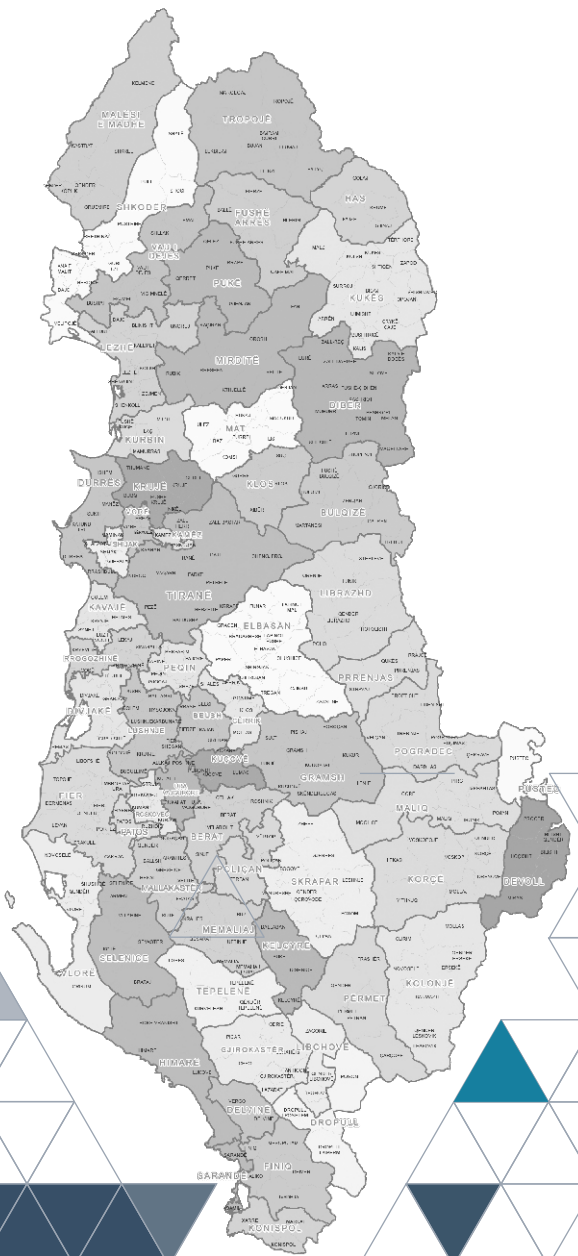




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CROSSCUTTING STRATEGY ON DECENTRALIZATION
AND LOCAL GOVERNANCE

Monitoring Report July 2015 – August 2016

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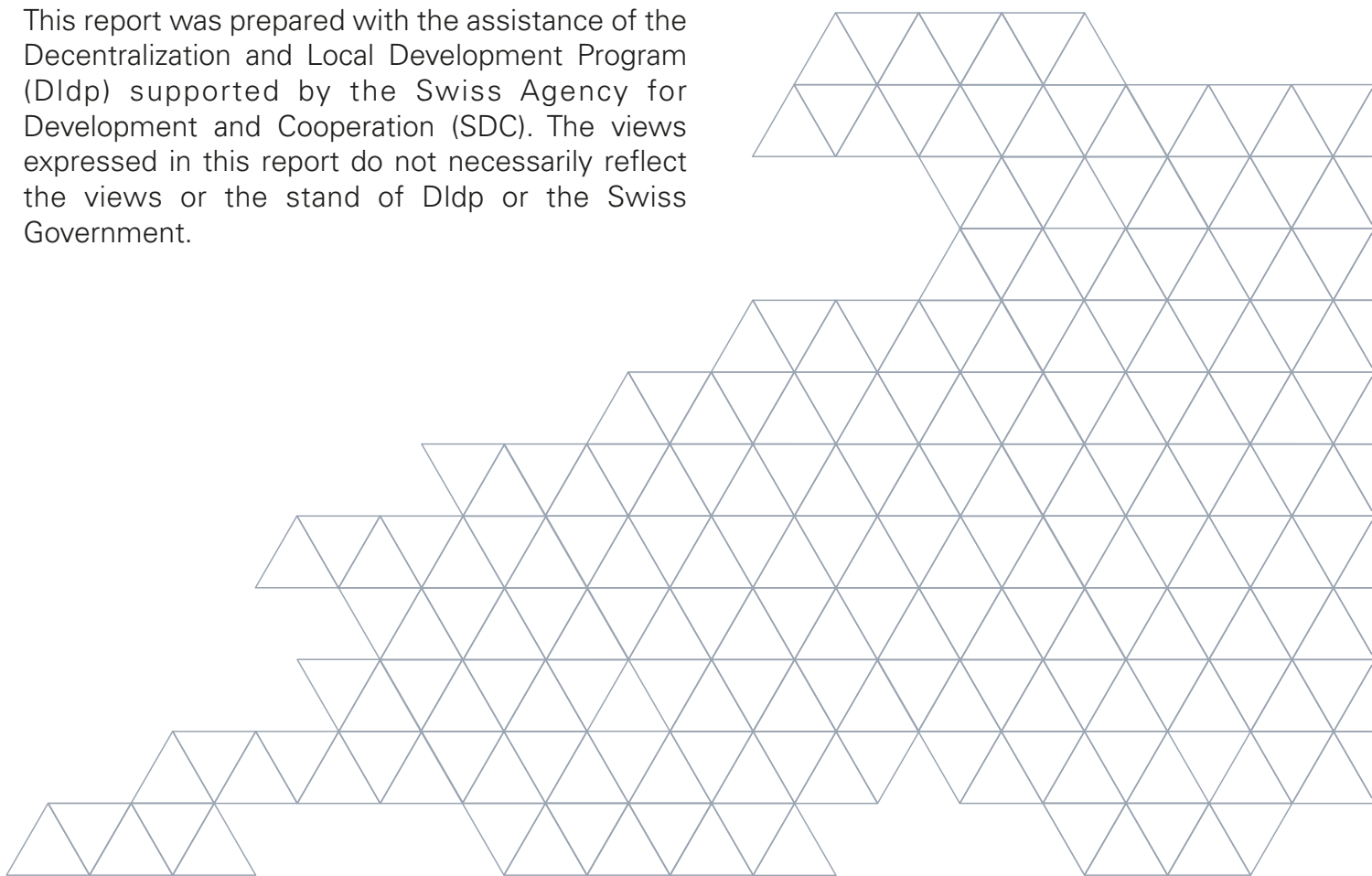


