progress on the *increase of transparency and accountability towards the public, both in the local finances and municipal transparency domains*.
- Establishment of the electronic archive and e-library of the training materials on local government.
- Further progress was made on the use of ICT tools to provide information to the public.

Although progress was achieved in many aspects, yet not enough progress has been achieved on:

- Establishment of a fiscal immovable properties cadastre that will help improve financial administration at local level;
- Creating effective local government revenue management systems;
- The process of transferring and inventorying the assets at local level and their reflection in the financial statements of the government;
- Application of an integrated road maintenance planning system at local level, aiming at increasing the efficiency of road infrastructure investments.
- Accurate implementation of the law on civil service at local level.

Some of the challenges the decentralization and administrative-territorial reform continues to face are:

- Increasing funding sources from its own local government revenues, including immovable properties tax reform;
- *Implementation of the general local territorial plans, a process which is facing difficulties regarding:* (i) lack of financial resources; (ii) limited opportunities and capacities of the municipalities in collecting and processing data on the territory and property possessions; (iii) lack of a municipal integrated information system; (iv) limited capacities for evaluation of services and performing of feasibility studies, as well as (v) difficulties in recruitment of qualified personnel.
- *Creating opportunities for the LGUs to use loans as an important legal instrument for financing the capital investments in the framework of the national public debt management policies.*
- *Further strengthening of the cooperation between ministries and municipalities regarding the implementation of the recently transferred functions in the respective areas, given the existing ambiguities in the execution of functions and funding in the area of education, irrigation and drainage, firefighting and rescue, forests and pastures and rural roads.*
- *A more efficient management of local finances:* further strengthening of the technical and human capacities of the local administration in planning of human resources and designing, implement and monitoring of the mid-term budgetary program (MTBP), ensuring a transparent and effective financial management and good administration of the local revenues.
- *Strengthening of the monitoring of arrears, in particular of those created recently.*
- *Effective implementation of the Law on Civil Service:* Establishment of a depoliticized, unbiased and professionally competent local administration, to ensure local good governance and effective and qualitative provision of public services to citizens.
- *Further development of technical and human capacities* for the new organizational units established at municipal level for the implementation of the functions transferred to them.
- *Improving the quality of services and their monitoring by the government and citizens based on delivery against minimum national standards to be developed for all services, which will be binding for all municipalities.*
- *Increase of cooperation between municipalities and business community:* undertaking joint projects through initiatives financed by public-private partnership.

Finally, one of the challenges to be solved regarding the monitoring of the strategy itself is the **establishment of an institutional monitoring system for the Strategy**, which provides a systematic monitoring and is based on an effective and systematic system of data collection at central and local level. One of the shortcomings of the current strategy monitoring system is the lack of data on many indicators, which need be directly collected by the Local Government Units.

The Ministry of Interior should establish a structure for monitoring the Strategy that is provided with the necessary human resources and technical capacities.

2 Introduction

The Government vision presented in the National Cross-sectorial Strategy for Decentralization and Local Government 2015-2020 is: *"Strengthening of the local governance and decentralization process to ensure a higher efficiency of the local government itself and increase the financial and functional autonomy"*. This vision follows the principles and standards set out in the European Charter of Local Self-Government and the principles of the European Administrative Space for Local Governance.

To achieve such a vision, during the period 2015-2020, the Strategy has also set out the main Government priorities which are:

- (i) completion of the Administrative -Territorial Reform;*
- (ii) improvement of the public financing decentralization process;*
- (iii) increase the quality and enhancement of the public services delivered by the local government, based on the European standards, by responding to the rights and needs of the citizens;*
- (iv) increase the transparency and accountability of the local government;*
- (v) increase citizen's participation, women in particular, and adequately guarantee their interests and the interests of other stakeholders in the local government decision-making process.*

The implementation of the Strategy is envisaged to go through three phases:

The first phase: short term (2015-2016): includes some immediate actions and measures, which can be achieved in the short term. The main focus of the reforms at this stage is placed on the revision of the entire existing legal framework.

The second phase - mid-term (2017 through 2018)

At this stage, important issues related to the implementation of the new Administrative-Territorial Reform and consolidation of the new local units as well as consolidation of their governance capacities will be addressed.

The third phase - long-term (2019 through 2020)

Policies and actions at this stage will be guided by the implementation of the legal framework and reforms drafted in the previous phases, and the mid-term review the Strategy will be subject to. At this stage, the actions will aim at achieving and verifying the final goal of the Strategy to increase the efficiency at local level and strengthen local government.

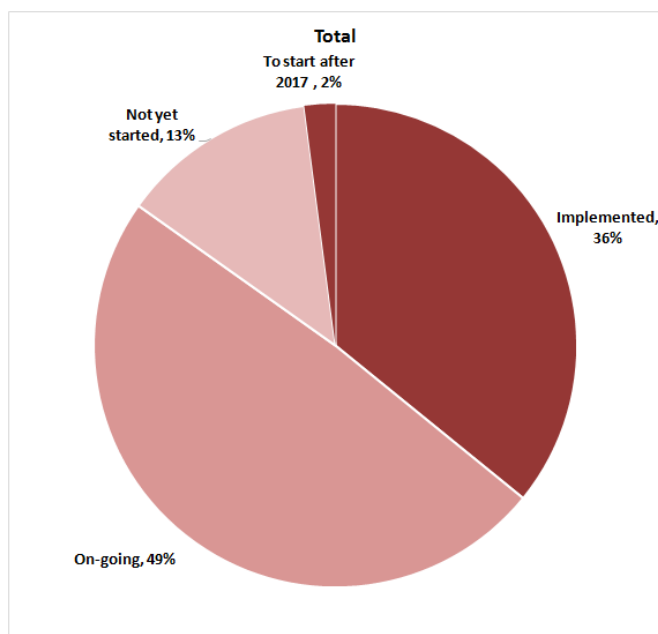
Considering the territorial reform as one of the key priorities of this Strategy, the measures envisaged in the Strategy for these 6 years have provided for a process of starting its implementation in the first years and moving towards the full consolidation process in the last years of its implementation.



3 Overall Assessment of the Strategy Implementation Progress

The Action Plan includes 144 activities materialized in the achievement of about 248 outcome indicators (outputs) that also measure their achievement. The Action Plan has foreseen that 96% of the activities would start by 2017. Only 4% of the activities are expected to start in 2019 - 2020. Currently there has been a better progress with regard to starting the implementation of the activities, considering the provisions of the Action Plan. 123 out of 144 activities have already started implementation, while the number of implemented activities is 52 (for the overall Strategy period).

Chart2: Level of implementation of the Action Plan in %

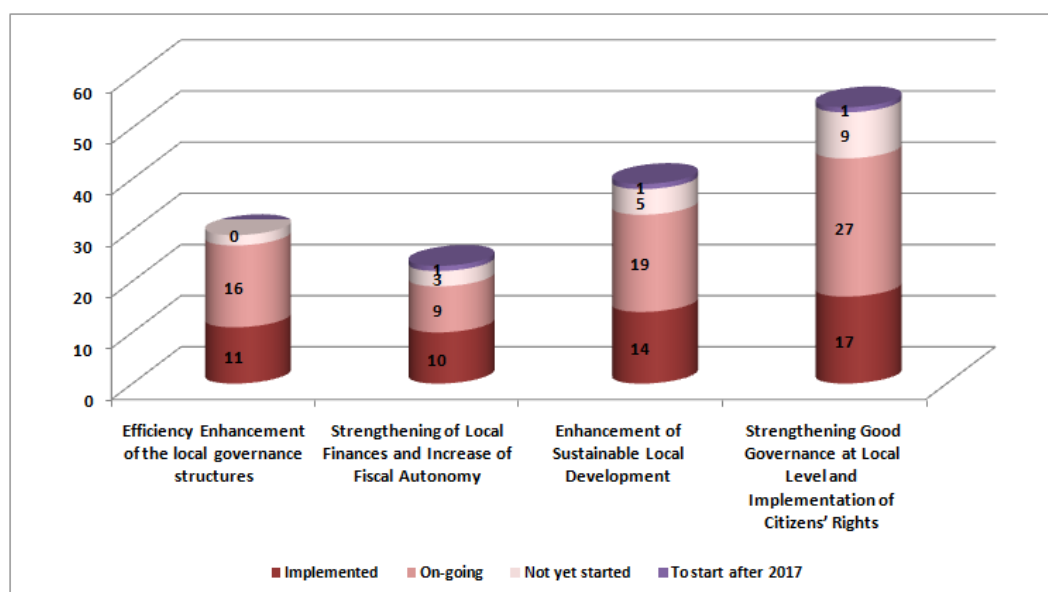


Number of activities

Implemented	52
On-going	71
Not yet started	19
To start after 2017	3

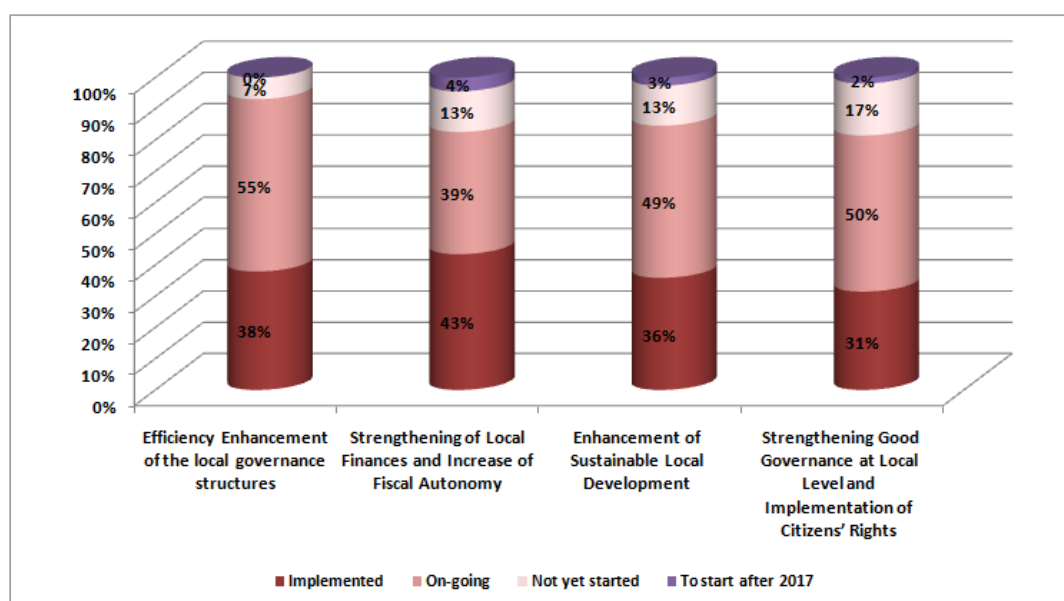
At the level of priorities, the best progress is presented in the fourth pillar, which is related to the strengthening of good governance, which also has the largest number of activities that have been implemented, while it is followed by the second pillar, namely, the local finances reform with 10 completed/ activities in total, despite of being the pillar with the smallest number of planned activities.

Chart 3: Status of the activities implemented– in number of activities



Overall, when it comes to implementation of activities, the situation is best presented in relation to the third goal “Promoting a sustainable local development” where the activity implementation level is 50% .

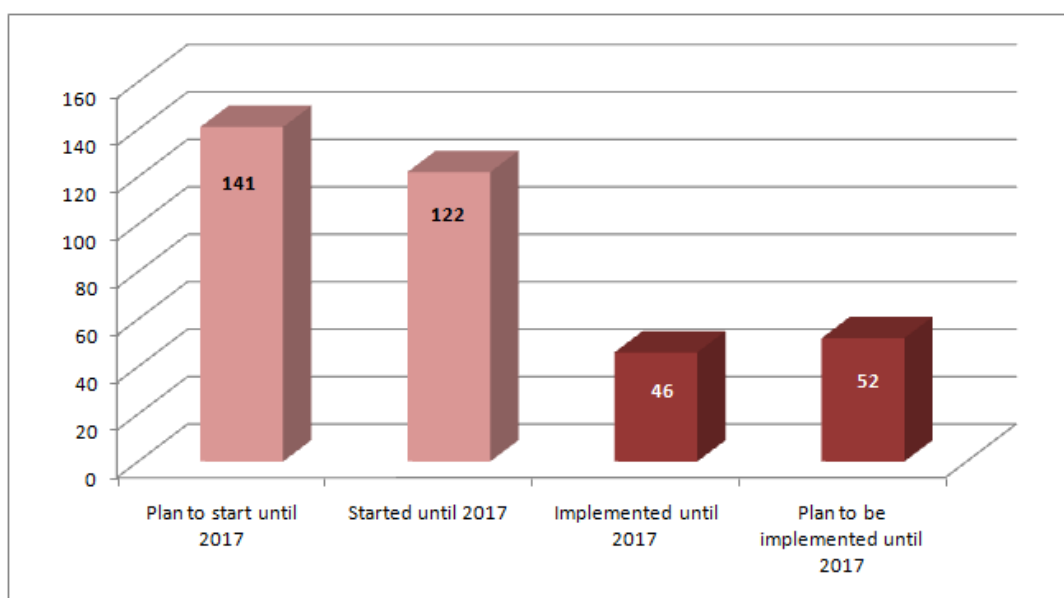
Chart 4: Status of the implementation of the activities for each priority *in %*



It should be mentioned that on the total number of activities foreseen in the Strategy drafting stage, 141 out of the 144 foreseen activities should have started by 2017, and 46 activities should have been completed by 2017.

The monitoring results indicate that out of 141 activities, 122 of them have started implementation, whereas out of the 46 planned, 52 activities have been implemented. So, if we make an evaluation, the number of activities implemented is 13% higher than the number of activities planned. In fact, such a high level of implementation rate was triggered by those activities implemented earlier than their foreseen timeline.

Chart 5: Incidence of the start and end of the activities in 2017



Detailed information on the completion of the activities is given in the Action Plan Matrix at the end of the report.

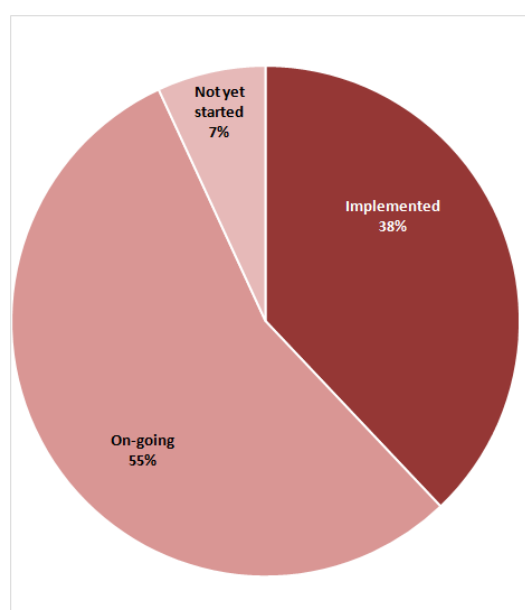
4 Progress of the Implementation of the Strategy for each Strategic Goal

An elaborated analysis of the activities per each of the columns or strategic goals of the Strategy is provided herewith below.

4.1 Progress made towards: Enhancing the overall efficiency of the local government structures

An overview of the implementation of activities planned under this priority is presented as follows:

Chart 6: Status of implementation of activities overall
(in %)



Number of activities

Implemented	11
On – going	15
Not yet started	2
Total	28

As it can be observed from the charts above, about 39% of the activities envisaged under this strategic goal have already been completed. Only 7 activities have not started yet. Such activities continue to be the ones linked with the thorough assessment of the opportunities for contracting or providing selected services through public-private partnerships and the design of a digital integrated system at national and local level for the registers of assets transferred to the local government.

The table below shows the progress made in accomplishing some of the intended results compared to a part of the activities envisaged in the Strategy under this pillar, up to 2017.

Table 1: Main accomplishments at activity level

Activities	Level Indicators			2017
	Baseline years 2014/2015	Targeted indicator	Achieved indicator	
Establishment and functioning of the Agency for the Implementation of the Territorial Reform	No employees appointed	100%	100%	
Infrastructure support program for 61 new municipalities	No project	20	32	
Application of the integrated administrative services through ICT tools for 61 municipalities and administrative units.	No service	10 services	109 services 11 OSSh established	
Technical assistance for city administrators and local administrators	0% of the administrators have been trained	50%	100%	
Assistance for the preparation of the consolidated budgets and fiscal packages of 61 municipalities	0 % of trained municipalities	100%	100%	
Assistance for the harmonization of the Territorial Development Plans according to the new administrative division		Assistance for 15 municipalities	44 assisted municipalities	
Leadership program for the new mayors of 61 municipalities	0% of trained mayors	100%	100%	
Establishment of a permanent "help-desk-" and provision of continuous assistance to the municipalities in their re-organizational process.	No requests from the 61 new municipalities	100 % of requests addressed to the Help Desk	100 % of the requests addressed at the Help Desk	
Community structures at local level	0%	25% of the municipalities	31% of the municipalities	
Establishment of the Consultative Council and cooperation with the local civil society organizations.		Consultative Council established	Consultative Council established	

4.1.1 Strategic objective: Administrative -Territorial Reform

The process of administrative consolidation of the municipalities has continued in the meantime. One of the main goals during this period was *to address the issue of the arrears*, which are financially carried by the new administrations. Until June 2017, the level of the settled obligations reached the amount of 12.2 billion ALL, while the remaining amount to be paid is 9.1 billion ALL, which will continue to be paid in the following period.

The infrastructure support program continued also during this period, making the number of projects financed by the Albanian Development Fund, increase from 20 projects in 2016 into 32 projects. They are mostly interventions for investments in roads, bridges, reconstruction of highways, water supply and sewerage systems, public parks and other interventions.

A good performance has continued on the implementation of integrated administrative services through the application of the information technology. Out of 9 municipalities that have piloted provision of services through information technology, the number has reached to 11 municipalities. (Shkodra, Lezha, Durrës, Elbasan, Korça, Vau i Dejës, Mat, Klos, Saranda, Berat and Fier) while the establishment of such systems respectively in the Municipalities of Roskovec and Patos is ongoing. The initially identified local government services list of with 67 services, has now reached to 109 digital services (e-services).



After the design of 44 General Local Plans, some of which are still under process, municipalities have requested the provision of a regulation on GLP implementation procedures and conversion of agricultural land, as well as **the revision of the Territorial Planning Regulation²**. The review of the regulation was requested with the aim of simplifying the procedures in the detailed local plans and changes in the detailed plans of areas of national importance. For this purpose, consultations with municipalities were made and necessary comments were received.

Municipalities have different plans referring to different domains, such as finance, education, agriculture, and urban development, but what is noticed is the lack of consistency, as not all municipal sectors are covered with the sectoral plans. Such a situation is different for small municipalities (e.g. Devoll, Fushë-Arrëz, Laç and Vau i Dejës.)¹

Attention was paid to capacity building of municipalities to ensure the connection between the GLPs and the Mid-Term Budget Planning process. Based on the methodology developed by the DLDP Program, several trainings were organized and will be organized in the coming months to train municipal experts to guarantee such tie/connection in practice. In the meantime, the Ministry of Finance has organized a series of roundtables with municipalities.

4.1.2 Strategic objective: Local Government Structures

An important achievement during this period, as regards the strengthening of cooperation and coordination between central and local government was the establishment of the Consultative Council. On 21 December 2016, the Council of Ministers decided on the establishment of the Consultative Council (CC)³. The CC officially started operating in January 2017. It will serve as an institutionalized platform for consultation between the central government on the one hand and the local and regional authorities on the other. By the end of October, the CC had held three meetings. The last meeting held on November 1st, 2017 focused on discussing the budget and fiscal package for 2018.