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ABBREVIATIONS

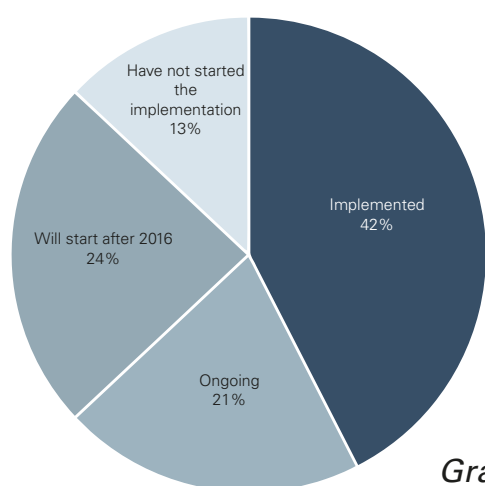
ATRI	Agency of the Territorial Reform Implementation
EU	European Union
DoPA	Department of Public Administration
DLDP	Decentralization and Local Development Programme
E-PAV	The Electronic Platform of Local Administration
RDF	Regional Development Fund
CoE	Council of Europe
ICT	Information Communication Technology
TFIS	Treasury Financial Information System
IT	Information Technology
IOSSH	Integrated One Stop Shop
AU	Administrative Unit
LGU	Local Government Unit
MUD	Ministry of Urban Development
HRM	Human Resources Management
MSIPA	Ministry of State for Innovation and Public Administration
MSLI	Minister of State on Local Issues
MBP	Midterm Budgeting Program
PLGP	Local Governance Project/USAID
GLP	General Local Programs
CG	Central Governance
DCM	Decision of Council of Ministers
TNA	Training Needs Assessment
ATR	Administrative Territorial Reform
SECO	State Secretariats on Economic Issues (Switzerland)
STAR	“Support to Territorial Administrative Reform” Project
ASPA	Albanian School of Public Administration
NCSDLG	National Crosscutting Strategy on Decentralization and Local Governance

1. Executive Summary



The National Crosscutting Strategy on Decentralization and Local Governance (NCSDLG) 2015-2020¹, was adopted in July 2015, and it has started its first implementation year. The strategy came at a time when the deepening of the decentralization and consolidation of the Territorial Administrative Reform can be made possible. This monitoring report presents the implementation progress of the action plan and the strategy, which defined concrete activities that should be carried out in the next 5 years, from the adoption of the strategy document. The report does not include the reporting of the indicators achievement of performance monitoring, the measuring of which shall be done in 2017, which coincides with the midterm monitoring of strategy results and achievement of midterm goals.

The ongoing implementation of the planned activities in the strategy is satisfactory. Currently, about 61 % of the activities have started, out of 69 % of the planned ones started in the first year of the strategy implementation. The rate of the activities carried out during the first year is 42 %.



Number of Activities	
Implemented	62
Ongoing	30
Have not started the implementation	35
Will start after 2016	19

Graph 1: Implementation scale of the Action Plan on %

Out of 4 strategic goals, or strategic policy areas of the strategy, the best progress during the first year is achieved in the activities that will contribute to the implementation of the first goal, which is connected to the efficiency enhancement of the local governance structures. This is the strategy area, which has the biggest number of implemented activities during the first year, 17 activities or 59 % have already been implemented. A slower progress can be noticed in the implementation of activities related to the strategic goal of local finances strengthening and enhancement of local autonomy, where only 7 out of 26 planned activities were implemented, or 27 %.

Main results achieved during the first year of the Strategy implementation are in the area of institutional development. During this year, some very important activities were carried out. These activities have been defined as expected achievement in the first phase of the strategy implementation:

1. The strategy was developed with the support of PLGP, funded by USAID



- ▲ New Law on Local Governance Organization and Functioning;
- ▲ New Law on Prefect
- ▲ Legal changes in the Fire Service Law,
- ▲ Law on Forests and Pasture and sublegal acts on forests transfer,
- ▲ Sublegal acts on water utilities transfer
- ▲ The one-year finance training programme for the certification of civil servants in local government units (in public finance management and waste management) was developed and it is being implemented.
- ▲ The administrative borders of the new 61 Municipalities have been set;
- ▲ The institutional support for the post-reform transition was ensured for new local government units;
- ▲ The new organigram model for the municipalities was developed;
- ▲ The Agency for the Territorial Reform Implementation was raised and set to function; this Agency is successfully assisting the new municipalities;
- ▲ A new formula on unconditional grant division was developed;
- ▲ 6 new functions were transferred from the central government to the local one;
- ▲ Social Housing Strategy was adopted;
- ▲ Participation of women in local councils was increased to 12.3 % in 2011 local elections, 34.8 in 2015 elections. Whereas the % of women leading municipalities was increased from 1 % to 15% in the 2015 local elections.


The planned indicators of the revenues and the expenses of the local government were significantly increased in 2016. The specific weight of the planned revenues for the local government towards the GDP came to 1.1 %, increasing with 0.3 per cent in 2016 budget compared to 2013 and with 0.2 per cent compared to 2015. The local governance expenses were planned at 3 % of GDP, with an increase of 0.4 per cent in 2016 compared to 2015 and 1 % more, compared to the expenses level on the LG in 2013.

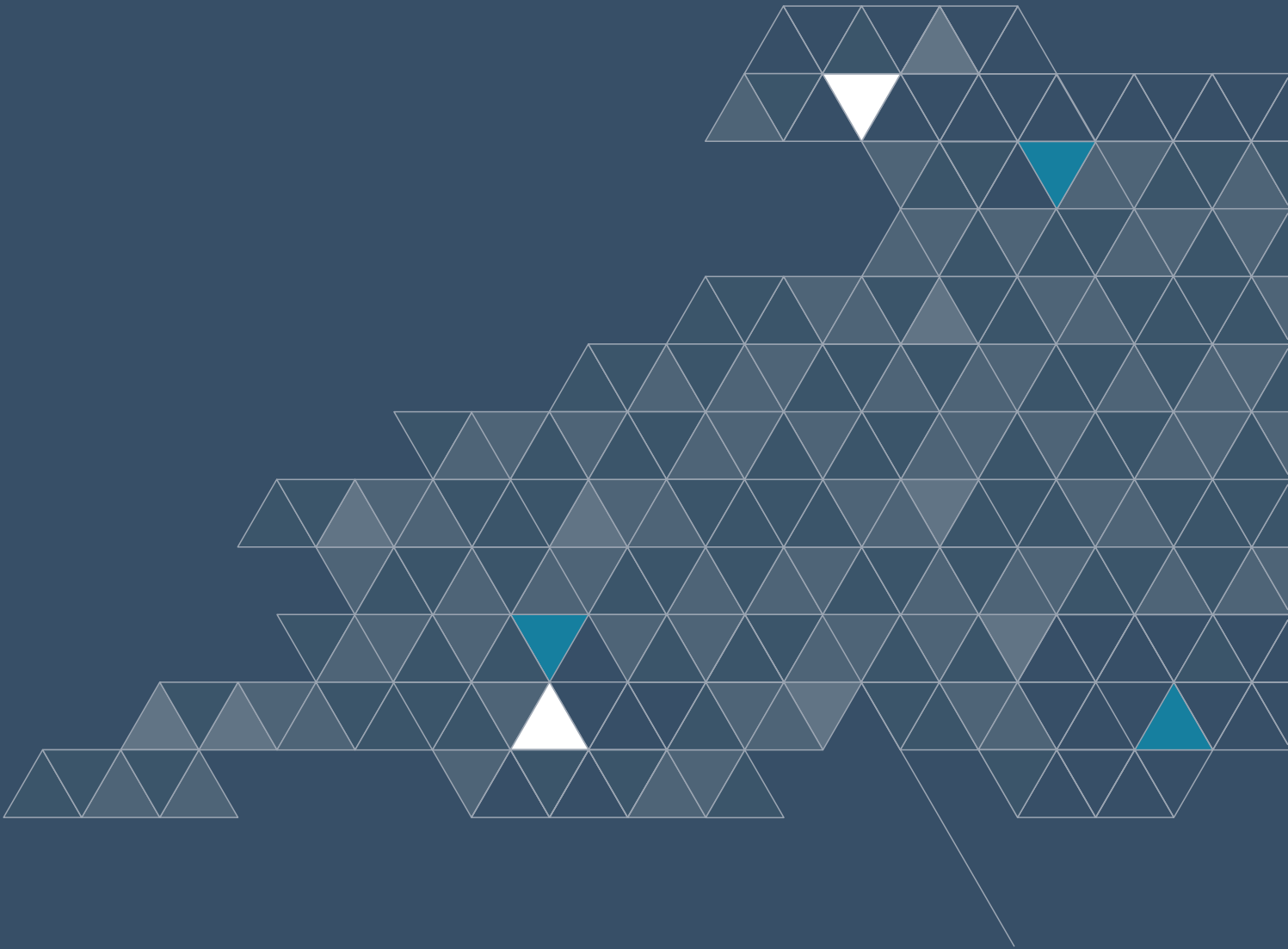
A range of activities, related to the implementation of LGU functions, are being carried out and they are expected to be finalized during 2016. **Functional review is being carried out on the water and sanitation sector; legislation is being drafted in social services and social care; the social housing law.**