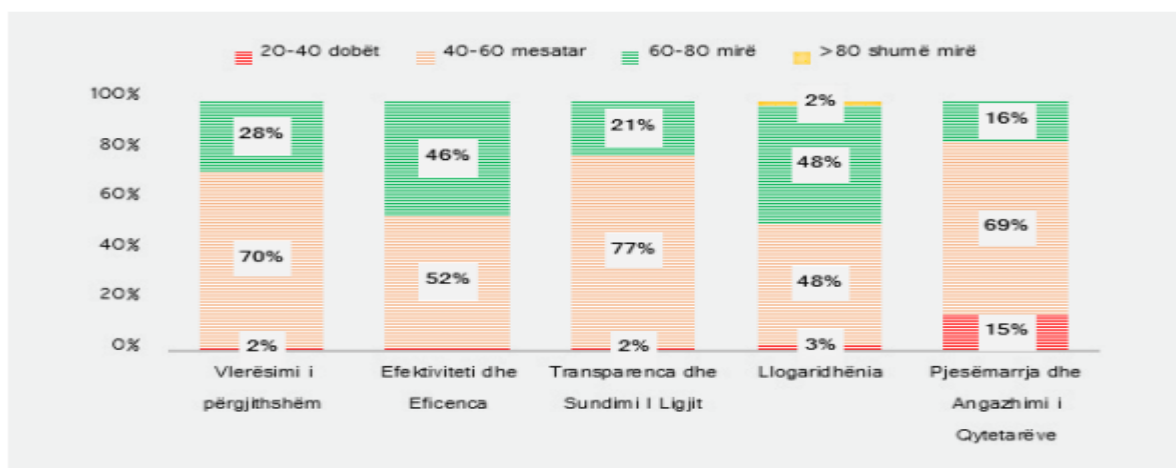
With regard to the Transparency Program and Participation in local decision-making, the STAR2 project carried out a National Assessment on Transparency and Accountability at Local Governance, which was made public at a conference held on October 11th, 2017⁴. The assessment confirmed that in general, *the administrative and territorial reform has become apparently integral part of the Albanian communities in general and of policymakers in particular*. The findings of the local government assessment extensively indicate that although **service planning and delivery systems have begun to be rooted in the municipality, the quality of some public services has not yet reached the predicted levels, the transmission of information to citizens is estimated as moderate. While personal confrontations with corruption are scarce, transparency and performance tracking systems are judged to be inadequate. An issue of extremely great interest is the low level of citizens' engagement in democratic processes.**

² Adopted by the DCM no. 408 and later No 671/2015

³ The Consultative Council is composed of 9 members from local government institutions and 9 others representing three local government associations. The Agency for the Implementation of the Territorial Reform will play the role of the Technical Secretariat for the Council.

⁴ *Perception of Governance in a Reforming Albania* Nationwide Assessment of the Local Government Situation in Albania, IDRA M.Chatterjee, UNDP Albania.

Chart 8: Overall assessment of the local government



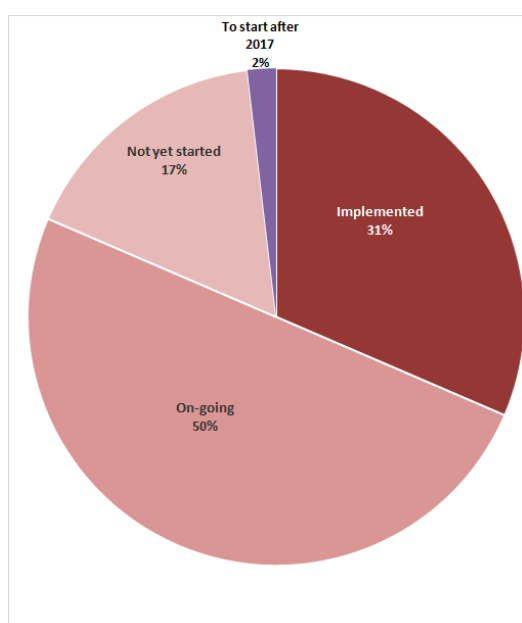
Source: Nationwide Assessment of the Local Government Situation in Albania, (STAR 2)

4.2 Progress made on strengthening the Local Finances and Increasing the Fiscal Autonomy

Chart 9 presents the situation of the activities implemented under this strategic goal and the level of their implementation. As seen, only 3 activities have not yet started, while almost half of the activities are already implemented.

Chart 9: Level of activities implementation (%)

Number of activities



Implemented	17
On – going	27
Not yet started	9
To start after 2017	3

The only activities where a visible progress is not yet observed are those related to the use of borrowing mechanism by the municipalities, given that the level of public debt remains high, while the settlement of arrears and the improvement of the financial situation of the municipalities still a challenge.

Table 2: Main accomplishments at activity level

Activity	Level	Indicator	2017
	Baseline years 2014/2015	Targeted indicator	Achieved indicator
Development of the law “ <i>On Local self-governing Finances</i> ”	There is no approved law	Adopted law	Law no. 68/2017 “
Increase of the of vehicle tax rate shared between the central government and LGUs	% of the shared tax	30%	25%
Implementation of the new property tax system	Income from property tax, 0.16% of GDP	0.25% of GDP	0.31 % of GDP
Support to the local tax administration for the property tax and local taxes	5 assisted municipalities	24 municipalities have received technical assistance	8 municipalities
Establishment of a new formula for the unconditional transfers based on more transparent, simpler and more objective criteria.	Sharing the transfer with the new formula	100 % of the unconditional transfer is shared with the new formula	100 % of the unconditional transfers is shared with the new formula
Setting the level of transfers for the local government as a percentage of the public revenue total	Transfers are nor defined as a % of the total of public revenue	Transfers are defined as % of the total of public revenues	The unconditional transfer will be at the level of 1% of the GDP
Identification of hidden depts. And development of specific plans for covering the depts.	None of the municipalities	100%	100%
Training of the municipal staff on financial management, audit and public procurement areas.	0% of the trained municipal staffs	30%	100%
Municipalities use budgeting with the SDP and MTBP	10% of the municipalities	50% of the municipalities	100% ⁵

4.2.1 Strategic objective: Reforming the local revenue system

The most important achievement for this reporting period in the area of local finances was the adoption of the Law "On Local Government Finances"⁶. The law was adopted on 27 April 2017. The law aims to strengthen local financial autonomy by increasing the level, stability and predictability of intergovernmental transfers, including split taxes, clarifying municipal fiscal competencies, and strengthening public finance management rules, enhancing transparency, accountability and accountability in local financial management.

⁵ 100 municipalities draft the SDP document.

⁶ Drafted thanks to the assistance of PLGP/USAID and DLDP projects under the leadership of the Ministry of Finance.

Box 1: Novelties of the new Law on Local Finances

- *Increasing the size of the unconditional transfer for 2018 and continuing with over 30% compared to the historical average of about 12.5-13 billion ALL in the last ten years;*
- *Link the size of the unconditional transfer with a macroeconomic variable, and more specifically not less than 1% of Gross Domestic Product, and not less than the split transfer a year ago;*
- *Increase the predictability, effectiveness and transparency of intergovernmental transfers;*
- *Allocation for the first time of 2% of Personal Income Tax revenues to municipalities and increase of the rate of vehicle income tax sharing for municipalities from 18% to 25%;*
- *Strengthening and harmonizing the rules on the budget process and fiscal and financial discipline in the management of local finances, as well as strengthening of the oversight and coordination role of the Ministry of Finance in this direction;*
- *Increase the predictability of public financial resources at local level;*
- *Providing and consolidating effective dialogue between the two levels of government for the allocation of tasks and resources;*
- *Unification and standardization of local budget procedures with central government;*
- *Determining the rules for managing financial difficulties situations;*
- *Ensure and consolidate effective dialogue between the two levels of government for the allocation of tasks and resources;*
- *Regulation of procedures for managing the situation of blocking the adoption of budgets by local self-government councils.*

The analysis of the realization of local government revenues and expenditures in 2016, one year after the implementation of the territorial administrative reform, shows some interesting data on the impact of the Administrative - Territorial Reform.

The reforms undertaken show an increase in the fiscal and financial autonomy of the municipalities, but the performance of the municipalities fluctuates considerably. The municipalities have the right to control 75% of the funding sources, while the central government controls 25% of the total funds spent at local level through conditional transfers. Revenues from taxes and fees account on average 35% of the total funding sources, although a deeper look at the 61 municipalities individually shows that this ratio varies from 3% to 68%, highlighting significant differences in fiscal capacity limitations, financial autonomy and dependency from the government. The unconditional transfer from the state budget, which can be freely used by the municipalities, remains the main source of funding, accounting for over 50% of revenues for 70% of new municipalities. Increasing the size of conditional transfers versus the resources on which municipalities exercise control, indicates an increasing interest of central government in influencing or leading developments at local level.⁷ By the end of 2016, revenues collected by municipalities from local taxes and charges were 28% higher than in 2015⁸. Meanwhile, during January-June 2017, these revenues have increased again by about 28% compared to January-June 2016⁹.

⁷ Co-PLAN, Institute for Habitat Development, Status Report on Local Governance Self Financing 2016 – Where do public funds come from and how are they used by new municipalities, pg. 3 <http://www.financatvendore.al/pub/raporte>

⁸ USAID, PLGP, Statistics Report: Local Finances in Albania after the Administrative and Territorial Reform on the verge of implementation of the Law on Local Governance Self-Financing, June 2017 www.plgp.al, and Co-PLAN, Institute for Habitat Development, Status Report on Local Governance Self Financing during 2016, www.financatvendore.al;

⁹ Co-PLAN, Institute for Habitat Development, Report on local public finance, Second Quarter, 2017; www.financatvendore.al;

4.2.2 Strategic objective: Improvement of the Financial Management at Local Level

A revenue increase thanks to a better fiscal administration of the local taxes and fees, reduction of the administrative staff costs, increase of the local public investment and mitigation of differences and inequalities among municipalities, were among the main expectations of the Administrative and Territorial Reform. The following data present a result at national level, based on the local finance assessment in the first year after the implementation of the reform.

Box 2: Local Finances at the end of the first year of implementation of territorial administrative reform - Facts and Figures 2016

Income from local taxes and fees increased with about ALL 3.7 billion or 28%; The main contributors to local revenue growth are the immovable property tax (+ 19%), waste disposal services, public lighting and greenery (+ 58%), administrative fees (+ 27%) and the tax of impact on infrastructure (+ 94%). Changes in the legal framework for the tax on occupying public space, labels/tags and hotel occupation have led to an increase in local revenues of about 500 million ALL in 2016. Changes and reductions in municipal powers over simplified tax on small business earnings have cost the municipalities about three times more, losing 1.5 billion ALL in 2016. Income tax on infrastructure impact of new construction, albeit in significant growth, continues to be affected by the moratorium on new building permits, changes in the legislation on territorial planning and the performance of economic activity in general.

Public investment funded by municipalities themselves increased by 26% or 2.2 billion ALL compared to 2015. ***There are numerous differences in the individual performance of municipalities in terms of investments:*** in 18 out of 61 new municipalities, investment spending has dropped from -2 to -60% in annual terms, while in 18 other municipalities they have grown more than 100% compared to 2015.

Increase in local tax and tariff revenues is translated into an increase of public investments by 2.2 billion ALL. There is no evidence of a general decrease in staff and operational expenses as expected by the reduction in the number of LGUs, indicating that it would take time for savings and economies to emerge from the territorial consolidation. However, it should be borne in mind that there are significant differences in the performance of municipalities in the rate of increase of investments and reduction of administrative costs.

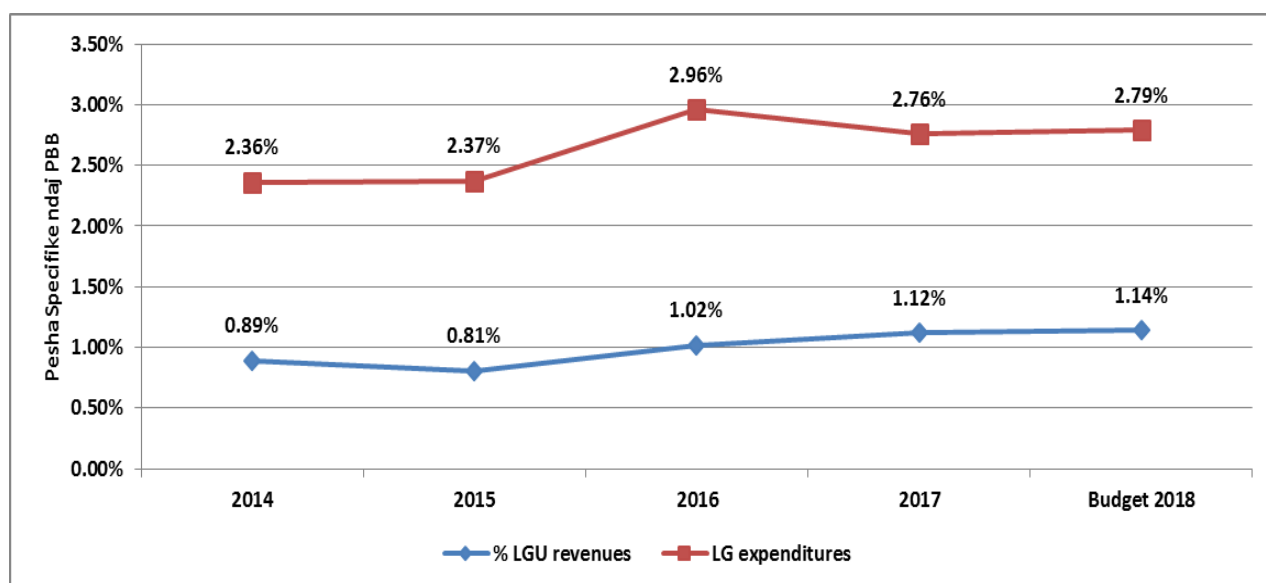
In terms of functions, by 2016, municipalities have devoted on average 26% of budgets for administration, 21% for public infrastructure, 21% for public utilities for cleaning and removing waste, public lighting, greening etc .; 20% for kindergartens, kindergartens and 9-year and secondary education; 8% for sports, culture and social centers for people in need; and recently only 1% for water supply.

Source: Co-PLAN, Institute for Habitat Development, www.financatvendore.al

Macroeconomic indicators have been subject of significant improvements in terms of revenue and expenditure planning for local government. As the chart below indicates, the specific weight of the planned local government revenue versus GDP in 2017 increased by 0.1 % compared to the 2016 budget and an increase of 0.23 percentage points compared to 2013. While the level of expenditure for local government versus the GDP decreased in 2017 compared to 2016¹⁰, at the level of 0.2%, but in 2018 it is projected to grow by 0.03 percentages. Compared to 2013 the budget expenditures have increased by 0.4 percent in 2017.

¹⁰ Such decrease is due to the fact that till 2017 the funds of Regional Development have been considered part of the local government expenditures. In 2017, the budget of RDF became an integral part of the Ministry of Urban Planning and is not reported under the expenditures of the local government.

Chart 10: Specific weight of revenue and expenditure of the local government in % versus the GDP



Source: Ministry of Economy and Finance¹¹

Even during this reporting period, there was no progress towards increasing the LGU's capacity to use borrowing and debt to finance capital investments under the national public debt policies.¹² The payment of the arrears is also a prerequisite for starting the financial soundness of the municipalities. Till the end of 2015, the level of debt was estimated to be 9.7 billion ALL. In June 2017 this level underwent a modest decline, going down to 9.5 billion ALL¹³. It should be noted that while a series of obligations have been settled, reaching a figure of 12.2 billion ALL, this level has not yet decreased as a result of the newly created obligations, whereby a considerable amount is occupied by the newly created obligations by the Municipality of Tirana at the value of 3.7 billion ALL.

Significant legal steps have been taken in terms of consolidating the budgeting and financial management system at the local level. The latest amendments to the Organic Budget Law, introduced by Law no. 57/2016, extensively and in a detailed way include new rules on managing the budget system at local level. The new law clearly defines the rules and procedures for drafting and approving the local budget and Medium-Term Budget Program. One of the important novelties of this law is the legal obligation that requires the Ministry of Finance to organize meetings with local government units with regard to the Medium-Term Budget Program. Improvement has been made regarding the preparation of the Medium-Term Budget Program for local government units: (i) the Financial Planning Instrument (IPF)¹⁴ has been revised; and (ii) for the first time on the Local Government Finance Portal, "The MTBP 2018-2020 of LGUs" have been published, although not all municipalities have published the MTBP document in their official website.

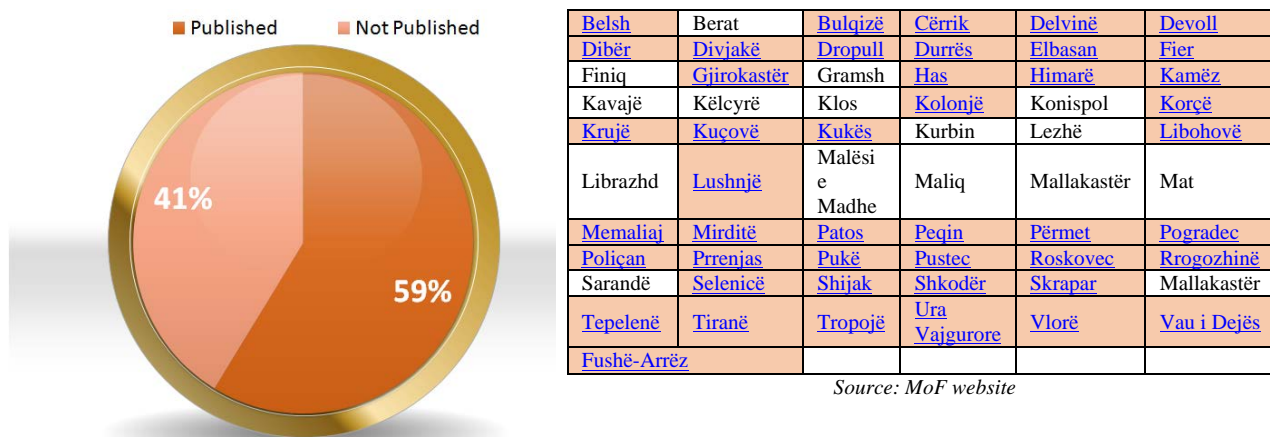
¹¹ Data according to the presentation of the draft budget 2018 by the MoEF during the meeting of the Consultative Council on 1 November 2017.

¹² Specific objective II.3

¹³ MoEF 6 months (semi annual) report of Delayed Arrears of Local Government December 2016 and June 2017

¹⁴ IPF serves to the local government units as Guideline for the preparation of the MTBP. Its implementation has started during the second half of 2017, in all municipalities.

Chart 11 Municipalities that have published their local budgets for 2017



There was good progress on the capacity building for strengthening the public finance management system at local level. A Manual on Financial Planning was developed, and a *help desk* was set up at the MoF to assist all municipalities. The training curricula for the Strategic Development Plan (SDP) and the MTBP, the Annual Budget and Budget Implementation and Monitoring, have been finalized. All municipalities were trained on the budgeting process through the ASPA (Albanian School of Public Administration). A special emphasis was assigned to linking territorial strategies with the Mid-Term Budget programs, at their drafting stage, to make these strategies financially more sustainable. 23 municipalities are assisted in developing the Fiscal Package 2017, drafting the 2017 annual budget, drafting the 2018-2020 Master Plan, these related also to the territorial strategies which are being developed under the preparation of the GLPs.