There is no visible progress related to the **property tax and on raising the fiscal cadastre.**

Further successful implementation of the Strategy brings forth some important challenges which should be carefully addressed in the future:

- ▲ *More efficient local finances management: building of technical and human capacities of local administration on human resource planning and prioritizing of the mid-term budget (MTB), providing transparent and effective financial management and administration of local revenues.*
- ▲ *Solving the inherited debts problem by taking mid-term measures and developing debt management plans in the future.*
- ▲ *Effective implementation of the Civil Service Law: Creating a depoliticized, impartial local administration, which is professionally capable of ensuring good local governance and effective and qualitative provision of public services for the citizens.*
- ▲ *Further development of technical and human capacities for the new organizational units created at municipal level on the implementation of functions transferred to them.*

- 
- ▲ *Development of technical skills of local workers for the design of new projects that will enable funding from the Central Government and donor funds and in particular the IPA CBC programs.*
 - ▲ *Improving the quality and infrastructure:* based on the national minimum standards that should be developed for all the services and that should obligatory to be respected by all the municipalities.
 - ▲ *Coherent implementation of the decentralized function for the preschool education institutions and pre-university education:* Coordination between MoF and MES related to a better planning of human resources and necessary funds.
 - ▲ *Development and functioning of monitoring mechanisms from community structures on the role of municipal councils on planning funds (municipal budget), setting investment priorities to ensure a balanced development of the administrative units and transparency in local results-oriented budget execution.*
 - ▲ *Increased cooperation between municipalities and the business community:* the undertaking of joint projects funded through public-private partnership initiatives.
 - ▲ *Increase of transparency and public information:* Application of the provisions of “The right for information” law no. 119/2014 by the Municipalities
 - ▲ *Finalization of the General Local Plans* – ongoing support to the remaining plans within 2017.
 - ▲ *Consolidation of the training system and its funding* = creation of a consolidated training system for the local administration and local councilors and finding funding sources through implementation of sustainable funding schemes for the training program
 - ▲ *Consultative Council:* Creation and full functioning of the Consultative Council as a main instrument on institutional coordination and monitoring of the implementation of the decentralization reforms of the strategy.



2. Introduction

The Government's vision presented in the Crosscutting National Strategy on Decentralization and Local Governance 2015-2020 is: *"Strengthening of local governance and decentralization process with the goal of ensuring a higher efficiency of local government and increase of local and functional autonomy."* This vision follows the principles and the standards defined in the European Charter of Local Governance and the principles of the European Administrative Space on local governance.

To achieve this vision during 2015-2020, the strategy has defined the main priorities of the Government, which are:

- (i) Finalization of the administrative-territorial reform;**
- (ii) improvement of the decentralization process of public financing;**
- (iii) quality enhancement and improvement of public services provided by the local government, based on European standards, responding to the citizens' rights and needs;**
- (iv) enhancement of transparency and responsibility of the local government;**
- (v) participation enhancement, in particular of women and the adequate protection of their interests and other stakeholders in the decision-making process of local governance.**

The main strategic goals of the future reform of decentralization and local governance, as well the policy priorities are as follows. Each strategic goal will be achieved through the fulfilment of strategic objectives and specific objectives, as presented in the scheme of below for a six year period, divided into three phases:



First phase: short term (2015-2016): includes some actions and immediate measures, which are possible to be achieved in a short term. The main reform focus in this phase is again on the review of the existing legal framework, especially the Law of the Organization and Local Governance Functioning, as well as the adoption of the Local Finance Law. This phase includes 16 key priority actions of a legislative nature and the institutional aspect².

Second phase – midterm (2017 until 2018)

Important issues will be treated in this phase. These issues are related to the implementation of the new territorial and administrative reform and the consolidation of the new local units and the consolidation of the local governance.³

Third phase – long-term 2019-2020)

The policies and actions in this phase will be oriented by the implementation of the legal framework in the previous phases and the midterm review that will be done to the strategy. In this phase, the actions will enable the realization and the verification of the final goal of the strategy on efficiency increase at local level and the strengthening of local governance.

Considering the territorial reform as one of the main priorities of this strategy, the planned measures in the strategy in these 6 years foresee a process of the beginning of its implementation in the first years, going towards the full consolidation process in the last years of its implementation.



The Action Plan 2015-2020 includes a total of 146 activities, which will contribute to the achievement of the 7 strategic objectives, grouped according to the 4 strategic goals.

2. These main measures are:

* Adoption of a range of laws such as: New Law on Self-Governance and Functioning of Local Governance; New Law on Local Governance Finances; New Formula on division of unconditional grants; Review of law on the prefect; Review of legislation in social services and social care; Review of law on social housing; Review of legislation on property tax and creation of the fiscal cadastre; Review of law on firefighter service; * Measures of institutional development; A new organigram model of municipalities; Mid-term National Plan on LGU training; Training program for local government units; Creation and functioning of the Agency of the Territorial Reform Implementation; Functional Review of water utilities sector; Capacity building on the application of the projects funded by EU; Institutional and infrastructure support for the transition support after the territorial reform; Support to local capacities in local economic development.