The transparency of public finances of local government units has improved. The Ministry of Finance has updated the portal: <http://www.financatvendore.al/buxhetet> on local government finance. From 36 municipalities that published their budgets in 2016, this number reached 37 municipalities in 2017. In addition to the publication of the financial and fiscal data of the local government units and their comparative analysis, the portal published for the first time "The 2018 - 2020 MTBPs of the Local Government Units" (for 26 municipalities). The MoF also publishes monthly income reports, monthly expenditure reports, per capita income, per capita spending, the annual budget, the Mid-Term Budget Program, the fiscal package, and the legislative framework governing the LGUs. In six municipalities: Korça, Fier, Elbasan, Lushnja, Berat and Kuçova¹⁵, **an online platform on the transparency of expenditures and budgets of local government units was implemented, while the municipalities of Fier and Kucova have also drafted a Citizen Guide on Local Budget.**

The first assessment of PFM systems at local level was carried out in Albania, based on the PEFA methodology. The purpose of the assessment was to better understand the strengths and weaknesses of PFM systems at local level. The assessment showed that the PFM weaknesses at local level compared to the central level with regard to transparency and budget oversight remain important in all elements related to the budget cycle.¹⁶ The findings of the assessment were presented at a seminar held on 29 March 2017, in Tirana. To address all the weaknesses identified

¹⁵ With the assistance of USAID project-Planning and Local Government Project (PLGP)

¹⁶ The PEFA assessment was realized during the second half of 2016, in 5 municipalities Tirana, Berati, Fieri, Kuçova and Tropoja, with a focus on (a) budget reliability; (b) all-inclusiveness and transparency; (c) Assets and liabilities management; (d) fiscal strategy based on policies and budgeting; (e) predictability and control in budget execution (f) accounting and reporting; and (g) external review and audit.

by the aforementioned assessment, experts from SECO and USAID prepared action plans for each of the five municipalities to strengthen the PFM in the LGUs, and have started implementing them.

Steps were taken towards improving the system of monitoring and reporting the execution of the government's annual budget for local government units. During 2016, a new department was set up at the MoF, within the Budget Department, to deal with local government affairs. The Local Finances Directorate is preparing the final templates and legal acts for the improvement and consolidation of local budget reporting templates. The quarterly budget monitoring reports for the local government are prepared and published on the MoF website.

In the framework of clearing hidden debts and preventing new debts, the MoF in cooperation with LGUs, has prepared an action plan for the payment of arrears¹⁷, and has strengthened the legal and monitoring measures to prevent the creation of new debts. The MoF prepares a report on the monitoring of local government arrears every three months. The monitoring report for the first quarter of 2017 is published on the MoF website.

There is still no progress in the implementation of the Digital Treasury Financial Information System at the local level and the process of recording the complete inventory of public assets, including the depreciation values and rules according to national standards¹⁸. Out of 61 municipalities, the IFTH system operates only in the Municipality of Tirana. Regardless of the IFTH system, in 2016 it is expected that for the first time the LGU balance sheet will be part of the Government Financial Statements, thus ensuring an accurate coverage of local finance in the governance system. Following the territorial reform, the municipalities cooperated with the Treasury Regional Offices to migrate (from accounting point of view) the balance sheet data (in AGFIS) the local government units (previous municipalities and communes) to their financial statements. The process will start on pilot bases with the Municipality of Tirana, and is foreseen to last until 2020, entering data online through the AGFIS system.

4.3 Progress achieved in terms of Promoting sustainable local development

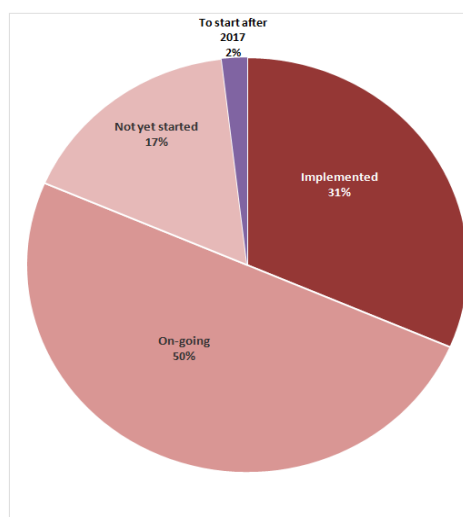
The Strategy provides for a review of the local government functions after the Administrative-Territorial Reform as one of the top priorities, with the view of redefining the responsibility of local authorities on its own and shared functions, which have already been approved by the new organic law of the local government.

As shown in the chart below, about 31% of the activities envisaged under this priority goal have been implemented.

¹⁷ Guideline no. 8, dated 13.01.2017, "On 2017 budget execution 2017" included additional instructions to prevent the creation of new debts for the LUs. According to the guideline the LGUs are obliged to report and submit to the Ministry of Finance information on the accumulated arrears and their repayment every quarter

¹⁸ This is the same for local and central government institutions.

Chart 12: Degree of implementation of activities in total for the Strategic Goal– III (in %)



Number of activities

Implemented	14
On – going	19
Not yet started	3
To start after 2017	1

Bigger progress was seen under the objective own functions, which has also the greatest number of activities implemented, compared to the activities in total.

Table: 3 Main accomplishments at activity level

Activities	Indicator level			2017
	Baseline years 2014/2015	Targeted indicator	Achieved indicator	
Development of the new law on the organization and functioning of the local government	There is not law adopted	Law is adopted	Law 139/2015	
Review of the legislation on public services /public enterprises at local level	Proposed amendments to the legislation	Amendments are adopted	Legal amendments are adopted in 7 service areas	
Inventorying and reclassification of the urban and rural road infrastructure network.	N/A	50% pf the inventory and final classification	Finalized	
Improving the mechanisms to identify and assess the needs for social care services, according to the standard operating procedures and methodologies.	Proposed amendments to the legislation	Adoption of the proposed amendments	Institutional mechanisms regulated by Law no. 121/2016 “On Social Care Services in the RA”	
Approved list of revised social services	Proposed amendments to the legislation	Adoption of the proposed amendments	8 social services revised	
Establishment of integrated service systems at regional / local level, based on social service standards for all the groups.	Proposed amendments to the legislation	Adoption of the proposed amendments	Law no. 121/2016 “On Social Care Services in the RA RSH”	
Review of the "Economic aid" system. Piloting the new “scoring” system of economic aid.	Proposed legal amendments	Adoption of the legal amendments	DoCM no. 456/2016 On defining the criteria and details of the scoring formula to benefit EA”.	
Review of the Law on Prefect in order to clarify the status and role of prefect to avoid overlapping	Proposed legal amendments	Adoption of the legal amendments	Law 107/2016	
Review of the functions in the area of civil order and civil protection by adjusting them with the new administrative division.	Proposed legal amendments	Adoption of the legal amendments	Law 107/2016	

4.3.1 Strategic objective: Local Government Functions

A. Local infrastructure and public services

In the water supply and sewerage sector, the reform is facing a number of challenges. One of these challenges remains **the consolidation of all regional water supply and sewerage companies** into a single provider for each municipality as well as cooperation between some municipalities to carry out a joint WSS regional service. The last reforms in the water sector adopted by the Council of Ministers have introduced further requirements: First, each municipality should draw up a Transition Plan for the water supply and sewerage company which should address the consolidation process, and secondly, a 5-year business plan should be developed addressing all the factors that affect the water supply and sewerage company capacity to deliver sustainable service in a financially viable way, while using sound business practices.

Five-year transition and business plans were developed¹⁹ for the municipalities of Fier, Lushnja and Patos were developed, while plans for the municipalities of Tirana, Vlora and Elbasan are in progress. The goal, as defined by the water supply and sewerage sector, is to ensure a long-term sustainability for the company of each municipality²⁰. To negotiate the performance expectations with the new Ministry of Energy and Infrastructure, each municipality should enter into **performance agreements with the Agency an MTI, the line ministry in the water supply and sewerage sector²¹**. **Currently, 18 agreements between the National Authority for Water Supply an Sewerage (AKUK) and municipalities,** as well as 6 transition plans and five year business for 6 companies / municipalities for the water supply and sewerage service have been developed, which have been used as a model by some other municipalities.

Further, the functions of the LGUs in the area of irrigation and drainage have been extended. Law 24/2017 "On Irrigation and Drainage" was adopted, which completes the full decentralization process of this function, whereas an irrigation/drainage strategy is being drafted. In order to make the irrigation schemes more productive and sustainable, the irrigation and drainage directorates and the new municipalities should work together, also in partnership with OPU and increase their capacities. **Regardless of the progress, the implementation of the reform on this function continues to encounter problems such as:** (i) the drainage boards, not in all cases have delivered the buildings, tools and inventory to the municipalities; (ii) there are still unclarified issues in the "transfer" of the staff from the drainage boards to municipalities; (iii) municipalities refuse to take over the buildings/assets/inventories which are not in good condition; (iv) the irrigation and drainage inventories include facilities (pumping station, etc.) which do not actually exist; (v) the irrigation and drainage function has been transferred, but municipalities do not possess any documentation regarding these functions; (vi) lack of a positive cooperation climate in some cases between the drainage boards and municipalities.

In 2016 the process of asset transfer to the new municipalities and their registration started, enabling their increased use to the function of the local economies. By DCoM no. 63, dated 08.03.2016 the 100% transfer of the forests and pastures to the new 61 municipalities was approved, by repealing over 300 previous DCoMs on the transfer to the former communes.

¹⁹ With the assistance of PLGP-USAID project.

²⁰ The 5-year business plan is not merely an instrument to ensure financial sustainability, but also a key element, for the water supply and sewerage company compatibility requirements. The plan will be used to: (i) Assess from a quantitative point of view the performance of a number of operational and financial indicators by the Agency for the Water supply and Sewerage Companies; (ii) ensure review and approval of the fee restructuring; although the company is owned by the respective municipality, it will not change the fees without first getting the option of the Water Regulatory Entity.

²¹ A National Guideline has been developed/drafted to support the implementation of the reform 63/2016.

Approval of this DCoM paves the way for *the management of the assets by the new municipalities and enabling their increased use to the function of the local economies.*

The process of inventorying and reclassifying the urban and rural road infrastructure network was successfully completed, but there is still no progress regarding the establishment of an integrated road maintenance planning system. Although the entire road inventory has been transferred to the LGUs, there is still no progress in the application of an integrated road maintenance planning system at local level. In October 2016, amendments to the Law on "Road Transport"²² were passed, which define the new functions in terms of road transport services, by increasing the competencies and improving the organization of the service.²³

In the area of urban waste, the draft National Strategy for the Integrated Waste Management (2017-2024) is being drafted, which is foreseen to be approved during the fourth quarter of 2017. The approval of the strategic document will be accompanied by a review of the relevant legal framework (Law no. 10463/2011 On Integrated Waste Management, as amended (2013), and other legal acts). Work is in progress to design a Master Plan in the area of waste management, which will ensure the regulation of the role of the Central Government for implementation and investment, especially with regard to waste hotspots and dumping sites, landfills. DoCM no. 652/2016 "On the Rules and Criteria for Management of Waste from Used Tires" has been developed. Local Waste Management Plans for 6 municipalities have been developed.

B. Functions in the social, cultural and sport area

Pre-university education: In support of an effective implementation of the transfer of teaching staff of pre-school institutions and supporting staff of *pre-university education institutions*, the number of employees has been increased (transfer + additions) with the Annual Budget Law. Currently, (2017) there is a total of **7,300 educators and supporting staff** working in pre-school and pre-university education institutions, which are managed by the LGUs (199 employees more compared to 2016/or 2.8% more).

Despite progress regarding the transfer of the personnel, the reform in this area is also facing some issues with regard to: (i) unclarities regarding the appointments of pre-school teachers; (ii) lack of consistency between the number of employees transferred in several cases; (iii) unclarity regarding the transfer of the former Child Cultural Center/CCC; (iv) transfer of the transport function for students and teachers which is still not implemented in some cases, due to the additional contracts of RED/ EO, and due the unclarities of the municipalities on its implementation; (v) unclarity regarding the subordination of the school secretaries and social workers, etc..

This situation requires measures to be taken by the Ministry of Education and Sports to change the Law "On Pre-university Education" with the aim of finalizing the process of transferring the pre-school education function, by transferring the right to appoint the school heads and teachers of the pre-school education to the municipalities. Municipalities should be aware of the fact that education is a national matter and as such they are obliged to apply national standards set by the MoES, specific legislation and the best achievements so far, such as the education portal.

²² Law no. 10/2016 "On some amendments and addenda to the Law no. 8308, dated 18.3.1998, "On Road Transports", as amended" <https://www.parlament.al/wp-content/uploads/2015/10/ligj-nr-10-dt-11-2-2016.pdf>. Following this law, on 18.11.2016, Guideline no. 5627, "On setting the criteria, rules and documentation for issuing licenses and certificates to exercise passengers road transport activities within the country" was issued.

²³ This law has introduced addenda, mainly with regard to: (i) new functions given to local self-government units regarding the acceptance of companies for the activity of road transport operator for third parties; (ii) adding competencies (transport ticket fees are set by a decision of the local government unit council); (iii) new way of organization of the companies through the obligation to register with the National Road Transport Electronic Registry and (iv) intelligent systems applications and services in transport (SIT).

Social and social care services. **Significant progress has been made in drafting the strategic and legal framework regarding poverty alleviation, social inclusion and social protection.** The Law “On Social Services” was adopted along with the Law No.121/2016 "On Social Care Services in the Republic of Albania", which regulates the institutional mechanisms, the role and the responsibilities for the implementation of the social care system. With the adoption of the law, a specific list of social services²⁴ that will be provided by the LGUs was adopted, by presenting and explaining the new service typology. Work has started for drafting the service standards and unit costs, a process that is expected to be completed in 2018. With the Law no.121/2016 "On Social Care Services in the Republic of Albania", the legal basis for the creation of integrated service systems at regional/local level was established, based on social service standards for all groups. The law provides for the establishment of a **National Electronic Registry**, which will be accessible to all LGUs. Meanwhile, work has started to define the "workflow" of the services.

The process of creating integrated service systems at regional/ local level, based on the standards of social services for all groups, has started. A review of the Economic Aid System and of the piloting was carried out. Decision No. 956, dated 7.12.2016 "On setting the criteria and details of the unified scoring formula to benefit Economic Aid" was adopted. The piloting was completed in June 2017 and its full implementation is foreseen for October 2017.

In the area of culture, still, there is still no visible progress regarding the review of the legal framework for clarifying the functions and responsibilities in the area of Tourism and Cultural Heritage, as well as the establishment of an integrated system for the development of cultural heritage areas and objects at local level; under the decentralization of some functions to the LGUs, several child centers, which are under the competence of the Ministry of Culture, were transferred to some municipalities. The Law on Cultural Heritage has been drafted and is pending adoption.

²⁴ List of social services is approved as integral part of the law No. 121/2016 which contains: 1. Social financial services for families in need; 2. Social services for children; 3. Multidisciplinary services for children; 4. Services for disabled people; 5. Social services for the elderly; 6. Multidisciplinary services for the young people; 7. Social services for women and girls, or violated children; 8. Services for trafficking victims.

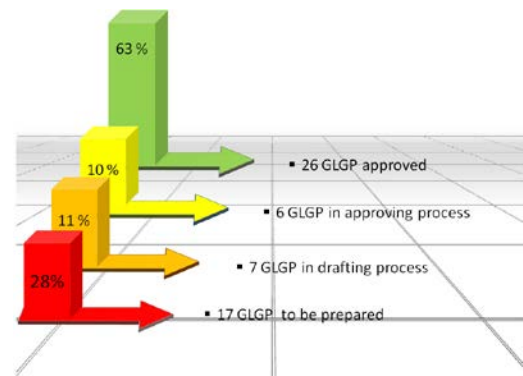
C. Local economic development

Work continued with the drafting of General Local Territorial Development Plans, although this process continues at different rates according to the phases where municipalities are. At the end of December 2016, the National Territorial Council (NTC) adopted the GLTPs, for five municipalities such as: Berat, Kuçovë, Fier, Lushnje, and Elbasan. Currently, the number of approved GLPs has reached 26, or 63% of the municipalities.

Forestry and Pasture Management: Under the full decentralization of the forest and pastures administration and management, the legal basis²⁵ which enables the transfer of the function has been drafted. Two draft laws²⁶

have been drafted and been subjected to the public consultation process and discussion at the parliamentary commission, while their final approval by the Parliament is expected within 2016. With the transfer of the function to the LGUs, **82.3% of the area of forest and pasture fund has been transferred to the administration of the municipalities**, 15% of the area belongs to protected areas, and 2.7% are private forests. The Ministry of Environment has encouraged the municipalities to make use of all forest assets. Between February and June 2017, **a training program (two days)** for the forest service staff was drafted and conducted in all municipalities, where about 447 forestry and legal employees were trained. In 2017, the **investment fund increased by 5%** compared to 2016. The forest fund registration has started in the framework of the unification of the national cadastral register. In the first phase (ends in 2017), the registration of 250,000 ha will take place, while in 2018-2019 the registration of about 750,000 ha of forests and pastures will be carried out.

Picture 1: General Local Plans



Despite progress, this function has encountered several problems: (i) unclarity in the transferred budget (the transferred budget contains only a salary fund for some people; meanwhile the Ministry of Environment requires several times more personnel for this service; (ii) the forestry enterprises remain closed, while municipalities need the building, tools and documentation that is blocked within them; (iii) unclarity regarding the competencies of the municipalities for the forests and pastures; (iv) the functioning of the two inspectorates, i.e the central and local one; and (vi) lack of clarification with boundaries coordinates of every forest and pasture; and (vi) the issue of delivering the inventories that do not match the reality (cut or burned forests, parcels that do not exist, etc.).

Environmental protection: A draft National Strategy for Integrated Waste Management (2017-2024) is being drafted, which is foreseen to be approved by the end of 2017. The adoption of the strategic document will be accompanied by the review of the relevant legal framework (Law no.10463/2011 On Integrated Waste Management, as amended (2013), and other legal acts). Work is being done to design the Master Plan in the waste management area, which will ensure the regulation and roles of the central government for implementation and investment, especially with regard to waste hotspots and dumpsites, landfills. DoCM no. 652/2016 "On the rules and criteria

²⁵ Order of the Council of Ministers no. 127, dated 16.09.2016), paragraph 6, on the forest and pasture management function and DoCM no. 438, dated 08.06.2016 on the "Criteria and rules for the exploitation of forests and sale of wood material" and DoCM no. 435 dated 08.06.2016 on some amendments and addenda to the Decision of the Council of Ministers no. 1374/2008 "On setting the rules and procedures to be followed for the removal, increase and changing the destination of the pasture fund", DoCM 433 dated 08.06.2016 "On transfer of the forests and pastures, property of the MoE and former communes, to the ownership of municipalities".

²⁶ Draft law on "The Administration of the Forest and Pasture Fund in the RA", draft Law on "Proclaiming Hunting Moratorium in the RA".

for waste management from used tires". Local Waste Management Plans for 6 partner municipalities have been developed.

During this period, the focus has been on increasing human capacity for environmental protection. During 2017, the data collection system is being upgraded through the application of *the benchmarking system*, which has initially started in some municipalities in the north of Albania, to be followed later by a cycle of trainings on capacity building for municipalities on the benchmarking system all over the country.

Regarding the review of the functions in the area of civil order and civil protection, a DoCM no. 366, dated 18.05.2016 "On transferring the movable and immovable state assets of the firefighting and rescue services to the ownership of the municipalities", and on some amendments to the DoCM No. 1691, dated 10.10.2007, "On the approval of the inventory list of state real estate property, which administration responsibility is transferred to the Ministry of Interior...". But despite progress, there are still problems regarding: (i) the full transfer of firefighting and rescue facilities, since the municipalities cannot provide this service by funding for facilities and assets that they do not own; (ii) unclarities regarding the territory covered by the municipal firefighters and how will such service operate now that it has been transferred to the municipality; (iii) arrears for the firefighting vehicles related to taxes/ technical controls / insurances, which are unpaid for several years; (iv) completion with sub-legal acts; (v) unclarities regarding the coverage of the costs, in cases where the firefighting service of a municipality serves in the territory of another municipality; (vi) positioning of the structure of this service inside the municipality structure. This situation requires legal and organizational interventions to clarify and address the emerging problems.

The revision of the Law on Prefect was one of the achievements towards the elimination of the overlapping of competencies between *deconcentrated structures at local level* and local government structures. The legal process for the **revision of the functions in the area of civil order and civil protection** was completed, by adapting it to the new administrative division.

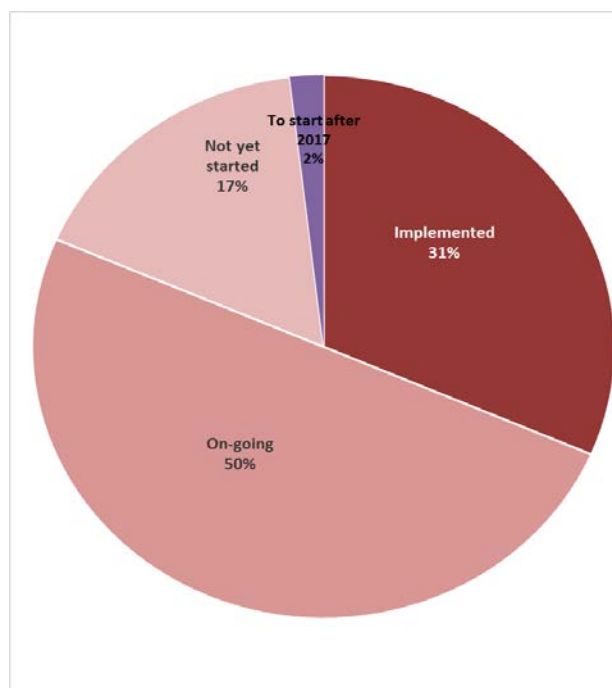
4.4 Progress achieved towards the Strengthening of the Good Governance at Local Level and Implementation of Rights of the Citizens

Under this activity, during the first year of Strategy implementation nearly 60% of activities or in total 32 out of 54 activities, started to be implemented, and 18 of them were implemented during 2016?, but a good share of them are planned to start in 2017 (see the charts below).

Better progress is noted in the **implementation of the activities related to the achievement of the strategic objective of *capacity building of the local government units***, which has foreseen for the largest number of activities for this strategic goal. **Within this objective, a total of 17 activities were implemented. Meanwhile, a total of 5 activities present a delay in their start.**²⁷

²⁷ 61 municipalities were trained on the administration reorganization procedures; LGUs that have linked the HRMIS system with the treasury system; review of the legal acts, cooperation agreements with the chambers of commerce and set up of the electronic database.

Chart 13: The level of implementation of the activities in total for the Strategic Goal– IV (in number and %)



Implemented	17
Under implementation	27
Implementation not started	9
Will start implementation after 2017	1

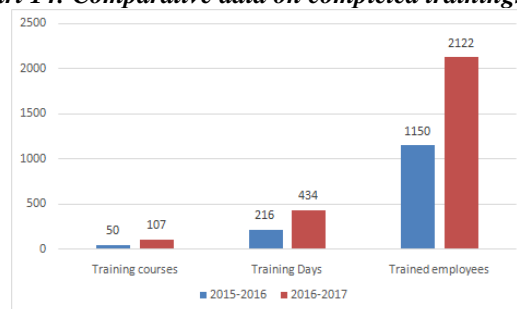
4.4.1 Strategic objective: Capacity Development of the Government Unit

Positive progress is marked in terms of training needs assessment and drafting of the National Training Plan. The Training Needs Assessment methodology to support the performance of new functions transferred to the LGUs was completed. The TNA methodology is based on the competence-based assessment for each function and is related to the performance appraisal.

The establishment and training of HR Units successfully continued in each new municipal administration, as a unit that will prepare and implement the transition process. The Forest Administration Service (ASPA-FAS) has approved 2 one-year continuous training programs for 2016 in the areas of: 1) Urban Waste Management and 2) Public Finance Management. Dldp is under the process of assessing the quality of the training curriculum on administrative services delivery through the one-stop-shop offices, which are continuing to be implemented.

Progress was achieved in creating the electronic archive and e-library of the training materials for the local government. Standards and criteria for the quality assessment system of the curricula and trainers are being prepared. There has been progress towards completing the "e-Library" platform, with the curricula that have passed the quality assessment process. The FAS-ASPA has published a catalog of training materials for local government employees and has continued with the assessment of a part of the existing curricula.

Chart 14: Comparative data on completed trainings



Source: ASPA

Support to the municipalities for capacity building for the realization of the performance appraisals by the LGUs has continued. The DoPA has developed the manuals and guidelines regarding performance appraisal and system of job classification dedicated to LGUs. Training on performance appraisal was organized for the HR Units staff of the municipalities, and in November 2016, the CoE project will provide an advanced training in order to enable the implementation of the performance appraisal at the end of 2016. The E-PAV system will enable the provision of data on the number of employees who pass the appraisal process, till the end of June 2016, and presentation of the results of these appraisals.

During this year, a tendency to increase the use of pool recruitment is noticed, and the Commissioner for the Oversight of the Civil Service, and in the institutions of local administration and independent institutions, which a year ago were problematic in this regard²⁸. Given the situation found during the supervision, as well as the constant communication with institutions operating in the area of civil service, the Commissioner considers the level of implementation of the Law no. 152/2012, "*On Civil Servant*", as amended, as good. What can be found as a problem that has begun to reemerge, although it was at low levels a year ago, is the recruitment in conflict with the law, through short-term contracts. This phenomenon is already evident in the local administration institutions.

Attention was paid to addressing the problems of gender equality through the support given to women's engagement in politics through the support of the City Councilors' Network. In Durrës Municipality, with the support of Dldp, in December 2016 "The Alliance of Female Municipal Advisors" was established, and five municipalities were supported in the drafting of budgets that address gender equality.

4.4.2 Strategic objective: Ensuring an open Government, Increase of Transparency, Accountability and Larger Expansion of the e-Government at Local Level.

In addition to the progress made towards creating facilities for citizens to receive information and services, as mentioned above, through the one-stop shops, further progress has been made regarding the use of ICT tools for providing information to the public. The number of municipalities with a website increased from 24 (39%) to 48 (79%).²⁹ Social media is also widely used by municipalities as a way of disseminating information and communicating with the public.

Although more and more attention is being paid to the use of websites as a means of communication with the public, not all municipalities pay attention to updating the information, and to use such websites as an important transparency tool. Only 25 municipalities, out of the 48 that have a website, have published on their official web page the Questions and Answers Registry, whereas regarding their updating, only 16 registries, out of a total of 25³⁰, have been updated. In other words, during 2017, 22 municipalities more than in 2016 have a Questions and Answers Registry.

²⁸ Report on the activity of the Commissioner for the Oversight of the Civil Service– 2016, February 2017

²⁹ An assessment undertaken until 5 September 2017, showed that out of 61 municipalities only 48 of them have a website. Among them, 37 have a webpage with an institutional domain ".gov.al" (with green colour on the map), whereas 11 municipalities have a website, with the ordinary domain (.org or .com or .al). The assessment made by InfoCIP, showed that in 2017, there are only 13 municipalities that are still missing an official website (marked in red colour on the map). (See: 2017-MONITORING the Right to Information in the Municipalities in Albania, carried out by InfoCIP)

³⁰ There are 9 registries that were update for the last time in 2016. These registries belong to the municipality of Kruja, Kamza, Elbasan, Gramsh, Vlora, Kavaja, Peqin, Kukës, and Pogradec. (See InfoCIP, 2017)

Figure 2: Municipalities with a coordinator on the right to information

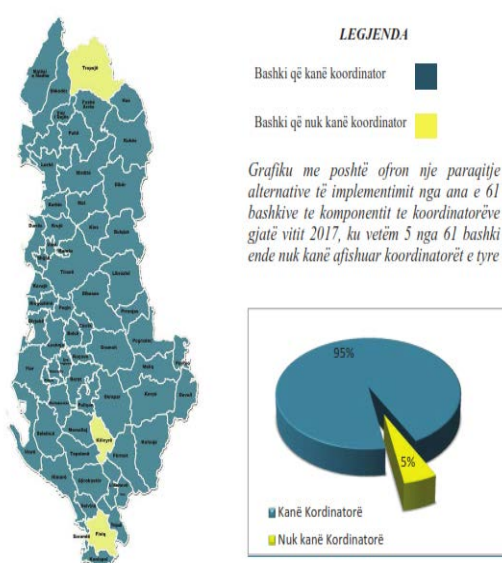
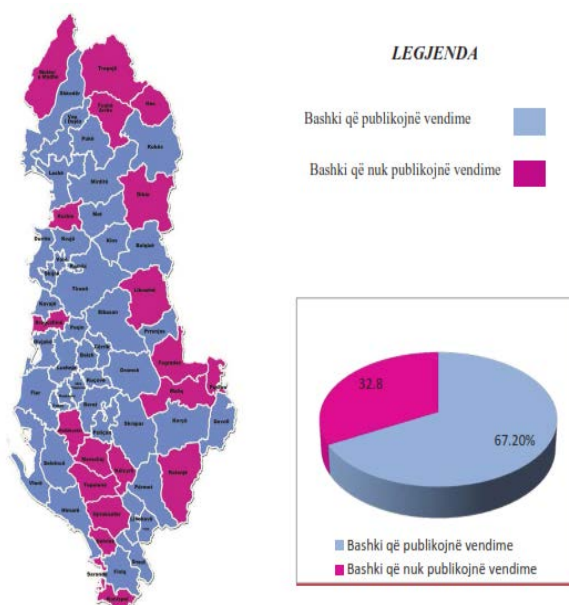


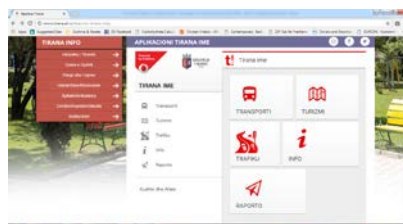
Figure 3: Municipalities which publish the decisions



Progress was also recorded with regard to the implementation of the legal obligation for the appointment of the information coordinator³¹, with an increase from 42 municipalities to 58 municipalities (or 68.8% of them) who have already appointed someone to this function. Only 3 municipalities do not yet have a coordinator (Tropoja, Finiqi and Këlcyra). But it should be mentioned that in 48 Municipalities that have a website, only 31 of them have published also the coordinators' contacts³², although it should be noted that their details are published on the www.pyetshtetin.al portal. Whereas the Transparency Program is published in 43 out of 48 municipalities that have a website.

The number of municipalities that publish the decisions on-line has increased considerably. Out of only 14 municipalities or 22% in 2016, now 41 of them publish the decision of the Municipal Council (67.2%), which is a development to be commended³³.

Also, innovative practices to collect the citizen's opinion are being implemented through dedicated spaces entitled "Improve My City" on the official websites of some municipalities, and applications like "My Tirana" where citizens can share data and suggestions for improving the local government.



"Improve my city" platform (www.permiresoqytetin.al) introduced on 15 April 2016, is a project of the Government to assist all the municipalities, where each of them will have

the possibility to highlight various issues through the citizens' reporting. Modernization and use of the technology are the best way to improve the service and reduce bureaucracy and corruption.

³¹ Law no. 119/2014 set out the obligation to appoint right to information coordinators.

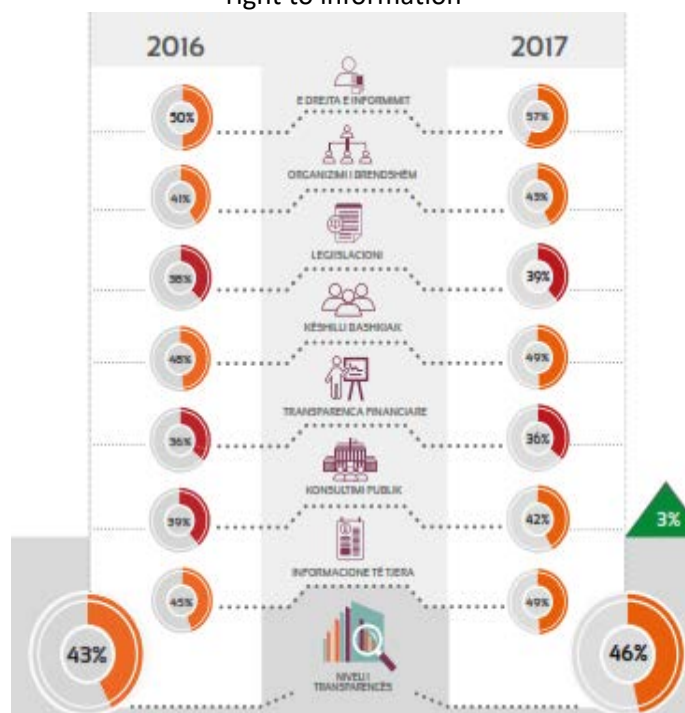
³² The municipalities that have failed to publish them are the municipalities of Belshi, Dibra, Divjaka, Klosi, Mallakaster, Memaliaj, Tropoja, Mirdita, Kurbin, Finiqi, Tepelena, Vau Dejës.

³³ Until 2012, no municipality, except for Tirana, published the decisions of the municipal council in any form of publication. Whereas in 2016, only 20% of all municipalities of Albania published their own decisions. About 87% of them, did publish through the national platform VENDIME.AL set up and maintained by INFOÇIP.

The civil society monitoring with regard to LGUs increase of transparency continues to be carried out constantly. Above are presented the data from the monitoring conducted by InfoCIP organization. Also in the framework of Lëviz Albania program, the civil society organizations have monitored the performance of the municipalities both with regard to transparency and the implementation of the functions.

BIRN organization carried out the second phase of monitoring regarding the level of transparency of the municipalities. The monitoring data show that the average level of transparency for the 61 municipalities in the country in 2017 is 46%, only 3% higher than the level of transparency monitored in 2016. The findings show that municipalities are more transparent about documentation and information under the category of "Right of Information" and "City Council", while categories that are less transparent at the national level are the "Financial Transparency" and "Legislation".

Figure 4: Assessment of the implementation of the right to information



Source: BIRN

4.4.3 Strategic objective: European Integration and Local Government

An important focus is given to the strengthening the role of local government in the process of European integration and capacity building for absorption of EU funds.

The School of Public Administration with the support of the Open Society Foundation for Albania, through the project *"Strengthening the Capacities of Civil Society and the Local Administration for the Acquisition of EU Funds"*, conducted, during **October - December 2016, May-June 2017, three training rounds** with Local Government Units in some of the regions of the country, where a total of **168 people were trained**. These trainings aimed at increasing the capacity of municipalities to absorb the financial assistance provided precisely through such funds³⁴. The trainings conducted in this session were part of the third round of trainings organized within the project *"Strengthening Civil Society Capacities and Local Administration to Obtain EU Funds"*. The fourth round of trainings will continue throughout the second half of 2017. The fourth round of trainings will begin in October 2017.

During this period, two important EU-funded projects have started implementation, which aim at strengthening the role of municipalities in managing the integration process at local level, and enhancing cooperation with the civil society.

³⁴ Detailed information is given on the website of the project *EU for Albania* <http://euforalbania.info/al/trajtime>

"Municipalities for Europe"³⁵ is the new project funded by the European Union in Albania aimed at supporting the establishment of a local European office in each of the 61 municipalities. The project was presented during the conference on "The Role of Local Governments in the EU Integration Process", organized by the EU Instrument for Technical Assistance and Information Exchange (TAIEX) in cooperation with the Office of the Minister of State for Local Affairs, on 5 December 2016. A Memorandum of Understanding between mayors and members of the Albanian Government was signed with regard to the project.

While through the **ReLOaD** program, it is aimed to strengthen partnerships between local governments and civil society in Albania, through the grant scheme and capacity building activities. This will be achieved by improving a successful model of financing which is transparent and based on CSOs projects from the local government budgets for a greater civic engagement in decision-making and improving local service delivery.

5 Strategy implementation challenges

- *Implementation of general local territorial plans, a process that is having difficulties regarding: (i) lack of financial resources; (ii) and limited capacities of the municipalities in collecting and processing data on the territory and property possession; (iii) lack of integrated information system in the municipality; (iv) insufficient capacity to evaluate of the services and realization of feasibility studies as well as (v) difficulties in recruiting qualified personnel.*
- *Effective implementation of the Law on Local Government Finance, including the completion of sub-legal acts and procedures necessary for the allocation of income from personal income tax;*
- *Completing the fiscal decentralization reform started with the Law on Local Government Finance, addressing the structural problems in administering local taxes and fees, starting from the Real Estate Cadastre / Fiscal Registry;*
- *Discussion and open consultation on the reform of the immovable property taxation system with local self-government units and other stakeholder groups;*
- *Increasing the capacities of LGUs to use borrowing and debt to finance capital investments within national public debt policies.*
- *Applying an integrated road maintenance planning system at the local level with the aim of increasing the efficiency of investments in road infrastructure.*
- *Further strengthening of cooperation between sector ministries and municipalities regarding the implementation of functions in relevant areas, as there is still much unclarity regarding the implementation of functions in the area of education, irrigation and drainage, fire protection and rescue, forests and pastures and rural roads.*
- *More efficient management of local finances: further strengthening of the technical and human capacities of the local administration for human resource planning and prioritizing the medium-term budgeting (MTBP), ensuring transparent and effective financial management and sound management of the local revenue.*

³⁵ The project will bring closer to the Albanian citizens and local administrators more information on EU, its policies and programs. Whereas its focus will be to provide knowledge on the EU, especially on how to increase the absorbing capacity of the local government authorities in Albania on the European funds and programs, there will be activities which aim at facilitating the interconnection and sharing of the experiences among municipalities, and dialogue with the central government and EU Delegation.

- *Reducing the level of arrears and newly created.*
- *Effective implementation of the Law on Civil Service:* Creation of a depoliticized, impartial and professional local administration, capable of ensuring local good governance and effective and qualitative delivery of public services to the citizens.
- *Further development of technical and human capacities* for the new organizational units created at the municipal level for the implementation of the functions transferred to them.
- *Improving the quality* of services and their monitoring by the government and citizens based on a delivery against minimum national standards to be drafted for all services, and to be binding for all municipalities.
- *Increasing the cooperation between municipalities and the business community:* undertaking joint projects through initiatives which are financed based on public-private partnerships.
- *Reducing inequalities in access to services between urban and rural level.* Ensuring equality in the provision of qualitative public goods and services can help equalize opportunities, allow individuals to increase human capital, such as education, health and skills; and financial capital in rural areas as well
- *Strengthening accountability mechanisms and management and handling of the citizens' complaints.* A unified complaint management system should be developed according to a database system that allows not only tracking of the complaints but also categorizing and analyzing their typology for future policy development.

6 Main activities until the end of 2017

As the work continues for the implementation of a number of activities foreseen in the Action Plan, till the end of 2017, the following activities are expected to be carried out:

- Adoption of the amendments to the Territorial Planning Regulation.
- Establishment of European Union Corners in the 61 municipalities of the country
- Starting the evaluation process of the performance of municipalities related to the implementation of the European integration reforms at local level.
- Preparation of sub-legal acts following the adoption of the Law "On local government finances".
- Drafting and approving legal changes in the law "On the Local Tax System";
- Property Transfer - Item C: Developing Local Asset Management Regulations for New LGUs;
- The start of the project stems from the STAR2 project of the 34 municipalities to meet the legal requirements, standards for the transparency of the decisions of the Municipal Council.