3 The main planned measures for this phase are: Functionalize the unique service offices (one stop shop) in all the administrative units; Support to the tax administration at local level; Support related to the functioning of the municipality councils; Harmonization of regional and local development policies; The program on minimum standards for public services at local level; Monitoring of local governance based on public service performance; Local plans on forest and pasture management; Training program on local government units; Transfer of powers on the protection against fire service; Consolidation of water and irrigation functioning; Consolidation of maintenance of urban and rural roads; Public Transport.

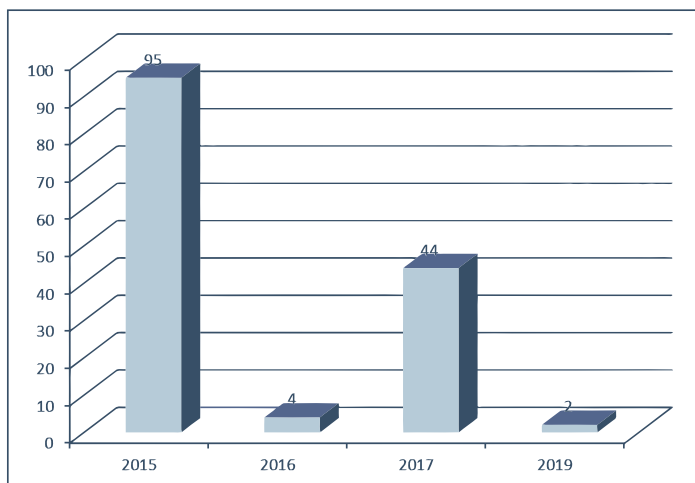
3. OVERALL ASSESSMENT ON THE IMPLEMENTATION OF THE STRATEGY



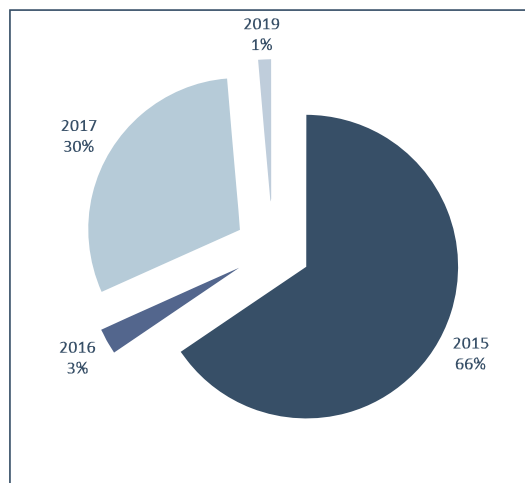
The National Crosscutting Strategy on Decentralization and Local Governance (NCSDLG) 2015-2020 is accompanied by an action plan, which includes well defined activities and respective performance indicators. The action plan includes 146 activities related to the achievement of about 260 output indicators that measure their achievement.

The activity distribution according to their initiation time, in accordance with the three phases of strategy, is presented as follows:

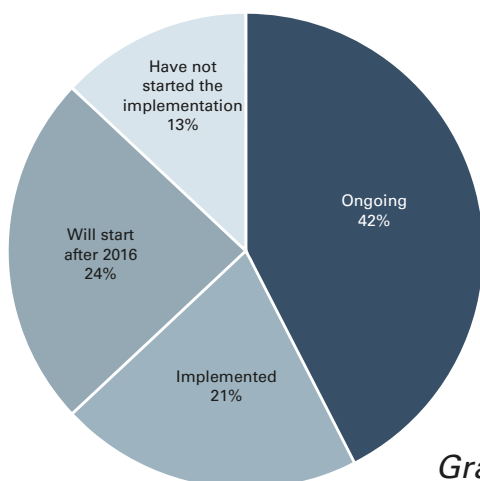
Graph 2: Number of activities according to the initial year of implementation



Graph 3: Specific weight in years



As presented in the graph no. 3, about 69 % of the activities were planned to start in the first year of the strategy implementation (95 or 66 % of activities were planned to start in 2015 and 4 or 3 % in 2016). Currently, the activities have started to be implemented well, taking into consideration the action plan.



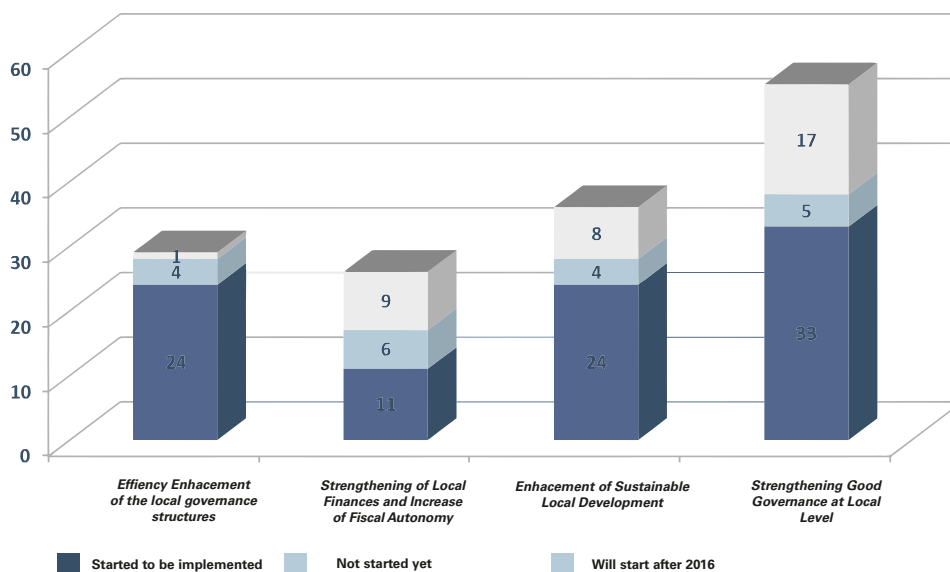
Number of Activities	
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Graph 4: Implementation scale of the Action Plan In %