7 Monitoring and Reporting Methodology

The NCSDLG 2015-2020 stipulates that the implementation of the Strategy will be accompanied by a continuous monitoring process in order to ensure the achievement of the foreseen objectives.

The entire monitoring and evaluation process is led at the political level by the Minister of State for Local Affairs.

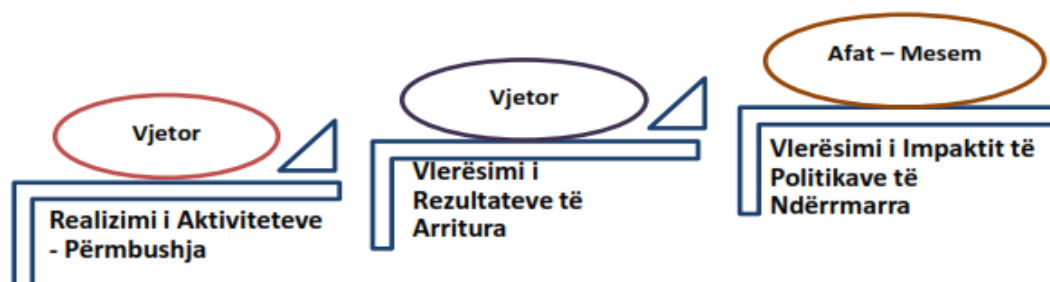
The strategy includes two main monitoring and evaluation instruments:

1. The NCSDLG 2015-2020 Implementation Action Plan, which serves to monitor the process achievements and progress, by measuring the actions and outcomes within the programmed time. The Action Plan includes all components, with specific objectives, foreseen actions, deadlines, conditions and responsibilities for its implementation.

2. Performance Indicators Matrix which includes the baseline indicators to be used for monitoring the performance and policy achievements in different areas such as fiscal policy, territorial-administrative reform, etc.

The Strategy monitoring envisages the performance of the monitoring process at a three-tier level, and its performance in three specific timeframes:

Picture 2: The monitoring and evaluation system



This monitoring report focuses on its analysis at two levels:

1. In the narrative part where it provides the main achievements of Strategy implementation for the period July 2016 - July 2017.
2. Progressively presents the achievement of each activity, from the time of adoption of the Strategy (July 2015) to the present period.

Given that the Strategy foresees also measurement of the achievements in various reform areas, based on the performance indicators, for a part of them, the report presents the achievements till mid-2017, aiming to compare the achievement of the indicators in the mid-term Strategy implementation assessment period. It should be mentioned that for a more accurate assessment of the achievements, the measurement and reporting of the indicators need to be made at the end of 2017.

Data collection

The information gathering process started in August 2017 and ended in October 2017. The information gathering, monitoring and evaluation process was initially coordinated by the Cabinet of the Minister of State for Local Affairs, which also played the role of the cross-sectoral coordinator for the Strategy implementation and monitoring process, and later by the Ministry of Interior, which, with the establishment of the Government structures, in September 2017, is also in charge with the decentralization and local government functions. An important contribution to the provision of information was made by the teams of the project that supports the implementation of local government reforms:

USAID Local Planning and Governance Project the Council of Europe Project and the STAR Project. Apart from the information gathered from the above sources of information, a variety of data was collected through the information published on the websites of various ministries and central agencies. Also, monitoring reports compiled in the framework of other sectoral strategies were used, which included activities related to the functioning and different aspects of local government. Also monitoring reports of civil society or international organizations operating in the country were used as an important source of information. Also, through experts contracted by the DLDP Program, a series of interviews were conducted with various representatives of the line ministries.

Evaluation criteria

The applied assessment methodology is based on the assessment of the level of activity implementation. Since the activities envisaged in the Action Plan extend to three phases, for the purpose of assessing the progress of their implementation, the information for each of the activities has been collected and evaluated, regardless of the foreseen timelines for their start and completion. From this assessment it resulted that a number of activities had started before the time foreseen for in the Action Plan document 2015-2020.

Based on the collected information, a progress assessment was carried out, which took into account the performance assessment based on two evaluation criteria:

1. Assessment of the commencement status of the activity: (i) whether the activity had started its implementation; (ii) whether the activity had not started to be implemented and (ii) whether the activity was foreseen to start after 2016. This category included activities, which according to the plan, were foreseen to start in the years after 2017, or were foreseen to start in 2015- 2017, but for certain reasons their start was postponed for later periods;

2. Level of activity implementation: Based on this criterion, the activities which had already started to be implemented were assessed in terms of their implementation level, by classifying them in two groups: (i) fully implemented and (ii) partially implemented activities.

Completion of the report and presentation of the findings

The report was completed at the end of October 2017. The monitoring report will be made public and shared through the website of the Ministry of Interior.

8 Status of the Action Plan Implementation 2015-2020 to October 2017

No .	Objectives /Measures	Implemen- tation time limits	Outcome indicators (Products)	Progress achieved in the activities implementation till 2017			Success indicators		
				Implemented	Being implemented	Implementation has not started	Comparative indicator	Target	Achieved
							Baseline year indicator	2017	2017
Strategic goal I. Increasing the overall efficiency of the local government structures									
Strategic objective I.1 Administrative -Territorial Reform									
Specific objective I.1.1		Administrative and financial consolidation of the 61 new municipalities following the adoption of the new law on administrative territorial division;							
Performance indicators		Asset inventorying index				2014	50%	70%	
1.1	Establishment and functioning of the Agency for the Implementation of the Territorial Reform	2015-2020	- DoCM on the establishment of the AITR No. of appointed personnel	- DoCM no. 83, dated 28.1.2015 “On the establishment of the functioning of the Agency for the Implementation of Territorial Reform”. - 14 appointed persons ³⁶ .		2014	No employee hired	100%	100%
B	Program of the infrastructural support for 61 new municipalities	2015-2020	No. of infrastructure projects for the new municipalities	Number of projects funded and implemented through the RDF has reached to 32 (25 – road construction and reconstruction, 2 water supply, 5 urban requalification and construction of city centres projects).		2014	No project	20	32 projects
C	Application of integrated administrative services with the ICT technology for 61 municipalities and administrative units.	2015-2016	67 services	One-stop-shop offices have been established in 14 municipalities: (i) Shkoder, Lezha, Durrës, Elbasan, Korce, Vau Dejës, Mat ³⁷ , Klos, Saranda, Berat and Fier. Their establishment is being finalized in Roskovec and Patos Municipality. In each of the municipalities, over 65 administrative services have been implemented, and the use of the system has been enabled also in one AU. ADISA has also opened 3 offices also in Tirana, Fier, Kruja and is continuing in Kavaja and Gjirokastra. The number of services identified after the new functions which was transferred to the local government increased from 67 to 109 digitized services.		2015	No service	10 services	34% of the municipalities with OSSH 67 services

³⁶ – DoCM no. 235, Dt. 18.3.2015. On an increase of the number of employees and budget funds for the Agency for the Implementation of the Territorial Reform

³⁷ In municipality of Mat OSSH are applied in 7 AUs (only in one AU in Macukull it is not applied due to lack of internet service); in municipality of Klos OSSH it is applied only in municipality level and not at AU level

Ç	Inventorying and financial consolidation of 61 municipalities	2015-2016	- DoCM on the approval of asset inventory in 61 municipalities.	- DoCM 510, dated 10 June 2015 "On the adoption of the procedures for the transfer of rights and obligations, personnel, tangible and intangible assets, archives and any other official documentation to the local government units affected by the administrative-territorial reorganization". With the STAR project a total of 373 financial reports of the LGUs and consolidated in the new 61 municipalities have been drafted. The reports were made available to the new municipalities and discussed with WB and IMF to address the issue of arrears carried over to the new administrations.	2015	DoCM is not adopted and no report is finalized	DoCM adopted by 2015 and by 2017	DoCM 510 10 June 2015
			- Financial reports reflect also the taking over of the financial obligations due to the merging of the LGUs.				61 municipalities with adopted reports	100%
D	Geographical determination of the administrative boundaries of the 61 municipalities	2015-2016	The legal document which defines the administrative boundaries of the municipalities.	A draft DoCM has been prepared on setting the boundaries. The process has been stopped until the clarification of the boundaries for some municipalities, were issues have been identified.	2015	Legal document is not adopted	By 2016 legal document is adopted	
Specific objective 1.2.2		Institutional and infrastructural support for 12 regions and 61 new municipalities after the local elections of 2015.						
Performance indicator		Indicator of the application of the integrated administrative services through ICT			2014	0%	70%	95.6% in 34 % of the municipalities
A	Development of the model statutes and regulations of the 61 new municipalities	2015-2016	Model statute developed.	New law on local government has repealed the development of the statute of the municipalities.	2015	0% of 61 municipalities which have the model of the statute and regulation approved	50%	16% (10 municipalities)
			Model regulation developed.	The "Administrative Procedure Manuals" have been developed to be used by in the integrated one -stop- shops in Lezha, Shkodër, Vau Dejës, Korca, Mat, Klos Berat, Fier, Saranda, and Roskovec. Work is being done for the development of the manual for Patos municipality.				
B	Technical assistance for the city administrators (city manager) and local	2015-2018	323 trained local administrators.	With the support of OSCE, in October 2015, an entry training took place with 323 new administrators, through 6 regional meetings.	2015	0% of the administrators are trained	50%	100%

	administrators							
C	Development of social-economic development profiles	2015-2016	Prepared development programs.	The Territorial Development Strategies were developed for 13 Municipalities: Durrës, Lezha, Shijak, Dibra, Kukës, Mat, Klos, Tropoja (supported by dldp) Elbasan, Fier, Lushnje, Kucove and Berat. These strategies are an integral part of the GLPs prepared for these municipalities.	2015	0	45 programe	13 Territorial Development Strategies
Ç	Assistance for the preparation of the consolidated budgets and fiscal packages of 61 municipalities	2015-2018	61 municipalities trained on the consolidated budgets	In 2016 Dldp an ASPA realized for the first time the long-term training of 61 municipalities of the country ³⁸ on PFM, which was repeated in 2017 for 85 trainees. Dldp developed the training curriculum of the training on consolidated budgets after the adoption of the law on local finances. The training curricula include trainings on MTBP, internal audit and BEE. Currently curricula are being developed /reviewed with regard to (i) Linking the Strategic Development Plans with the MTBP, (ii) drafting the annual budgets, (iii) budget execution and monitoring. The Manual on the preparation of Development Strategic Plans and Manual of the Financial Planning Instrument (FPI) are being revised. Information sessions have been carried out by DLDP/MoF on the guidelines on the preparation of the budget and MTBP every year at national level (in 2017 43 employees from 27 municipalities, in 2016 53 employees from 31 municipalities). With the support of PLGP/USAID 13 municipalities were trained during the process of preparing the local budgets and fiscal packages. The trainings and study visits included more than 50 participants from all partner municipalities.	2015	0 % bashki të trajnuara	100%	100%
D	Assistance for the harmonization of the Territorial Development Plans according to the new administrative division	2015-2018	The guideline for the drafting	The GLPs design methodology prepared and tested by PLGP / USAID in the first 5 municipalities that drafted general local plans and subsequently replicated by the Albanian government. - Guideline developed by NATP based on the above. - Dldp program has developed the Methodology of the Program of the Functional Zones, and the methodology of passing from the PZF to the Strategy of the Territory. From the onset of the process of preparing 5 GLPs from the DLDPS, a total of 28 municipal administrators were used on the content on the GLPs and the need to include them in this process. In addition, also the technical staff was trained on the GIS platform and technical and legal aspects of the GLPs. In March 2017, together with experts of 5 municipalities, dldp organized a study visit in Lushnja and Kuçova, which had	2015	Adoption of the guideline an no. of municipalities with new development plans.		Guideline developed

³⁸ Public finance management

				<p>already developed and adopted the GLP with the support of PLGP/USAID.</p> <p>A Manual on “Local Officials” and on “Secretaries of the Municipal Councils”.</p>				
			<p>Development plans and number of new municipalities which are assisted for the development of the territorial development plans.</p>	<p>Up to this period there are:</p> <ul style="list-style-type: none"> - 26 GLPs adopted, - 12 GLPs under process of adoption, - 6 GLPs under process of adoption, - 7 GLPs have started the process of development (in 2017-n by the MUD). <p>There are still 17 GLPs, as an objective for 2018-2019 The Territorial Planning Regulation was revised within 2017. With the support of PLGP / USAID, the Minister's Guideline on the Implementation of GLPs has been drafted and disseminated.</p>			<p>Assistance for 15 municipalities</p>	44 assisted municipalities
Strategic objective I.2 Administrative structure								
Specific objective 1.2.1		Strengthening the decision-making and monitoring role of the municipal councils and regional councils						
Performance indicator		Number of initiatives for public policies and for monitoring the financial and administrative control by the municipal councils.			2016	First measurements	Increasing trend	
A	Training programme for the new councillors in 12 regions and 61 municipalities	2015-2018	<p>All municipal councillors and all regional councillors are trained in 5 training programs.</p>	<p>Activities have been conducted for capacity building of the women councillors, through the Women in Politics Network. With the assistance of the Dldp project two training programs were delivered: (i) The first program: Tasks and competencies of the municipal council, and gener budgeting methods. 63% of the women councillors were trained (73 out of 116 women councillors in total) from 14 municipalities (Shkoder, Malesi e Madhe, Puke, Vau Dejes, Lezhe, Kurbin, Durres, Shijak, Mat, Klos, Diber, Kukes, Tropoje, Mirdite) and (ii) Second program: The art of public speaking. 44% of the women councillors were trained (51 out of 116 women councillors in total) from 14 municipalities (Shkoder, Malesi e Madhe, Puke, Vau Dejes,</p>	2015	0% of the trained councillors	100%	40%

				Lezhe, Kurbin, Durres, Shijak, Mat, Klos, Diber, Kukes, Tropoja, Mirdita). PLGP has developed the Manual for the Local Officials including Councillors too, and trainings of the councillors of 11 local units and groups of councillors have been carried out (Gender Alliance of the Women Councillors of Tirana).				
Specific objective 1.2.2		Strengthening the role of the mayors in the management of the municipal structures and leadership						
Performance indicator		% of the complaint /requests of the citizens out of the decisions of the municipal councils and of the structures of the municipality in out of the total number of decisions.			2016	First measurements	Decreasing trend	
A	Leadership Program for the new mayors of 61 new municipalities	2015-2018	61 mayors trained on the leadership training programs.	The AITR has held several informative meetings with the new mayors. In 2016 the leadership training started with the new mayors. Several national, regional, sectorial meetings have been held: on the implementation of the ATR, transfer of the functions, irrigation and drainage, forests, MZSH, rural roads, education, registration of the acts of transfer of land ownership to famers, etc.	2015	0% of trained mayors	100%	100%
B	Amendment of the Law no. 8652/2000 On the organisation and functioning of the local government ", with the aim of: (i) increasing the power of the mayor to approve the organisational structure of the municipal administration and the internal Rule of Procedure, and (ii) establishing administrative units and defining their functions.	2015-2016	Amendment of the law no. 8652/2000 "On the organization and functioning of the local government", as amended and of the sub-legal acts.	Law No. 139/2015 "On Local Self-Government", that meets the provisions of this measure, was adopted. PLGP/USAID has prepared the draft regulation of the municipal council of Tirana and Saranda. It has also provided assistance to 15 municipalities in drafting their regulations.	2014	0% of legal and sub-legal acts	100% completion with legal and sub-legal acts	
C	Program of Transparency and Decision -making at local level.	2015-2020	Number of meetings of the municipal councils with citizen participation.	The Civic Advisory Commissions have been institutionalized in 13 local units, where consultative processes with citizens were held, including topics such as GLPs, fiscal package, budget etc. Based on "open data", an electronic platform, which has two applications for monitoring the public spending was developed in 6 Municipalities. This accessible, platform that is easily accessible by the public/citizens, increases the transparency of spending at local level. Only in municipalities supported by the dldp project, 68 public hearings were held in 11 municipalities during the 2017 budget drafting. The dldp program is supporting the implementation of a budget transparency tool (SMART TRANSPARENCY) for the public in the Municipalities of Shkodra and Durrës.	2016	First measurements in 2016	Citizen evaluation shows progressive trends	

Specific objective I.2.3		Support for the functionality of the composing administrative units.						
Performance indicator		Level of transfer of the local assets to the LGUs			2015	70%	85%	100% forests and pastures, rural roads, irrigation and drainage systems, firefighting equipment
Performance indicator		Report of the projects financed with the PPP scheme (number)			2015	30	35	
A	Development of the methodology for the transfer of the functions/powers from CG to the LG	2015-2016	Methodology for the transfer of the functions/competencies from the CG to the LG is developed	With the support of dldp, a methodology was developed for monitoring the new functions transferred to the LG as well as delegated functions for which a detailed report was prepared together with a set of indicators for measuring the performance of these functions. The methodology will be part of the Medium-Term Budget Development Guideline at local level, to be approved by the Ministry of Finance in the period October-November 2017.	2015	Adoption of the document	Adopted document	
B	Detailed assessment of the procedures/ processes of the current functions and new functions planned within the mandate of LGU (included in the new management functions).	2015-2016	Final evaluation report.	With the support of Dldp, the services of the local government deriving from the current functions, as well as the new functions, were analysed, by defining also the performance indicators. The analysis was conducted within the IOSSH.	2015	Adoption of the report	Adopted report	
C	Development of the standards regarding the definition of the number of employees and workload per each function.	2015-2017	Report of the developed and approved standards.	DLDP has developed standards with regard to the organizational structure of the municipalities, from the point of view of services organization under the IOSSH approach. Expanding the experience to new municipalities.	2015	Adoption of the report	Adopted report	
Ç	Assessment /detailed study of the possibility to contract or provide selected services through the public-private partnership.	2015-2018	Assessment report.	There is still no study conducted at national level. Meanwhile municipalities have received assistance for considering the possibilities to use PPP: (i) Korça, Kuçova and Elbasan municipalities were assisted by PLGP to assess the feasibility of using PPPs to address the major infrastructure needs: Improving street lighting. The staff of Korça, Elbasan and Kucova Municipalities were trained in all aspects of the PPP process. The Municipality of Tirana is in the process of preparing the implementation of the Private-Public Partnership (PPP) for 17 public schools. Also, the Municipality of Vlora is considering to	2015	Adoption of the report	Adopted report	

				grant the "landfields", as well as sport facilities and services. With the same partnership form (PPP), the Municipality of Korca is considering the idea and is conducting the feasibility study to grant the concession for the cultural premises and services. 5 GLPs developed with the support of dldp (under approval process) present concrete projects which can be carried out through the PPP scheme.				
D	Preparation of the model (blue print) for the organization of the new municipalities, as well as a manual for its implementation.	2015-2016	Model and manual are prepared.	Several organizational charts and pertinent manuals have been developed, which are used in more than 30 municipalities. Dldp has developed organizational schemes in the framework of service delivery through IOSSH. The CoE project has provided two structure models, one of which is loaded in the E-PAV system to be used by LGUs.	2015	None of the 61 municipalities has adopted the structure	61 municipalities have adopted the new structures	
D H	Preparation of the job description model /mission for each of the typical units of the new municipal administration per each function / main process, and per each typical work position in the new municipal administration.	2015-2016	70% of all functions and tasks with models of job descriptions are developed.	The duties and responsibilities of job positions within the provision of services through IOSSH (back-office and front-office) have been developed. The Administrative Regulation has been approved in 11 municipalities and working manuals have been drafted in some municipalities	2015	None of the 61 new municipalities has adopted the job descriptions	100% of the municipal structures have adopted the job descriptions	
E	Establishment of a permanent "help-desk-" and providing continuous assistance to municipalities in the reorganization process.	2015-2018	Number of people hired in the "Help-Desk" unit established by DoPA.	The Help-Desk has been created and works at DoPA, where 2 experts for legal and technical issues are employed, and also a local expert at ASPA on training issues and to follow-up the E-Library Platform and the Curriculum Quality Assurance System (SVC).	2015	No request from 61 new municipalities	100 % of the requests addressed to the Help Desk	
	Asset transfer							
A	Finalization of the public asset transfer process to the LGUs.	2015-2020	DoCM issued on the adoption of the inventory of the assets for each of the municipalities.	In 2016, the process of transferring to the new municipalities resumed. DoCM 433, dated 8.6.2016, has carried out the transfer of 100% of forests and pastures to the new 61 new municipalities. DoCM no.63, dt. 27.1.2016 has been transformed into a corporate and the shares of the water supply companies to the administration of the municipalities, and the transfer of rural roads has been complete according to DoCM no. 915, dated 11.11.2015, and transfer of the irrigation and drainage infrastructure, of the assets and personnel according to DoCM	2015	50%	70%	100% of the forests and pastures, rural roads, irrigation and drainage systems, firefighting equipment

				no. 1108 dated.30.12.2015, and the transfer according to DoCM no.366, dated.18.5.2016 of assets, firefighting equipment, etc.				
B	Establishment of an integrate digitalized system at national and local level for the registries of the assets which are transferred to the local government.	2015-2016	Digital system is established.	<p>There is still no digital system set up. The GIS system is not widely used due to the lack of qualified staff and continuous. In general, the municipalities that use it the most include Gjirokastra, Fieri, Kamza, Durrresi and Tepelena. Trainings were conducted by NATP for the use of the GIS portal in the municipality. Five-day training on the use of GIS has been developed by municipalities that have drafted GLPs. As well as 5 web-GIS platforms for the municipalities of Korce, Elbasan, Fier, Lushnje and Kamez, with the aim of building a territorial register and as a starting point for creating a property tax payer register.</p> <p>The Territorial Planning Registry is divided into two systems for e-permits and planning. The e-Albania system is operational in several municipalities while the planning system of has not been set up yet.</p> <p>PLGP/USAID project has developed the financial administration information system/ FAIS in 10 municipalities. The system/FAI also contains a special module for the registration of assets transferred from CG to the LG.</p>	2015	0% of the assets registered in the system	50%	
C	Development of the local regulations for the management of the assets of the new LGUs.	2015-2017	Regulation is developed and adopted.	A manual for the local officials has been developed, with a special chapter on local asset management.	2015	No municipality has an adopted regulation	100% of the municipalities with adopted regulations	
Ç	Review of the legislation which regulates the procedures for the registration of the ownership right and management of the municipal property;	2015-2020	Legal amendments to the legislation on public assets.	<p>- Based on DoCM No.366, dated 18.05.2016, the transfer of Firefighting Service Stations from the district prefects or sub-prefects to 39 municipalities was realized.</p> <p>- Based on DCM no. 294 dt. 05.04.2017 the "Approval of the List of Municipalities to establish Firefighting and Rescue Stations" was adopted, out of which 12 in 2017 and 10 in 2018.- In 2017, a total of 4 stations out of 12 foreseen, were established, specifically in the municipalities of in Vora, Shijak, Prrrenjas, Fush Arez.</p> <p>DoCM no.707, dated 12.10.2016, adopted the "Firefighting and Rescue Fees" to be charged by the municipalities to the municipalities that are not equipped with FRS.</p>	2015	% of LGUs with assets registered in IPRO	30% of the municipalities have registered the assets	

				Based on DoCM no.433, dated 8.6.2016, 100% of the forests and pastures were transferred to the 61 new municipalities. Based on DoCM no.63, dated 27.1.2016 the corporation and the shares of the water supply companies were transferred to the administration of the municipalities, and the transfer of rural roads was completed, according to DoCM no. 915, dated 11.11.2015, as well as the transfer of irrigation and drainage infrastructure, assets and personnel according to DoCM no. 1108 dt.30.12.2015, and the transfer of assets, firefighting equipment etc, according to DoCM no.366, dt.18.5.2016.				
Specific objective I.2.3		Strengthening of the local democracy through the increase of the citizens all-inclusiveness and strengthening of the community structures at local level.						
Performance indicator		Number of the citizens structures in % vis-à-vis the number of the LGUs			2015	0%	100%	31%
Performance indicator		Average number of the meetings realized between the municipal structures and citizens' structures			2016	First measurements	Increasing trends	
A	Support with the contemporary infrastructure of decision- making for promoting the citizen all-inclusion and local democracy ³⁹	2015-2020	No. of rooms of the 55 municipal councils which are reconstructed.		2015	0%	30%	
B	Empowerment of the community structures at local level (citizens' commissions, leaders of the villages, citizens' liaisons).	2015-2018	No. of 61 new municipalities with community structures.	Number of municipalities where the community structures are set up and function has reached to 19 till mid-2017.	2016	0%	25%	31% of the municipalities
Specific objective I.2.5		Strengthening of the dialogue between the central government and local government, and mutual accountability						
Performance indicator		Number of joint roundtables			2016	First measurements	At least 3 meetings per year	3 meetings
Performance indicator		% e of draft decisions made on consensual terms QQ/QV			2016	First measurements	Increasing trends	
A	Program for strengthening the cooperation between the central government and local government. The establishment of the Consultative Council and cooperation with local assoc.	2017-2020	Consultative Council is established.	Established in 21 December 2016.	2016	First measurements	At least 3 meetings per year	CC established
			Meetings with local associations.	Three meetings of the CC have been held.				3 meetings realized

³⁹ Reconstruction of the meeting rooms of the municipal councils of the new municipalities, equipment with voting electronic systems, premises for the participation of the citizens/ media in the workings of the councils.

Strategic goal II. Strengthening the local finances and increase of fiscal autonomy								
Strategic objective 1. Reforming the local revenue system								
Specific objective II.1		Increasing the LGUs local revenue capacity to meet the financial needs to deliver more services;						
Performance indicators		Local government budget in relation to the GDP (%)			2012	2.10%	4%	2.8%
Performance indicators		Local revenue GDP ratio (%)			2012	0.80%	2.40%	1.2%
A	Establishment of the technical working group with local and central representatives to examine and identify specific areas of the current legal framework that need change.	2015-2016	- Technical i group is established.	Established with the assistance of PLGP and DLDP projects under the lead of the Ministry of Finances.	2015	Establishment of the working group		
			- Report on the sub-legal acts that need to be reviewed.	The prepared report identified 12 sub-legal acts to be developed.			Functional working group	
B	Development of the Law “On Local Finances”.	2015-2016	Law on “Local Finances” is adopted.	Law no. 68/2017 “On local self-government finances”	2015	There is no law “On Local Finances” adopted	Law “On Local Finances” adopted	Law 68/2017
C	Review and adoption of sector legislation and sub-legal acts on local finance and local taxes.	2015-2018	- List of sectoral legislation is reviewed.	- A new formula for the unconditional grant has been adopted. - A total of about 12 sub-legal acts to be drafted or revised for the implementation of the Law on Local Government Finance have been identified. The process of drafting the sub-legal acts has started: 1. Guideline on the format of the Register of Physical and Legal Persons who are obliged to pay local taxes and fees. ⁴⁰ 2. Annex ⁴¹ / Table on conditional transfers. 3. Guidelines for the management of situations of serious financial difficulties and insolvency are being prepared with the assistance of the World Bank. 4. Guidelines for accounting and auditing the financial statements of the local government will be issued in cooperation with the Supreme Audit Institution; 7 Guidelines for Programming, Implementing and Monitoring the Local Budget. ⁴² 8. Financial Planning Tools for Municipalities and the Manual of its Use. ⁴³ 9. Standard document for MTBP. ⁴⁴ .	2015			
			- List of reviewed sub-legal acts.			0% of the revised legislation	70% of the legal amendments adopted	

⁴⁰ Prepared by the Ministry of Finance with the assistance of the PLGP/USAID and in cooperation with the Ministry of Finance and Economy;

⁴¹ Idem

⁴² Prepare by the Ministry of Finance with the assistance of the Dldp;

⁴³ Idem

⁴⁴ Idem

				A list of budget programs has been defined, which enable the registration of all functions that municipalities have today by law. Accurate definitions have been made and activities that are registered for these programs are clarified. ⁴⁵ A Budget Guideline, which includes the Financial Planning Instrument, performance indicators for new functions and some delegated functions, as well as key financial indicators, has been developed. The budget classification of local government has been harmonized with that of the central government, by adapting the international financial system CoFOG, through adjustments to the treasury system).				
Ç	Analysing impacts of sharing the national taxes with the LGUs.	2015-2018	Analysis report on the changes of the GDP/capita at regional level.	Analysis developed with the assistance of the PLGP	2015	Adoption of the Analysis Report	Analysis report adopted	
D	The increase of the distribution of the tax on vehicles shared between the central government and LGUs.	2015-2016	DoCM on the tax distribution is adopted.	New Law on Local finances defines that 25% of the revenue realized from the tax on registration of the vehicles shall be transferred to local level (from 18 % before the adoption of the law).	2015	% of the shared tax	30%	25%
D H	Implementation of the new property tax system.	2015-2018	Amendments to the legislation on the property tax.	Draft law on the property tax is developed and is under discussion process.	2015	Revenue from the property tax 0,16 of GDP	Revenue from the property tax 0,25% of the GDP	
E	Support for the local tax administration for the property tax and local taxes.	2015-2018	No. of municipalities assisted by the PLGP program on the administration of local taxes.	A total of 24 municipalities were supported (DLDP 8 municipalities and PLGP 16 municipalities)	2015	5 assisted municipalities	10 receive technical assistance	8 municipalities
Specific objective II. 2		Improving the sustainability, simplicity and equality of the transfer system along with transparency increase						
Performance indicator		Conditional transfer -local revenue ration (%)			2012	45/55	40/60	43/57
A	Establishment of a new transfer formula for the unconditional transfers based on more transparent, simpler and more objective criteria.	2015-2016	New formula for the unconditional transfers is adopted by a DCoM.	Is implemented. The new formula was adopted by Law 147/2015 'On State Budget 2016'.	2015	Division of the transfer with the new formula	100 % of the unconditional transfer is divided with the new formula	

⁴⁵ Idem

B	Matching the data from the census and civil registry and defining the sources of information to be used for the intergovernmental transfers and for the spending functions.	2015-2016	Transfers for local government use a unified data base of the population.	It is an important part of the new formula of the division of the unconditional transfer.	2015	Use of the unified population database	100 % of the unconditional transfer is divided on the unified basis of the population	
C	Use of the matched data of the population with the aim of merging the LGUs and the transfer of the unconditional grant.	2015-2018	Transfers for the local government use a unified database of the population.	It is an important part of the new formula of the division of the unconditional transfer.	2015	Use of the unified population database		
D	Revision of the conditional grant system (RDF, etc.) to focus it on the areas with greater regional importance; its re-examination in relation to the skills and necessary practices for the absorption of the EU funds in the future.	2017-2018	Study report on the distribution of conditional grants.	This process is under review by the regional development working group.	2015	Adoption of the report	Report is adopted	
D H	Setting the level of transfers for the local government as a percentage of the total public revenue.	2017-2018	Change of legislation on local finances	Law no. 68/2017 "On Local Government Finances" provides that the unconditional transfer will be at the level of 1% of GDP as foreseen in the Macroeconomic and Fiscal Framework approved by the Government for the reference period.	2015	Local government transfers are not defined as % of the total public revenues	Local government transfers are not defined as % of the total public revenues	
Specific objective II.3		Increasing the capacities of the LGUs to use the borrowing and debt to finance capital investments, under the national debt policies;						
Performance indicator		Local government budget -GDP ratio (%)			2012	2.10%	4%	2.9%
A	Assessment of the overall borrowing capacity of the local government and limitations imposed on LGUs to take loans and use credit.	2015-2016	Final assessment study.	A study on local borrowing in Albania has been carried out, analysing the existing legal and institutional framework and good practices from the countries of the region, by concluding in concrete recommendations for the creation of spaces for local borrowing by the municipalities.	2015	Adoption of the study report	Study report is adopted	
B	Establishment of the dialogue among the main	2016-2017	10 meetings conducted.	With the support of the project, two national conferences on the	2015	No meeting held	10 meetings on local	

	role players from the central, local and financial organizations to revise the existing legal framework and to identify new approaches towards decision-making.			Law on Local Finances was held.			borrowing held	
C	Review of the law “On Local Government Borrowing” to define a fairer ratio of the public dept between the central government and LGUs.	2017-2018	Law on government borrowing is revised.		2015	Improvement of the local borrowing procures	Improvement of the local borrowing procures	
Ç	Identifying accounting related issues at local level and preparing the package of measures to address them.	2017-2018	Assessment report is finalized. Plan of Measures is prepared.		2015	Adoption of the assessment report and plan of actions	Assessment report and plan of actions is adopted	
D	Assistance for the application of the local borrowing granting schemes though linking land and infrastructure with the relevant financing authorities.	2019-2020	No. of municipalities which use guaranteed local borrowing tools.		2015	No municipality uses guaranteed local borrowing instruments		
Specific objective II. 4		Strengthening the public finance administration at local level;						
Performance indicator		% of the hidden debts identified at local level			2016	Level of debts highlighted	Decreasing trends	
Performance indicator		% LGUS which adopt a SDP an MTBP approach			2014	12%	50%	
A	Identification of the hidden debts created before the change of the LGUs map and development of the specific plans to cover the debts.	2015-2017	- Report on the level of hidden debts. is prepared - Number of specific plans is prepared.	- The report on the level of the hidden debts was developed in 2013 and the refreshing of the data is made every six months. -	2015	No municipality has highlighted accumulated debts, and no municipality has a specific plan	100% of the municipalities have highlighted the accumulated debts, and have specific plans	Debts are highlighted
B	Implementation of digitalized financial information system of the treasury at local level.	2017-2018	- Number of municipalities which have adopted 100 %	According to the Action Plan for the PFM 2020 Strategy, currently only the Tirana Municipality is online with AGFIS (Albanian Government Financial Information System), besides the with 14 central government institutions. According to the	2015	No municipality uses the IFTH system	20% e of municipalities apply IFTH system	2%

			the IFTh system.	<p>AFMIS project, which ends in 2019, a Web Portal will be implemented, where all budget institutions, including municipalities, will access AGFIS. The order of involvement will depend on the size of the budget of the institution).</p> <p>Currently, work is being done by MoF (supported by dldp) to harmonize the budget classification of the local level with the central level, through the financial classification of CoFOG.</p>				
C	Expansion of the Internal Audit and Control, External Audit and Public Procurement reform, in order to include the local government; establishment of the level of LGUs to an equally important level for monitoring the performance of the progress of the reforms in the area of PFM.	2017-2018	No. of municipal employees trained in the area of financial management, audit, and public procurement.	<p>A one-year training on "Local Finance Management" was carried out for 88 local public employees (the Budget/Finance Sector of the municipalities), which is not fully completed. After the completion of Module 4, the testing and certification of the participants will be carried out.</p> <p>These were completed in 2016 and are being equally developing also in 2017, with municipal employees (different from those who participated in 2016), through ASPA with the support of dldp.</p>	2015	0% of trained municipal staffs	30%	100%
Ç	Unification of the pre-engagement guidelines and procedures and control of the engagement of the funds applied at central level (registration of the contracts, acceptance and registration) adjustment of the guideline for the local level to prevent the creation of the hidden debts at local level in the future.	2019-2020	List of guidelines approved.	<p>The MoF guidelines are the same both for central level and local level. The pre-engagement (procurement order) is manually authorized by the Treasury branches for institutions and municipalities that do not have access to AGFIS.</p> <p>By signing the contract (engagement), registration is done in AGFIS. With the establishment of the AGFIS Web Portal, all municipalities will register the procurement order (pre-engagement) automatically in the pre-engagement module.</p>	2015	No guideline is adopted	Adoption of the guidelines	
D	Improvement of the overall capacity of the LGUs in the area of drafting and executing the budget. Expansion of the MTBP budgeting process to all LGUs; Use of the SDP and MTBP approach for all LGUs.	2015-2020	No. of municipalities which use budgeting with the SDP an MTBP.	ASPA is implementing a 1-year continuous training program on Public Finance Management at local level, concretely on the development of territorial strategies and their linkage to the medium-term budget programs. During 2016, the first program was carried out where 69 employees of 48 new municipalities were trained. With the support of dldp, the MTBP is linked to the General Local Plans in 5 municipalities (Malësi e Madhe, Vau Dejës, Tropojë, Mat and Klos) .	2015	10% of the LGUs using this system	(SDP am MTBP) adopted in 50 % of the LGUs	16%

Strategic goal III. Promoting sustainable local development								
Strategic objective III.1. Own functions								
Specific objective III.1.1		Efficient implementation of the own functions based on a clear and harmonized legal framework						
Performance indicator		Clarified list of local government own functions and level of their implementation				2016		100% of the laws revised
A	Drafting a new law on the organization and functioning of the local government.	2015-2016	New law is adopted.	The new law was adopted in 17 December 2015: Law 139/2015 "On local self-government".	2015	Adoption of the law	Law is adopted	Law 138/2015
B	Revision of the functions and competencies of the regions through the harmonization with the national regional development policies.	2015-2017	Changes to the legislation.	Law no. 139/2015 "On Local Self-government and DoCM on the new functions.	2015	Proposed amendments to the legislation	Amendments adopted	
C	Review of the legislation on public services /public companies at local level.	2015-2017	List of amended laws and sublegal acts.	<p>-Partially carried out by Law 139/2015 "On Local Self-Government.</p> <p>- Functions regarding transport: In October 2016, the Law "On Road Transport changed", reflecting some changes are made referring to the previous Law no. 8308, dated 18.3.1998. In this law there are additions mainly concerning: a) the new functions given to local self-government units in relation to the approval of companies to exercise road transport operator activity for third parties (Article 6); b: increasing the competencies (transport ticket fees) are defined by decision of the Council of the local self- government unit; c: new way of organization of the companies through the obligation to be registered in the National Road Transport Electronic Registry; d: applications and services of intelligent systems in transport (SIT). Based on this law, Guideline no. 5627 was issued on 18.11.2016 "On setting the criteria, rules and documentation for the issuance of licenses and certificates to exercise road transport activity for passengers within the country".</p> <p>- Functions related to forests and pastures. The Ministry of Environment has completed the legal basis with sub -legal acts and guidelines. The law "On Hunting Moratorium" is going through parliamentary procedures for approval. 20. DoCM no.433, dt.8.6.2016 "On the transfer of public forests and pastures to the municipalities, according to inventory lists, currently under the administration of the Ministry of Environment and former communes" its implementing</p>	2015	Adoption of the legal amendments	Amendments adopted	<p>2 laws revised</p> <p>1 DoCM</p> <p>1 guideline developed</p>