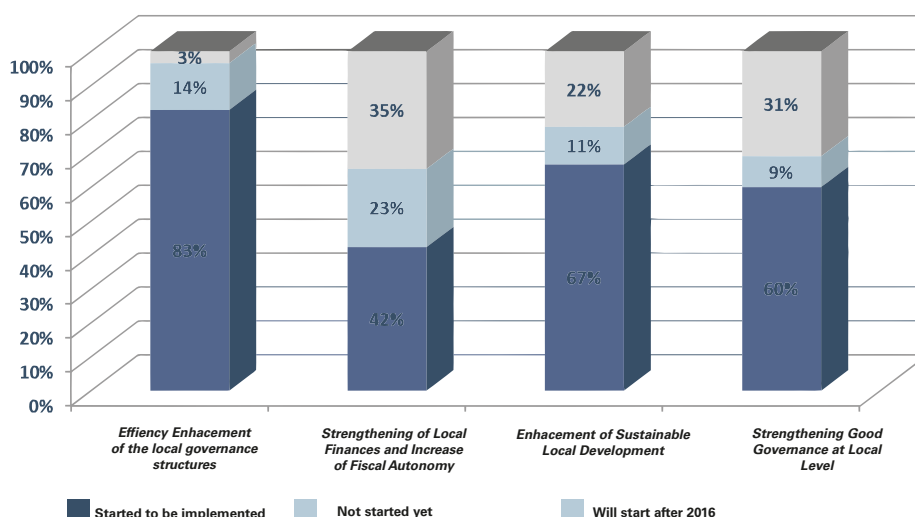
92 activities or 63 % of the total activities of the action plan have started to be implemented in the first year of the strategy implementation, of which 62 activities or 42 % of the total activities were implemented. 35 activities or 24 % of the total will start after 2016, whereas 19 activities, which should have started during 2015-2016, have not yet started. It should be noted that the same number of activities planned to start after 2016, have already started to be implemented.

At a priority level, a better progress is noticed in the fourth pillar, which is related to the strengthening of good governance, which has the highest number of activities that have started to be implemented in the first year, whereas the second pillar is at a lower level, (second strategic goal) which is related to the local finances reforms.

Graph 5: Activity implementation status – in number of activities



Graph 6: Implementation status according to priorities in %



As seen in tables 5 and 6 above, the best progress is done on the first priority; the number of implemented activities is 24 or equal to 83 % of the activities, followed by the third priority with 19 implemented activities or 53 % of the total. A slower progress can be noticed in the second priority, which no matter that it has a lower number of planned activities; it is still at a low implementation level, only 11 activities or 42 % of the total.

4. THE ONGOING STRATEGY IMPLEMENTATION AS PER EACH STRATEGIC GOAL

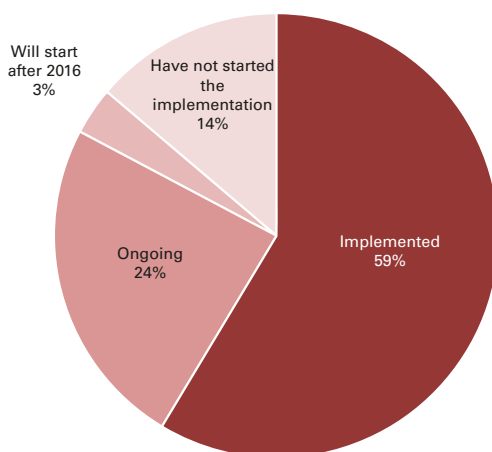
A more detailed activity analysis is presented below, on each of the strategic goals or pillars of the Strategy.

4.1 The progress achieved related to the Efficiency Enhancement of the local governance structures

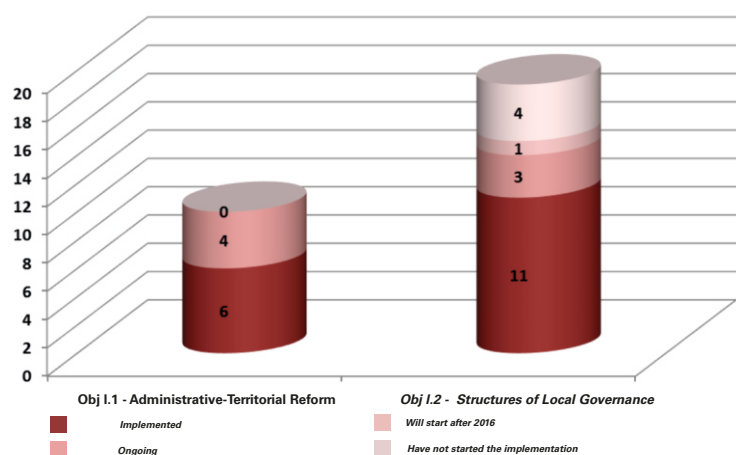
In the framework of this strategic goal, the action plan provides for 29 activities to be carried out, which will contribute to the achievement of the strategic objectives of: *the territorial administrative reform, the Local Governance structures and decentralized structures.*

The overview of the implemented activities within this priority is presented as follows:

Graph 7: Status of implemented activities in total (in %)



Graph 8: Status of Implemented Activities on each strategic objective (in number)



As noticed from the graphs above, the greatest part of the planned activities in the framework of this strategic goal, 17 activities against 29 in total or 59 % have been already implemented. Only four activities, which were foreseen to start during 2015-2016, have not yet started. These activities are related to the second objective of the institutional support on new municipalities.

Strategic objective: Territorial-administrative reform

Administrative and financial consolidation

After the adoption of the new administrative map, the process for the administrative consolidation of the previous units and creation of the new unit started. With the goal of carrying out this process, based on the Decision of the Council of Ministers (DCM) No. 5101 dated 10 June 2015 "On the adoption of procedures on transfer of rights, obligations, personnel, tangible and intangible actives, archives and any other official documentation in the local government units, affected by the administrative-territorial re-organization⁴ with the assistance of the STAR project, 373 LGU financial reports were prepared, consolidating these reports in 61 new municipalities. The financial reports are made available to the new municipalities, and they have also been discussed with the World Bank and the International Monetary Fund. The municipalities should undertake measures to address the respective recommendations.

The new municipalities hold full responsibility on management of human resources, the capital and the finances within their territories. The problems they should address are the solution to the arrears, which are financially transferred to the new administrations. The solution of the debt issue should be done through mid-term measures and the development of debt management plans for the future.

The next step related to the administrative consolidation is the geographic setting of the administrative boundaries of the 61 municipalities. Currently, the draft DCM of boundary setting has been developed; it is expected to be soon adopted by the Council of Ministers. In this context, 120 specialists from 61 LGU-s were trained on the GIS system use for their respective municipalities⁵

An important achievement in the framework of the Strategic Objective "The administrative territorial Reform⁶" is the full functioning of the Agency for the Implementation of the Territorial Reform (AITR)⁷. The AITR has as its mission the support to ensure the sustainability of the public services and functions at local level, in the framework of the implementation of the administrative-territorial reform and the administrative support to the achievement of the full functionality of the 61 new municipalities. Currently, the AITR personnel is composed of 14 people. During its first year of functioning, AITR has carried out various activities in all the country related to new functions (irrigation, firefighters, forests and pasture, education etc.), where about 800 people, representatives of different municipalities have participated.

In the framework of Infrastructure Support Programme, considerable funds have been provided through different programs, by the Regional Development Fund for the 2014-2015-2016. The total funding by RDF was 47 billion leke.

Table 1: Funding by the Regional Development Fund (000 lekë)

Sectors	Funding in lekë	% of funds for each sector
Education	6,448,918,619	13.8%
Art and culture	294,637,068	0.6%
Local and regional infrastructure	38,907,337,031	83.3%
Environment and afforestation	170,000,000	0.4%
Health	137,078,529	0.3%
Digital Albania	294,637,068	0.6%
Water and Sanitation	439,092,740	0.9%

As seen in the data above, the greatest part of the funds were focused on the improvement and development of the urban and regional infrastructure, followed by the funding of programs in development of the education infrastructure.

Through the Regional Development Fund it was made possible to carry out investments in the roads and reconstruction of highways, water and sanitation systems, public parks and other interventions.

The new municipalities are being supported on the application of integrated administrative services through the information technology application either for 61 municipalities or the administrative units. Currently, information technology in service provision was piloted in 9 municipalities (Shkodër, Lezhë, Durrës, Elbasan, Fier, Korçë, Lushnjë, Berat and Kuçovë).

4. http://www.qbz.gov.al/botime/fletore_zyrtare/2015/PDF-2015/103-2015.pdf

5. Pg. 119

6. The main goal of the strategy under this objectives is the enhancement of local efficiency of the local administration, quality and service provision standards, as well the fair development of the territory, making it possible for more human and financial resources, by adding responsibilities and powers at local level and being oriented towards a more transparent decision making and with more participation.

7. The adoption of the AITR was made during the first quarter of 2015 with DCM No. 83, dated 28.01.2015. "On the creation and functioning of the Agency for the Implementation of the Territorial Reform" and DCM No. 235, dated 128.03.2015 "On an addition to the number of employees and budget fund for the Agency on the Implementation of the Territorial Reform for 2015".



For the first identified list of unique local governance services with 67 services, which are digitalized, the number of digitalized services was increased to 83, which have been implemented in different municipalities according to respective specifics: in Shkodra Municipality (currently 72 services were digitalized in the municipality and 2 administrative units), Lezha Municipality (currently 83 services were digitalized in the municipality and 2 AU) and Vau i Dejes Municipality (currently 62 services are digitalized in the municipality and 1 AU). A regulation template was developed, and administrative procedures regulations were developed for the Integrated One Stop Shops system in Lezha, Shkodra and Vau i Dejës. The assistance with continue though thematic training sessions.

The work for the institutional support to the new municipalities has continued successfully after the local elections of 2015. Technical assistance was offered to the city administrators (city manager) and local administrators. With the support of the OSCE, an introductory Training with 323 new administrators was carried out in October 2015 with 6 regional meetings.

The work with the development of Local Plans on Territorial Development has been ongoing. Support was offered to the harmonization of the Territorial Development Plans according to the new administrative division: NTPA has developed The Instruction of the Development of Territorial Development. MUD has funded the development of 26 general harmonized local plans, whereas 10 plans are funded and supported by PLGP/USAID and DLDP⁸ projects. MUD and MSLI will look at the possibility to develop general local plans in 25 other municipalities in 2017-2018. The development process of LGP in the municipalities of Mat and Tropoja has started and the process on development of LGP's of Klos and Vau i Dejes municipalities will start within 2016.

Attention was paid to capacity building to ensure the connection of LGP to the Midterm Budgeting Program process. Based on the methodology developed by dldp, training sessions were held and will be held in the coming months to train experts of the municipalities to ensure this interconnection in practice.

Assistance has started on the preparation of the consolidated budgets and fiscal packages. The Ministry of Finance has organized a series of round tables, presenting changes in the legal framework in the local tax system, the method for the unconditional transfer division, local budget and midterm budget program preparation. Other sessions were organized by other stakeholders at local level, whereas some municipalities have developed fiscal packages and the budget with the support of other technical assistance. Training started with the budget and finance personnel of 61 municipalities of the country in Public Financial Management. The one-year training with four sessions has a dedicated curricula approved by the Ministry of Finance and it is being implemented by the Albanian School of Public Administration (ASPA⁹). Currently, the government is developing a new legal framework on local finances and with the adoption of the law; the development of consolidated budgets will start. USAID project on Planning and Local Governance has organized specific tables with all the municipalities of the country on the presentation of the new unconditional transfer formula, the preparation of fiscal packages and improvement of tax administration at local level.

⁸ PLGP/USAID has funded the harmonization of plans in 5 other municipalities. Dldp, based on Functional Area Programmes has developed the Territory Strategy for 5 municipalities: Durrës, Lezhë, Shijak, Dibër dhe Kukës, which are part of the LGP of these municipalities (which are being developed for 26 municipalities by MUD).

⁹With the support of DLDP



Strategic Objective: Local Governance Structures

A series of important legal measures were undertaken related to the strengthening of the role of municipal councils and mayors of municipalities in municipal structures management and strengthening of leadership. The amendment of the Law no. 8652/2000 "On the organization and functioning of local government" with the new Law 139/2015 "On local self-governance" brought a change to the function of Municipal Councillors, defining this function in accordance with the provisions of the European Charter of Local Self-Governance, which evokes the civic function and community councillors.

The Municipal Council takes a greater role in terms of monitoring and control of the performance of the municipal administration, in relation to the decisions of the council and citizens' expectations. This legal change sets the *City Council* role into a new position, positioning it as the body *fully representative of the interests of the community*. At the same time, the legal changes strengthen public accountability of councillors in performing their function and preventing corruptive phenomena often encountered in decisions of municipal councillors, defining them as the subject to conflict of interest legislation.

The new law also strengthened the role of the Mayor in regard to management of the Municipality: (i) increasing the power of the mayor to approve the organizational structure of the municipal administration and internal work regulation, (ii) creating units administrative and defining their functions and (iii) legal representation in relation to third parties, particularly in relation to commercial companies with a municipality capital, an issue that has been problematic in the past years.

AITR has held several briefings with new mayors. With the assistance of the Council of Europe (CoE), a Needs Assessment Training was conducted, which also provides information on the training needs of mayors and municipal councilors. ASPA has also designed the women's leadership training curriculum at local level¹⁰.


The process of developing a methodology for assigning functions/powers from central to local government has begun. Currently, an assessment is being prepared aiming at seeing how much the municipalities were prepared to provide services arising from new functions, received on January 1, 2016.

Work is ongoing on setting the standard systems for administrative functioning of LGUs. Organigrams models, relevant manuals and organizational chart¹¹ were designed for municipalities, which will be further improved by new specifications. The work will continue in other municipalities, adopting the organizational scheme according to different typologies of municipalities.

Progress still remains low on the preparation of a model of job descriptions/mission for each of the typical units of the new municipal administration for each function/primary process, and for each typical working position. Municipality of Shkodra and Lezha have developed job tasks and responsibilities in the framework of the administrative service provision through IOSSH (back-office and front-office), and the administrative regulation was also adopted by the Municipality. Expanding the experience in other municipalities, adopting rules under different typologies of Municipalities, has started in Vau Dejes, Mat and Klos municipalities.