				<p>guidelines.</p> <p>- Functions related to Irrigation and Drainage. Partially carried out by Law 139/2015 and DoCM "On the transfer of irrigation and drainage channels and reorganization of drainage boards" (DoCM no. 1107/2015 and DCM no. 1108/2015). Law 24/2017 "On Irrigation and Drainage" was adopted, which will complete the full decentralization process of this function.</p> <p>-Functions Related to the Maintenance of Rural Roads. DoCM no. 915 dated 11.11.2015 "On the transfer from the councils of the regions to the municipalities of the ownership of rural road network and of movable and immovable property and of the maintenance companies of these roads"</p> <p>-Fire protection and Rescue Function DCM No.366, dated 18.05.2016 "On the transfer of the ownership of the state immovable and movable property of the firefighting and rescue service to the municipalities, and on some amendments to DoCM no. 1691, dated 10.10.2007 "On the adoption of the immovable properties inventory, which are transferred under the administration of the Ministry of Interior."</p> <p>-Drinking Water Supply, Collection, Disposal and Treatment of Wastewater Function DCM no.63, dated 27.01.2016 "On the reorganization of the operators providing the drinking water supply, collection, disposal and treatment of waste water service", and implementation guidelines and manuals. National Reform Implementation Guide 63/2016</p> <p>Ildp has supported the drafting of the DoCM on the cost and fees in the area of urban waste management, which is in the process of consultation by the Ministry of Environment and is expected to pass to the Government.</p>				
Ç	Review of the scheme of functions and competencies in the water supply and sewerage sector.	2015-2018	Changes to the legislation.	<p>- Partially carried out by Law 139/2015 "On Local Self-Government".</p> <p>- DoCM no.63, dated 27.1.2016 "On the reorganization of water supply and sewerage companies". A total of 18 performance agreements were signed between National Authority for Water Supply and Sewerage System and the Municipalities. STKKU in the role of the coordinating institution for the process of</p>	2015	Proposed changes to the legislation	Amendments adopted	Adopted changes

				drafting of this National Sectoral Water Program 2017-2030, in cooperation with the Agency for the Implementation of the Territorial Reform, undertook a consultative campaign with representatives of the government and local institutions that have certain competences related to water sector. The activities were held in 4 regions: in Tirana on 29.05.2017; Korca on 01.06.2017, Vlora on 30.05. 2017 and Shkodra on 02.06.2017.				
D	Review of the scheme of functions in the urban waste sector.	2015-2018	Changes to the legislation.	<p>In implementing the recommendations of the National Waste Management Conference (June 2016), and in line with the GoA program, a draft National Strategy for Integrated Waste Management (2017-2024) is being drafted, which is foreseen to be approved on the 4th quarter of 2017. The approval of the strategic document will be accompanied by a review of the relevant legal framework (Law no. 10463/2011 "On Integrated Waste Management", as amended (2013), and other legal acts). Work is being done to design a Master Plan in the area of waste management, which will ensure the regulation and roles of the central government for implementation and investment, especially with regard to waste hotspots and dumpsites, landfills.</p> <p>DoCM no. 652/2016 "On the rules and criteria for waste management from used tires".</p> <p>Local Waste Management Plans for 6 dldp partner municipalities have been developed.</p>	2015	Proposed changes to the legislation	Amendments adopted	Under process
D H	Study on the expansion of the functions and competencies of the LGUs in the area of rural development and agriculture.	2015-2018	<ul style="list-style-type: none"> - Study is finalized. - At least three meetings conducted with LGUs for discussing the findings. - Adopted legal acts. 	Partially carried out by Law no. 139/2015 and DoCM on the new functions.	2015	Adoption of the study report and proposed legal changes	Report and legal changes adopted	
E	Revision of the legislation on decentralization of the secondary and tertiary irrigation and drainage network maintenance	2015-2017	Revision of the legislation on decentralization of the secondary and	Partially carried out by Law 139/2015 and DoCM on the transfer of irrigation and drainage channels and reorganization of the drainage boards (DoCM 1107/2015 and DoCM 1108/2015). Law no. 24/2017 "On Irrigation and Drainage" was adopted that will complete the full decentralization process of	2015	Proposed changes to the legislation	Changes adopted	Legislation review completed

	function.		tertiary irrigation and drainage network maintenance function.	this function. PLGP in cooperation with CoE and AITR has assisted the Consultative Council in drafting the irrigation / drainage Strategy.				
Ě	Development of the local plans for the secondary and tertiary irrigation and drainage network management and investments.	2015-2018	61 local plans developed.	Partially carried out for the investments that have passed with a sub-legal act in 2016. Remains part of the assistance process with STAR in 2017-2018.	2015	There is no local plan drafted	50 plans	
G	Development of local plans for the forests and pastures of management.	2017-2020	61 local plans developed.	The asset registration has not started yet. About 40% of the needs for the registration of the forest fund assets will be supported by the WB's "Environmental Services" project that will enable the registration and unification of the cadastral register at the IPRO for the forest fund.	2015	There is no local plan drafted	20 plans	
GJ	Revision of the law on social housing and support for the development of the social housing plans at local level.	2015-2016	Amendments to the Law on social housing adopted.	The draft was adopted by the government in April 2017, and is expected to be adopted by the parliament.	2015	0% of social housing plans developed	50% of the LGUs which have developed and approved plans	
H	National program for supporting the decentralized firefighting function.	2017-2020	National program adopted by DoCM.	Law no. 152/2015 "On Firefighting and Rescue Service" was adopted in 21 December 2015. In 2017 the transfer of the personnel and financial resources was completed.	2015	Adoption of the national program		
I	Transfer of the teaching personnel in pre-school and pre-university education.	2016	Transfer of the personnel and financial resources is carried out according to the prepared sub-legal acts.	7101 employees are transferred; the transfer of the personnel files to the municipalities is completed.				Process completed
Specific objective III.1.2		Improvement of the quality of the infrastructure and public services at local level base on set minimum national standards;						
Performance indicator		Number of public services for which minimum service quality standards are developed			2014	0%	30% of the services	
A	Program on the minimum public services standards at local level.	2017-2018	Minimum standards in public services at local level	Standards are approved on: - designing of the nurseries, - public transport.	2016	0%	30%	

			are defined by DoCM.					
B	Inventorying and reclassifying the urban and rural road infrastructure network.	2017-2020	DoCM adopted.	Is carried out with DoCM 915, dated 11.11.2015	2014	N/A	50% of the inventory and classification completed	
C	Application of an integrated road maintenance planning system at local level.	2017-2018	No. of municipalities which use the integrated road maintenance planning system.	There is still not progress with regard to integrated implementation of the maintenance system.	2015	No municipality uses the road maintenance integrated planning system	30% of the municipalities used the system	
Specific objective III.1.3		Guarantee of a sustainable local economic development through the development and implementation of an adequate policy framework and mechanisms for their coordination.						
Performance indicator 4.c		LED index (no of businesses increases, unemployment decreases, local revenue increases)			2016	Year of measurement	Increasing trends	
A	Review of the economic development function. Development of the sectorial legal amendments which empower the role of the LGUs for strategic investments, public-private partnership, local asset management.	2015-2016	List of reviewed and adopted legal acts.	Work is being done to issue a special guideline on the way of operation and rehabilitation of waste dumpsites, as a transitional deposit until the coverage of the territory with landfills / incinerators.	2015	Proposed changes in legislation	Amendments adopted	
B	Support for the empowerment of tourism structures at local level.	2015-2018	No. of the tourism promotion and development offices at local level.	There is no data.	2015	5% of the municipalities which have tourism development offices	30% of the municipalities has tourism development offices	
C	Clarification of the functions and responsibilities in the area of Tourism and Cultural Heritage. Review of the legal framework.	2015-2016	Law on cultural heritage is revised and adopted.	Draft law has been prepared and is expected to be adopted.	2015	Proposed changes to the legislation	Amendments adopted	Under process
Ç	Establishment of an integrated development system for the areas and objects of cultural heritage at local level.	2015-2018	Integrated development plans for the area are developed.	There is no information from the Ministry of Tourism	2014	0%	30%	

Strategic objective III.2 Shared functions								
Specific objective III.2.1		Ensuring service quality according to the standards approved by the central government						
Performance indicator		Service standards defined and implemented			2014	1 sector (education)	50 % of the services	
A	Development of the services standards and defining the average cost / unit as a precondition for the transfer of additional competencies in the primary health care service.	2017-2018	List of service standards and setting of the average unit cost is approved.	Law no. 121/2016 on "Social care services in RA".	2015	There is not approved list	List of standards adopted	Law 121/2016
B	Review of the sectoral legislation for the full decentralization of the social services scheme and improvement of the social inclusion at local level	2017-2018	List of reviewed and adopted sub-legal acts.	A total of 18 sub-legal acts and 4 guidelines that regulate each service as well as the respective standards, are under drafting process. Some by-legal acts are foreseen to be approved during the 4 th quarter 2017 and 2018.	2015	Proposed changes to the legislation	Adoption of proposed changes	Under process
C	Improvement of the mechanisms to identify and assess the needs for social care services, according to the Standard Operation Procedures and methodologies.	2017-2018	Developed procedures, standards, methodology.	The institutional mechanisms are regulated by Law no.121 / 2016 "On Social Care Services in the Republic of Albania", Article 30-38, which define the role and responsibilities for the implementation of the social care service system for the Ministry of Social Welfare and Youth, State Social Service, Social Care Service Inspectorate, Municipality and Social Workers of LGUs, as well as the role of the Region.	2015	Proposed changes to the legislation	Adoption of proposed changes	Law 121/2016
Ç	Examination of the list of social services to be provided by the LGUs by presenting and explaining the typology of the new service.	2015-2016	List of reviewed and adopted social services.	The List of Social Services has been approved as an integral part of Law no.121 / 2016 which contains: 1. Social financial services for families in need. 2. Social services for children. 3. Multidisciplinary services for children. 4. Services for people with disabilities. 5. Social Services for the elderly. 6. Multidisciplinary youth services. 7. Social services for violated women, girls or children. 8. Services for trafficked victims.	2015	Proposed changes to the legislation	Adoption of proposed changes	8 social services revised
D	Development and approval of the service standards and unit costs.	2015-2016	Adopted standards of social services and unit costs.	No standards have yet been adopted. Work has begun and is foreseen to end in 2018. Until the adoption of new standards, the current standards will be applied. In this context, two guidelines have prepared, namely: - Guideline no. 3, dated 17.02.2017 "On the implementation of DoCM No. 955 dated 07.12.2016 "On the determination of the	2015	Proposed changes to the legislation	Adoption of proposed changes	Under process

				criteria, procedures, documentation and amount of economic aid granted ". - Guideline no. 4, dated 17.02.2017 "On the calculation of the economic aid benefit".				
D H	Establishment of integrated service systems at regional, local level, based on the social services standards for all the groups.	2017-2018	Changes to the legislation on social services.	Law no.121 / 2016 "On Social Care Services in the Republic of Albania", Article 29 establishes the National Electronic Registry , which is administered by the MMSR and is accessible to all LGUs. Meanwhile, work has started to define the "workflow" of the services, which will be approved by DoCM.	2015	Proposed changes to the legislation	Adoption of proposed changes	
E	Building the capacities of the LGUs for planning the social services (including the identification, management, monitoring and assessment of the social service system).	2017-2018	No. of trained employees.	During the period October-November 2015 all employees of the municipal social service received trained on the legislation by the State Social Service. With the adoption of the new law on social services, the employees of social structures of the municipalities will be re trained.	2015	5% of the number of trained employees at local level	65% of the number of trained employees at local level	
Ë	Increasing the capacities of the social service employees. Creation of professional profiles and implementation of the continuous qualification program.	2015-2020	- Prepared professional profiles.			No employee trained		
			-200 trained employees through the continuous qualification program.	With the adoption of the new law on social services, the employees of the municipal social structures will be retreated.	2015		150	
F	Development of job descriptions for the social workers and necessary competences and skills which are required.	2016-2018	Job descriptions for the social workers developed.	Under process	2015	No job description prepared	80% of job descriptions prepared	
			- Necessary competencies and skills required for social workers defined.	Under process				
A	Review of the sectoral legislation to increase the role of the LGUs in the area of environment protection.	2015-2018	List of laws and sub-legal acts is revised.	Law No.139/ 2015 "On Local Self-Government" defines the functions and competences of LGUs regarding the collection, disposal and treatment of solid and household waste (Article 29-functions of municipalities in the area of infrastructure and public services).	2015	10% of revised legislation	70% of the legislation revised	

				Law No.139 / 2015 define the instruments for the administration of public services (including waste management) , one of which is the establishment of a structure at the LGU which is responsible for the waste management and oversight in the territory of the Municipality.				
B	Building the relevant human capacities for the protection of environment. Training of specialists in the local government on the implementation of the law on environmental permits, various aspects of environment administration; development and training programs on environment issues, environmental legislation, as an obligatory condition for all civil servants working in the relevant LGU structures directly responsible for the environment management.	2015-2020	120 specialists at local level are trained.	Based on the 1-year training program approved in the area of urban waste management, in 2017, three training modules for 62 local employees (ASPA/DLDP) were organized . The training program includes: cost and fee, benchmark system, monitoring, etc. The training was organized at regional level, with the cooperation of the 4 RDAs. At the end of the training program employees will be subjected to testing, and will be equipped with a certificate.	2015	No specialist at local level trained	80 specialists of the local level trained	
C	Increasing the financial resources of the LGUs for the environment protection function. Development of an integrated system for defining the costs and fees for waste treatment.	2015-2020	New list of costs and fees for the treatment of waste is approved.	In June 2016, a draft DoCM "On the costs and fees for integrated waste management" was drafted, through which the use of cost and fee calculation methodology for waste management will be enabled. The application of the cost and fee model has started in 6 municipalities.	2016	First measurements of the % of the financing for each LOG and national average	Increasing trends	
Specific objective III.2.1		Increasing the efficiency of the national budget in order to ensure the necessary financial coverage for the achievement of the service standards according to central/ local reports						
Performance indicator		Level of satisfaction expressed by the interest groups.			2016	First measurements	Increasing trends	
A	Review of the LGUs structures to ensure an integrated approach and of the planning of the social harmonized and social inclusion services.	2015-2018	% of new structures approved in the municipality.	Based on the Law no. 139/2015 On Local Government, new structures on social service have been established in the municipality.	2015	No structure approved	100% of the municipalities with new structures	100%
B	Development of the plan for the de-	2015-2018	National plan for the de-	A plan for the de-institutionalization of the services has been drafted with the assistance of UNICEF for residential centers,	2015	No plan approved	National plan adopted	

	institutionalization of the services from the place to the residence model to community and family based services.		institutionalization of the services is adopted.	pending approval by the government.				
C	Review of the "Economic Aid" system. Piloting of the new "scoring" system of the economic aid.	2015-2016	"Economic aid" system is revised.	The revision of the Economic Aid System and piloting is already carried out. <u>Decision no. 956, dated 7.12.2016 "On setting the criteria and details of the unified scoring formula to benefit Economic Aid"</u> has been adopted. Piloting was completed in June 2017 and its full implementation is foreseen for October 2017.	2015	Proposed legal changes	Adoption of the legal changes	DoCM 956 7.12.2016
Ç	Defining the new role of the LGUs in the administration of the economic aid after piloting the new scoring system.	2016-2018	Legal amendments for the new competencies of the LGUs in administering the economic aid are adopted.	Carried out according to DoCM No. 456/2016 "On setting the criteria and details of the unified scoring formula to benefit economic aid".	2016	Proposed legal changes	Adoption of the legal changes	
D	Development of the fund allocation model for the social services at local and national level.	2017-2020	Model of fund allocation is adopted.	Draft DoCM has been drafted, which is signed by the MoF,-MSWY and MSLA. Guideline No. 5, dated 17.02.2017 "On the use of the conditional fund for the block-economic aid up to 6 percent".	2016	0% of the municipalities using the new model	Adopted in 50% of the LGUS	
Specific objective III.1.3		Elimination of the of the competence overlapping between the deconcentrated structures at local level and local government structures						
Performance indicator		Degree of legislation review			2014	0%	50%	
A	Review of the Law on Prefect with the aim of clarifying the status and role of the prefect in order to avoid overlapping.	2015-2016	Law on prefect is reviewed	Law no. 107/2016 "On the Prefect of the Region ",	2015	Proposed legal changes	Adoption of the legal changes	Law 107/2016
B	Review of the criteria to define the optimum number of staff of the municipal police according to the size of the new LGU, number of population, and list of the new functions/tasks.	2017-2018	New criteria are adopted.	Law No.107/2016 "On the Prefect of the Region", regulates the cooperation relations of the prefect with the state police for issues of public order, cooperation for the civil protection, emergencies, task force, etc.. So, the new criteria are already approved: DoCM no. 419 dated 10.5.2017 determines the number of municipal police officers, namely 1200 people's nationwide, while for Tirana 373. The division by municipalities is defined in the DoCM no. 313 dated 01.07.2002, as amended. Article 12 of the Standard Regulation	2015	Proposed legal changes	Adoption of the legal changes	Adopted

				for the municipal and communal police determines the organic functions in this service, etc.				
C	Review of the functions in the area of civil order and civil protection by adjusting them with the new administrative division.	2015-2016	List of functions in the area of civil order and civil protection is approved.	Regarding this point, pursuant to Law no. 115/2014 "On the administrative-territorial division of local government units in the Republic of Albania", changes have been reflected also in Law no. 108/2014 "On State Police" regarding the construction and operation of state police structures, according to administrative-territorial organization, in local police directorates, police commissariats, police stations, etc.	2015	Proposed legal changes	Adoption of the legal changes	
D	Revision of the enforcement system of the obligations from the administrative offences at local level. Legal review to strengthen the mechanisms for the collection of fines from business entities and individuals for violations and irregularities.	2017-2018	- Analysis is developed and discussed. - Relevant sub-legal acts are revised.	There is no progress	2015	Adoption of the analysis report and matrix	Analysis report and matrix adopted	
Strategic goal IV. Strengthening good governance at local level								
Strategic objective IV.1 Development local government capacities								
Specific objective IV.1		Increasing the institutional capacities of the new municipalities in order to improve the public service delivery;						
Performance indicator		Level of satisfaction expressed by the interest groups.			2016	First measurements	Increasing trends	66 points ⁴⁶
A	Financial support for the implementation of the process of establishment of the structures of HR management in the new municipalities.	2015-2016	% of the municipalities with new HR Unit structures.	They have assisted the MSLA, the AITR and the new structures. In the following they will be assisted in a specific way for the Human Resource Management capacity building.	2015	0 % of the municipalities with new HR Units structures	100 % of the municipalities with new HR	100%
B	Amending the secondary legislation on civil service with the aim of including the final classification of the positions as part of the process of approving the organizational structures under the competence of the mayor.	2017-2018	Sub-legal acts are revised and adopted.	New DoCM on the level of wages is adopted. The rest is under process of revision with DoPA.	2016	Proposed legal changes	Adoption of the legal changes	

⁴⁶ Based on the assessment of the STAR 2 project.

C	Assessment of the specific sectorial and horizontal legislation on inter-country cooperation.	2017-2018	Assessment analysis is prepared.		2016	Adoption of the analysis report	Analysis report adopted	
D	Preparation of the legal amendment in the legislation with the aim of clarifying the roles and their division, respective competencies and procedures regarding inter-country cooperation for the implementation of the functions.	2017-2020	List of revised legal acts.	Partially performed with the adoption of the law 139/2015	2016	Proposed legal changes	Adoption of the legal changes	
Specific objective IV.2		Ensuring an effective HR management system for the local administration						
Performance indicator		Number of HR Units staff registered in the HR Electronic Management			2014	0%	50%	
A	Development of detailed manuals and guidelines with clear rules and procedures, in relation to the transfer/ reallocation of the process and staff;	2015-2016	Manuals and guidelines are adopted.	The process regulated by the DoCM no. 510, dt10.6.2015. MSLA and AITR have issued the practical Guideline for the transfer of the staff after the local elections on 21 June 2015.	2015	No manual or guideline adopted	Manuals and guidelines adopted	
B	Preliminary preparation of standard structures (blue print) for the municipal administration and the model of job descriptions (including also the job requirements) for each typical position necessary at the stage of setting up a new administration of the municipality.	2015-2016	Standard structure (blue print) is prepared and approved.	Carried out by the STAR Project, 61 structures describing the job positions that have been submitted to the municipalities. The CoE project has provided two structure models to be used during the process of amalgamation of the municipalities for the purpose of ATR.	2015	0 %	100 % of the municipalities with the new structures	100%
C	Provision of continuous assistance from the central government for the realisation of the administrative reorganization process.	2015-2018	61 municipalities are trained on the administrative reorganization procedures.	61 municipalities were trained on the administrative reorganization procedures and in 2017-2018 will be assisted again.	2015	0 % of trained municipalities	100 % of the municipalities trained	
Ç	Development of manuals and guidelines on the civil service procedures in	2015-2018	Manuals and guidelines are developed and	Training modules have been prepared on the Law on Civil Servant, recruitment, performance appraisal, drafting the job descriptions, training needs assessment, personnel files. The	2015	No guideline or guideline adopted	Manuals and guidelines adopted	

	relation to recruitment, career development, lateral transfers, job descriptions, performance appraisals, discipline, restructuring personnel files, etc.;		adopted.	training modules and standard forms to be used during the implementation of these processes have been uploaded on the E-PAV system.				
D	Establishment of a structure (help-desk) in DoPA to provide on-line assistance to the LGUs regarding the implementation of the Law on Civil Service.	2015-2016	The structure (help-desk) is established within DoPA.	Starting from June 2014 a help desk was created for legal affairs of the implementation of the CSL for the local administration which provides assistance to LGUs in municipalities.	2015	% of the municipalities which are assisted by the help-desk	% of the municipalities were assisted by the help-desk	
D H	Periodic assessment of the implementation of the Law on Civil Service and respective procedures with the aim of identifying the issues and adopting measures to address the issues	2015-2020	Periodical reports are prepared.	<ul style="list-style-type: none"> - The assessment report on the Law on Civil Service has been drafted immediately after its adoption in 2013. - The first assessment was made at the end of 2016. - The data generated by the E-PAV system will be the main source of data to carry out the assessments. - Through the E-PAV system it will be possible to conduct a periodic assessment of Law on Civil Service implementation in the local administration. 	2015	Adoption of the periodical reports	Periodic reports adopted	
E	Making the Human Resource Management Information System (HRMIS) operational and its implementation by the LGUs.	2015-2020	The report on the % of the LGUs which are registered with the HRMIS.	HRMIS is not yet operational for LGUs. 110 public employees are trained by the Human Resources Departments of the Municipalities (2-day course on the new structure and organizational structure (performed in November 2016-March 2017).	2014	0%	50% of the LGUs implement the system	
F	Linking the HRMIS with the Central Financial Management System (Treasury) with the aim of monitoring the implementation of the CS legislation and of the wage system at local level.	2015-2018	Report on the % of LGUs which have linked the HRMIS system with the treasury system.	The E-PAV system is built on the same legal framework and principles as HRMIS. The CoE project in collaboration with DoPA is considering the possibility of transferring the data on employees from E-PAV to HRMIS.	2014	0%	50% of the LGUs connected in the central system	

A	Considering the possibility to increase the autonomy of the local elected people in defining the additional wage levels, through the replacement of static criteria of the limit wage ceilings with the performance indicator -base dynamic wage system (e.g personnel spending as a ratio of the revenue realized by the LGU).	2015-2016	Assessment report is developed and discussed with the LGUs.	The new DoCM no.165, dated 2.3.2016 “On the Wages at Local Level”.	2015	Adoption of the report	Raport i miratuar	
B	Planning and preparation of the full implementation of the civil service legislation in relation to the performance appraisal and classification of the job positions in relation to the wage system at local government.	2017-2018	<ul style="list-style-type: none"> - Performance appraisals are realized for all LGUs. - Classification of the job positions in connection with the wage system is completed. 	<p>In June 2016, the CoE project provided training on the performance appraisal for HR Units of the LGUs, in preparation of this process for the 6-month appraisal for 2016. Through the E-pAV system it will be possible to provide data on the number of employees appraised at the end of June and their results.</p>	2015	No municipality has realized the new appraisal and classification system	The new appraisal and classification system is completed	
C	Preparation of the manuals and guidelines on performance appraisal and system of classification of job positions dedicated for LGUs.	2017-2018	Manuals and guidelines are developed.		2015	No municipality has implemented the new classifications	50% of the LGUs have adopted the new classifications	
Ç	Providing specific training to the HR and officials involved in the performance appraisal and job classification system.	2017-2018	No. of officials of HR trained on the performance appraisal and job classification system.	The first training was provided in June 2016, while in November 2016 an advanced training on the performance appraisal and training needs assessment were carried out, in order to enable the performance appraisal by the end of 2016.	2015	0% of trained officials	100% of the officials trained	
D	Evaluation of the possibility to implement the wage system based on the steps of wage increase.	2017-2018	Assessment report is developed and discussed with	DoCM on the wages is adopted.	2015	Adoption of the report	Report adopted	

			the LGUs.					
Specific objective IV.3		Establishment of a suitable training system for the local public administration;						
Performance indicator		% of the LGU staff trained by ASPA			2014	5%	35%	3272 (people in total 2 years)
Performance indicator		Number of training courses realized by ASPA			2014	50	150	157
A	Development of the National Training Plan for the LGUs.	2015-2016	National training plan is developed.	In 2016, with the support of dldp, 2 1- year continuous training programs for 2016 were approved in the areas of: 1) urban waste management and 2) Public Finance Management, while in 2017, the training curriculum quality assessment also passed on the administrative services delivery between.	2015	Adoption of the national plan	National Plan adopted	
B	Setup and initial training of the HR Units in every new municipal administration, as units that will prepare and realize the transition process;	2015-2018	No. of trained HR Units personnel.	Three special trainings of all representatives of HR Units in the 61 new municipalities (a total of 194 people) were conducted by the CoE project, respectively on issues related to the merging of the local units, recruitment and performance appraisal. The training of the HR Units was conducted on the performance appraisal issues related to the TNA.	2015	No employee trained	100%	
C	Preparation and adoption of the legal acts regarding training of the staff which results to be redundant, during the transition period.	2015-2016	Adopted sub-legal acts.	DoCM No. 510, dt.10.6.2015 (realized)	2015	Change of the sub-legal acts	Sub-legal acts adopted	
Ç	Setup of the HR Units and their capacity building through intensive training and support from DoPA.	2015-2016	61 HR Units structures are established and 100% of the staff is trained.	Three special trainings were conducted for all representatives of the LGUs in the 61 new municipalities (a total of 194 persons) respectively for issues of the merging of the local units, recruitment and performance appraisal.	2015	No new municipality has a HR Unit	In 61 municipalities HR Units are established and 100% of their staff is trained	100%
D	Setup/creation of a national team of trainers and network of HR Units managers able to replicate and deliver special training programs and modules in implementation of the CS legislation.	2015-2016	The team of trainers and network of 30 managers of the HRMU is established.	A group of certified trainers was created. Representatives of the HR Units of the LGUs, capable to provide trainings on HR issues for their colleagues, were identified.	2015	Set up of the team of trainers and managers	Team of trainers and managers is functional	
D H	Preparation of an ad-hoc plan to deal with the implications of the TAR reform and decentralization in terms of training needs.	2015-2016	Ad-hoc plan is developed and adopted.	Training needs assessment was carried out. Development of a a training plan is in process of development.	2015	Adoption of the plan	Plan adopted	

D H	Realizing a centralized training needs assessment for the transitory phase of the new municipalities.	2015-2016	- Training needs assessment for the transitory phase is realized.	TNA is performed with the support of CoE.	2015	Adoption of the assessment report	Assessment report adopted	
E	Planning and delivering an entry training for all the civil servants that have moved (for the new municipalities) and have not passed through the training provided by Albanian School of Public Administration;	2015-2017	No of new employees trained.	In 2015, a total of 755 civil servants were trained by ASPA, and 395 in 2016. In 2015 The number of training courses was 29 and, 13 for 2016 (Jan-Sep). Until July 2017, a total of 409 civil servants of the LGUs in probation period were trained. The entry program is 5 days, and a total of 14 training courses have been conducted / 30 hours of training per course. At the end of the training, a final test was performed. A total of 409 civil servants were certified at the end of the final test.	2015	150 employees	300 new civil servants	755 – 2015 395 -2016 409 certified
F	Conducting a wide training campaign to support the performance of the new functions transferred to the LGUs.	2015-2018	No. of civil servants trained.	A training has started from projects supporting some municipalities.	2015	300	1000 civil servants trained	
G	Development and implementation of a sustainable methodology for the training needs assessment dedicated to LGUs.	2017-2018	New TNA methodology for the LGUs.	The TNA methodology is based on the competency-based assessment for each function, and is related to the performance appraisal. This process includes the employee and direct supervisor, the heads of LGUs, MILA, and central institutions related to local government.	2015	Adoption of the assessment report	Assessment report adopted	
D H	Organization by ASPA of the compulsory training for all new people recruited in the local administration.	2017-2020	No. of new employees trained.	409 local civil servants at probation period, have followed the compulsory training (March -July 2017)	2015	150 employees	500 new civil servants	409 Employees
E	Preparation of the training module and organization of the specific compulsory trainings, by ASPA, for the top management civil servants.	2017-2020	Training module developed. 100% of civil servants trained.		2016	0% of the trained top management level employees	50% of the top level officials attend the compulsory trainings	
F	Defining the cost for providing the compulsory trainings and ensuring the respective budget as part of the funds from the unconditional transfer.	2017-2018	DoCM on the training cost is adopted.	There is no noticeable progress. Up to this period, the training cost was covered by ASPA (approved budget of the institution), based on the annual training plan, with support of the donors too. The municipalities did not contribute to the co-financing of training costs.	2015	Adoption of the sub-legal act	Sub-legal act adopted	
G	Development of the training	2017-	Number of	ASPA has established the Module (1) "Introduction to the Local	2015	5% of	At least 50%	

	program by ASPA in line with the identified needs.	2020	training programs realized.	<p>Administration". (2) "Integrated Planning System in LGUs". A total of four (3- day) training courses were conducted on the two modules, in several regions. 56 employees from the policy and strategic planning departments were trained. Trainings continue (with the support of SDC/DLDP), for 88 municipal staff who are attending the one-year "public finance management" program and 66 employees participating in the 1-year "urban waste management" training program. Meanwhile, 68 civil servants from the service delivery and public relations departments have completed the training on "Service Delivery in the Local Administration".</p> <p>With the support of UNDP and in coordination with ASPA, trainings have been carried out for local and central government officials on "A different behavioral model to increase access to public services of Roma and Egyptians" in the period from March to June 2017, including coaching. The trainings were conducted in Tirana, Durrës, Shkodër, Berat. About 100 employees were trained.</p>		employee	of the staff trained	
GJ	Establishment of a binding system (procedural and institutional) to ensure the coordination and certification of the training activities provided by donors through ASPA.	2017-2018	Adoption of changes to the legislation.	With the support of SDC / DLDP, ASPA has applied the score-based certification system for the municipal employees, who are attending the 1-year public finance management program, and 50 municipal employees who are attending the one-year urban waste management training program.	2015	Adoption of changes to the legislation	Changes to the legislation adopted	
H	Creation of the electronic archive and e-library of the training materials for the local government.	2017-2020	% of the materials displayed in the electronic archive and e-library.	In 2017, the "e-Library" platform was finalized, accessible on the ASPA website. There are currently 320 registered users (the process continues). Work continues to consolidate the digital platform and also work is underway to determine other materials that will undergo the evaluation process (planned for September - December 2017).	2015	0% of the materials displayed at the electronic archive and e-library	50% of the training materials submitted	
I	Putting in place the quality system for the curricula and trainers.	2017-2018	Quality system for the curricula and trainers is adopted.	ASPA, in addition to its own curricula, has collected training curricula from various providers on the market and so far, a total of 70 different curricula / materials have been subjected to the Quality Assurance System (QAS). The concept of supporting materials which can be used for study purposes has been introduced.	2015	There is not quality system	50% of the curricula e meet the quality criteria	

Specific objective IV.4		Guaranteeing an open/transparent governance, enhancement of transparency, accountability and greater expansion of the e-governance at local level						
Performance indicator		Index of local services provided online (%)			2014	0%	30%	95.5% om 11 municipalities with OSSH
Performance indicator		Index of decisions of Municipal Councils published on line %			2016	16.2%	Tendence rritje	26%
A	Development of an evaluation and review of the specific legislation related to the special administrative proceeding under the jurisdiction of the LGUs with the view of ensuring their compatibility with the new Code of Administrative Procedures.	2015-2018	- Assessment analysis is prepared.	Under process with EU twinning project with DoPA	2015	Adoption of the assessment report	Assessment report adopted	
B	Review of the internal procedures of the LGUs for their compatibility under the reorganization with the new Code of Administrative Procedures.	2017-2018	Internal procedures revised in 61 LGUs.	STAR 2 has planned to build municipal capacities for reviewing internal procedures in accordance with the new Administrative Procedure Code, an activity which will start from January 2018.	2015	N/A	Internal procedures revised in 40 LGUs	
C	Preparation of the manual for the implementation of the new Code of Administrative Procedures at local government.	2017-2018	Manual is developed.	STAR 2 will assist in the design and/ or improvement of the Standard Operational Procedures / Internal Regulations of the municipalities in the framework of strengthening municipal capacities for the implementation of the Administrative Procedure Code.	2015	Adoption of the manual	Manual adopted	
Ç	Intensive training on the implementation of the Code of Administrative Procedures for the LGUs staff,	2015-2018	No. of trained civil servants of 61 municipalities.	It is foreseen to be carried out by STAR 2 during 2018.	2015	0%	30% employees trained	
A	Evaluation and review of the legal provisions governing the procedures which affect business at local level.	2015-2018	Legal acts revised.		2015	Adoption of changes to the legislation	Changes to legislation adopted	
B	Strengthening the cooperation between the LGUs and trade unions.	2015-2018	No. of signed cooperation agreements.	There are no data	2015	0	12	
A	Considering possibilities for using the information	2017-2018	Analysis of the final	An assessment of the legal framework and transparency and accountability implementation situation in the local government	2017	Preliminary quality		

	technology in local public services;		assessment.	was carried out, which is based on the analysis of the legal framework and self-assessment of 61 municipalities and 12 District Councils regarding the insurance of transparency in decision-making and accountability in the local government process. The assessment of the used tools, including ICT tools, is part of the assessment. This assessment aims to create a map of the current situation and of the involved actors and the needs presented by LGUs in order to build assistance based on their needs. Currently, 59 municipalities and 10 councils have submitted questionnaires.		assessment		
B	Creation of the electronic database for the legal and sub-legal acts which affect the local government.	2015-2016	Electronic database established.	There is no progress.	2015	Preliminary assessment	No. of legal acts is added every year	
C	Program of enabling an effective access of the citizens in the local decision-making and local normative acts through the proactive publication and use of ICT.	2015-2018	Number of decisions published. Decisions adopted in total.	Decisions of the Municipal Councils for 16 municipalities have been published on the online platform VENDIME.AL, which represents the archives of the sub-legal acts of the local government.	2015	30%	50% progressive	26% of the municipalities
Ç	Setup of internet webpages in 12 regions and 61 municipalities.	2015-2018	Creation of the webpages in 12 regions and 61 municipalities.	44 municipalities that have their official website (website). In 42 municipalities, (or 68.8%), the information coordinator has been assigned.	2015	30%	70% of the regions and municipalities have website	72% of the municipalities
D	Implementation of the pilot ICT project in the selected areas (for example local taxes, etc..)	2017-2020	No. of municipalities which implement pilot projects.	<p>DLDP has supported pilot projects on "SMART TRANSPARENCY" in the municipalities of Shkodra and Durrës, which allow the public to get informed on the funding of the projects from the Municipal Budget, as well as helps the citizens in calculating the local property taxes. Access is also possible through Smartphone apps.</p> <p>The Municipal Finance Data Portal funded by OSFA which provides support both for Civil Society Organizations and any interest group interested to access, understand, monitor and analyzed the financial performance data at local level in Albania.</p> <p>Innovative practices to obtain citizens' opinion are being implemented through dedicated spaces entitled "Improve My City" on the official websites of several municipalities http://vore.permiresoqytetin.al/index1.php https://play.google.com/store/apps/details?id=com.permireso.Ci</p>	2015	15 municipalities	25 municipalities	

				ty, and applications like "My Tirana" where citizens can share data and suggestions for improving local government.				
D H	Establishment of unique service windows, in the "administrative units" to deal with all the procedures and formalities under the municipal competency.	2015-2018	Unique service windows established in 323 administrative units.	"one stop shops" have been created in 11 municipalities. Through OSSH supported by ddp unique service windows were create for the administrative services in 18 AUs (except for center municipalities) which provide digitalized services. The PLGP OSSH project provides the provision of administrative services to 26 LGUs	2015	3 administrative units	80% of the administrative units	
E	Assessment of the possibilities and readiness of the LGUs to use the focal offices of the municipalities as "joint focal points" for the delivery of services both as local and central level: the procedures/formalities under the jurisdiction of the LGUs and central government;	2017-2020	Assessment report.		2015	Adoption of the assessment report		
Ë	Development and implementation of an integrated electronic information management system to serve for all functions and to ensure access of LGUs to the national information systems.	2017-2020	Integrated information management electronic system established in 61 LGUs.		2015	No LGU uses the integrated system	10 % of the LGUs use the integrated system	
F	Creation of the official local electronic newspaper for the publication of the normative acts and of the policy, process of consultation and publication of the normative decision of the LGUs.	2017-2020	No. of municipalities which have created electronic newspapers.	Publication of the decisions of the municipal council decisions is done only by 14 municipalities (or 22.95%).	2015	No municipality has an newspaper of the normative acts	30% of the municipalities have electronic newspaper of the normative acts	22.9%

Strategic objective IV.2		European integration and local government						
Specific objective IV.2.1		Strengthening the role of the local government in the European integration process						
Performance indicator		Increasing number of the applications for projects funded by the EU			2016	First measurements	30%	
Performance indicator		Amount of information provided by the EU focal points			2016	First measurements	Increasing trends	
A	Strengthening of the capacities of the LGUS in the framework of the projects financed by the EU funds.	2015-2020	300 employees trained on EU projects.	In trainings in relation to European integration and IPA fund management also representatives from the European Integration focal points in major municipalities have participated. These programs were attended by 56 local government officials in the regions (March-July 2017).	2015	NA	At least 50 persons trained per year	168 persons 2017
B	Establishment and training of the focal points for the European integration in the 30 largest municipalities.	2017-2020	Focal points established and operational in the 30 largest municipalities.	Within October 2017, in all municipalities local coordinators for European integration matters were established. Three trainings were conducted under EU Info Centre project.	2015	NA	In 20 municipalities focal contact points are established and operational	61 municipalities 3 trainings
C	Strengthening the cooperation between the LGUs in the framework of regional and cross-border cooperation.	2015-2018	Number of joint initiatives /projects undertaken.		2015	NA	Increasing trend of the number of projects realized by the LGUs	
Ç	Information campaign on the EU integration process at local level (regional and local).	2015-2018	At least one information campaign per year in the 30 largest municipalities.	In July 2016, DLDP in cooperation with MEI held an information session with 12 partner municipalities (participation of the staff of - finance, planning, IT sector, services, female members of municipal councils) on the framework of the IPA II IPA CBC projects. Under the EUIN project, the European Delegation has conducted 3 information sessions for the Local Coordinators. (2017).	2015	NA	In 20 largest municipalities 1 information campaign per year	
D	Supporting the LGUs for cooperation in the framework of the Adriatic-Ionian Euro-region.	2016-2018	At least 5 joint initiatives are implemented.	Adriatic – Ionian 2 municipalities included out of 22 approved projects. MED program -3 municipalities included in 24 approved projects. IPA CBC GR-AL Program -13 municipalities involved from 46 approved projects. Balkan MED -5 municipalities involved against 30 approved projects	2015	NA	Increasing trend of the implemented projects %	