¹⁰ http://www.aspa.gov.al/images/banners/Lidershipi_dhe_Gratë_në_Qeverisjen_Vendore.pdf

¹¹ The STAR I project has designed several models of organigrammes and relevant manuals. Over 30 municipalities have used these models. Dldp has developed organizational schemes in the framework of administrative services provision through IOSSH. CoE project offered two models of structures, one of which is loaded in E-PAV system used by the LGUs.



In order to ensure continued support to the new direct municipal administrations, a “help-desk” was set up at the Department of Public Administration (DoPA, where 2 legal and technical experts were employed and an expert from ASPA on training issues.

Improper performance can be noted in terms of meeting the specific objective of "Strengthening local democracy through increased civic inclusion and strengthening of community structures at the local level". Still no progress in terms of supporting contemporary decision-making infrastructure at local level to promote inclusive citizenship and local democracy¹², meanwhile 2 projects supported by Leviz Albania and the OSCE are being implemented on the establishment of community structures in Tirana, Fier, Gjirokastra and Vau i Dejes.

In terms of strengthening the dialogue between central and local government, and mutual accountability, work is ongoing towards the establishment of the Consultative Council Central Government - Local Government and cooperation with local associations. The relevant draft decision was prepared and consultations with associations of municipalities were made. The DCM is expected to be adopted within 2016.

Important steps have been undertaken related to the implementation of the important principle of the strategy in relation to strengthening local democracy and community governance. The new law on local governance sets the legal basis for a substantial qualitative change in governance with the community participation. For the first time, it was sanctioned by law, the establishment of community structures in cities, in the form of neighborhood community councils and the mechanism of community liaison, thus fulfilling a vacuum in the urban space compared to the village where the law in force provided for the head of village and management structure. The Community governance is a new approach to local policies in Albania, especially in urban areas and sanctioning by law of this structure will give impetus to the revival of civic initiatives in the community life and citizens participation in municipal affairs.

In terms of the Transparency Program and Participation in decision making at local level, a national evaluation of transparency and accountability in local governance¹³ is being carried out. An ICT platform supporting the transparency of local governments' costs and budgets is being implemented in six municipalities: Korca, Fier, Elbasan, Lushnje, Berat and Kucova¹⁴. Some municipalities have organized public consultations (with municipal councilors, regional departments, civil society and experts from the municipalities) on the local government law. Some municipalities have organized regular meetings between citizens and local government through Citizens Advisory Commissions. These commissions include members from all the administrative units and operate under an agreement with the municipalities, in an individual way.

¹² The reconstruction of the municipal halls for the municipal councils, new equipment with electronic voting systems, facilities for the citizens' participation/media in the council's proceedings.

¹³ With the CoE assistance

¹⁴ With the assistance of USAID Project –On planning and Local Governance (PLGP)

Strategic Objective: Decentralized Structures

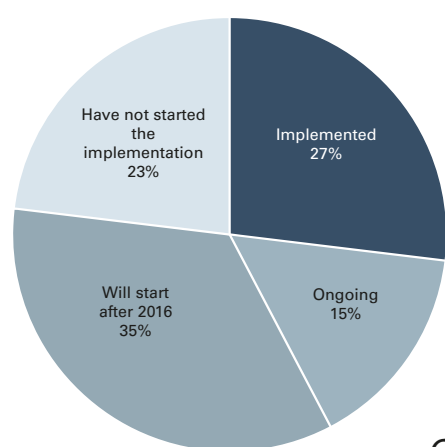
Significant progress was achieved in terms of the organizational review of government structures at local level under the new division with 61 municipalities and referring to the transfer of new functions. The Regional Directorates have undergone under a restructuring process in some sectors:

(i) *The State Police* has completely been restructured under the new administrative division of 61 municipalities; (ii) *the Prefect administration* has been completely restructured (iii) *the agricultural sector*: drainage boards were completely restructured, making centralized. Of the 13 regional boards, there are only 4 regional boards now, while the rest are decentralized in the municipalities; (iv) - *Forest Service* (part of the Ministry of Environment) was completely restructured and is decentralized to the municipalities; (v) *Pre-university education* is fully restructured, transferring all kindergarten employees (teachers) and the entire maintenance 9-year school and high schools staff under the responsibility of the municipalities; (vi) *The Fire Service* from the regional level (under the prefecture) was decentralized and fully transferred to the municipalities; (vii) *The road sector*: road maintenance enterprises were fully transferred to the municipalities from the qark.

Powers and human resources were transferred to municipalities during the restructuring process. About 7,100 employees were transferred from the central government (central and regional level) to the level of municipalities (local level).

4.2 The progress achieved related to the Strengthening of Local Finances and Increase of Fiscal Autonomy

The main goal of fiscal decentralization reforms, set out in the Strategy, is the financial support of local governance programs, to create opportunities for municipalities to have more financial resources, so that they can carry out their functions and powers efficiently and sustainably. Graph 9 shows the situation of the implementation of activities under this strategic objective and the degree of implementation. As shown, only 4 activities have started, while the majority of activities will begin to be implemented after 2016.



Number of activities	
Implemented	7
Under implementation	4
Have not started the implementation	9
Will start after 2016	6

Graph 9: Scale of implementation of activities (in %)

Delays in starting some activities planned under this strategic goal are mainly related to the compilation process of local finances law, which is a pre-condition for the initiation of a series of activities.



Strategic Objective: Reformation of local revenues system

The progress made on the achievement of this strategic objective can be mainly observed in the improvement of sustainability, simplicity and equity of the system of transfers and increased transparency¹⁵. In 2015, with the support of the PLGP/USAID project, a new formula was developed on unconditional transfers based on more transparent, simpler and more objective criteria. The new formula was adopted by Law 147/2015 "On State Budget 2016". The formula, through its elements, enables equality, objectivity, fairness and more predictability and the criteria used in this regard are: a) population data harmonized between the data of the national civil registry and the 2011 Census; b) the population density per km²; c) the actual number of students in the 9-year schools and high schools in each municipality; d) Fiscal equalization based on shared taxes in order not to penalize the units that collect revenues and compensate the ones that for objective reasons do not collect revenues. The Ministry of Finance has organized several public hearings at the local level regarding the drafting of the fiscal package for 2016¹⁶ and 2017¹⁷.

Now, transfers to local governments use a unified population database. The process of revising the conditional grants system is ongoing (RDF, etc.) to focus it on areas with greater regional importance, and to bring it closer to the practices required for EU funds absorption in the future.

The following functions were transferred to the local level, with the 2016 budget:

- * The service of fire protection and rescue (SAR teams)
- * The faculty and non-faculty staff in pre-school and pre-university non-faculty staff
- * Construction and maintenance of regional rural roads
- * Administration of forests and Pastures
- * Irrigation and Drainage
- * Management of some social centers that provide services at local level (5 centers in total)

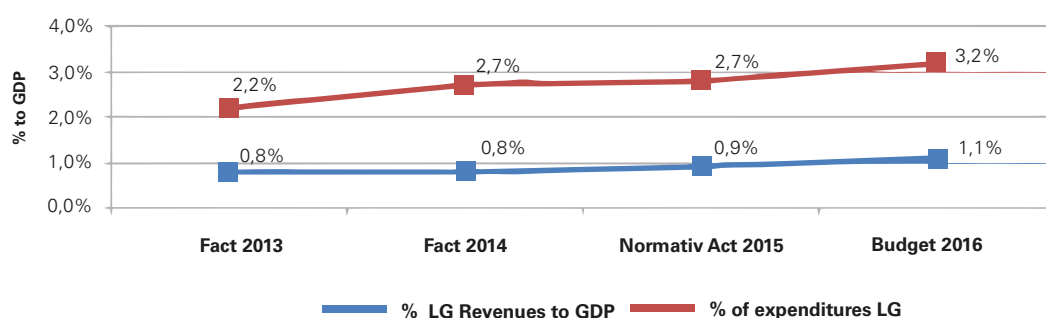
Strategic Objective: Improvement of financial management at local level

The macroeconomic indicators have undergone significant improvements in the planning of revenues and expenditure for local governments. As seen from the chart below, the specific weight of the planned revenues for local governments to GDP in 2016 reached 1.1%, being increased by 0.3 percent in the budget of 2016 compared to 2013 and by 0.2 % compared to 2015. The expenditure level for local governments to GDP in 2016 is planned at the rate of 3.2%, making the budget expenditure have an increase in 2016 of 0.4 percent compared with 2015 and 1% more versus the expenditure on LG in 2013.

¹⁶ See: The Monitoring Report I 2015: Strategy of Public Finances 2014 -2020, pg. 19

¹⁷ 4 October 2016, first consultative meeting with Mayors was carried out to discuss on the Budget development for 2017 <http://www.km.dldp.al/blog/diskutohet-buxheti-2017/>

Graph 10: Specific weight of revenues and expenditure of Local Government in % versus GDP



Source: MTBP 2016-2018

But if we compare the income and expenditure forecast as of the macroeconomic forecast in the Medium Term Budget Program 2016-2018, it can be noted that the planned revenues in 2016 were about 52% higher than 2013, and 31% higher than in 2015, while the expenditure was projected at a 66% nominal value, more than in 2013 and 23% more than in 2015.

Table 2: Revenues and budget expenditure for LG

	% Revenues LG <i>Million leke</i>	Expenditure for LG <i>Million leke</i>	Increase compared to 2013 in %		Increase compared to the previous year %	
			Rev.	Expend.	Rev.	Expend.
Fact 2013	10,825	29,787				
Fact 2014	12,773	37,199	18%	25%	18%	25%
Normative Act 2015	12,563	40,377	16%	36%	-2%	9%
Budget 2016	16,502	49,565	52%	66%	31%	23%

Source: MBP 2016-2018

Drafting the legal framework and continuous support to municipalities are important steps, in increasing the LGU local revenues to meet the financial needs in more services provision¹⁸.

Based on a consultative process between the central and local government representatives, the Ministry of Finance in cooperation with MSLI are working on the draft law "On Local Self-Governance Finances"¹⁹. The law aims at harmonizing regulations concerning the management of public finances, increasing transparency, accountability and local financial stability. The law is expected to be approved by the Assembly within 2016. The process of the impact analysis of national tax sharing with LGUs²⁰ has started and it is expected to be finalized during the drafting of the local finances law. 12 municipalities²¹ have received support to the local tax administration, the property tax and local taxes administration. Action plans were developed to improve the registry of the taxable base and assistance was provided on its implementation in five municipalities. In this context, four regional activities were held on sharing their best experience and capacity building of local employees.

18 Specific objective II.1

19 Developed with the support of PLGP/USAID and DLDP programs under the direction of the Ministry of Finance

20 Partially carried out though the recommendation of the policy documents and the assessment done by PLGP/USAID

21 With the assistance of PLGP/USAID project



Still there is no progress in terms of capacity building of LGUs to use borrowing and debt to finance capital investment in national public debt policies²² Law on local borrowing has been revised and is expected to be approved soon. During this period the identification of hidden debts before the LGUs map change was made. The report on debts and arrears was drafted with STAR 1 assistance. According to assessment made, the rating level of debt by the end of 2015 is estimated to be 9.7 billion leke.

Important legal steps were undertaken towards the consolidation of the budgeting and financial management system at local level. Recent amendments to the Organic Budget Law, implemented by Law no. 57/2016 include detailed new rules on budget management system at local level. The new law sets clear rules and procedures of drafting and approving the local budget and the med-term budget program. One of the important innovations is the legal obligation that provides for the meetings organization of the Ministry of Finance with local government units on the midterm budgeting program.

There has been good progress in terms of capacity building to strengthen the public finance management system at local level. Work was done towards improving the general LGUs capacity in drafting and implementing the budget and spreading the midterm budgeting process of (MTBP) in all LGUs, enabling as such the use of SDPs and MTBP (SDPeMTBP) approach for all LGUs. ASPA is applying a 1-year program of continuous training on Strategic Planning and Financial Management at local level²³. During this period, a full course (5 modules) was held, where 40 employees from 40 new municipalities were trained, and the written testing and certification of employees will be carried out. Also, best practices on the annual budget drafting were identified.

A special emphasis has been placed on the connection of territorial strategies with Midterm budgetary programs in their development phase, to make these strategies more sustainable financially. Dldp program is assisting 10 municipalities (Shkodra, Durres, Lezha, Malesia e Madhe, Kukes and Tropoje, Diber, Klos, Mat and Shijakn) in drafting the 2017 Fiscal Package, the annual 2017 budget and MTBP from 2018 to 2020, associating them to the territorial Strategies that are being developed in the context of drafting the GLP.

There is still no progress in the implementation of the computerized system of the Treasury's Financial Information at local level. Out of 61 municipalities, TFIS system works only in the Tirana Municipality. Despite the TFIS system, it is expected that in 2016 the first LGU financial balances will be part of the Financial Statements of the Government, thereby ensuring accurate reflection of local finances in the governmental system²⁴.

Greater attention should be paid to extending the Audit reform²⁵ **to strengthen local governance and performance monitoring of the reform progress in Public Financial Management.** As concluded in the report of the Ministry of Finance for 2015, the internal audit capacities – filling in the audit structures remains a problem at local level. In 2015, the local government is estimated to have 73% effectiveness, lower than the previous two years, which is due to the lack of internal audit units in a considerable number of local institutions²⁶. In total, internal audit structures existed in 25 municipalities by the end of 2015.

22 Specific objective II.3

23 With DLDP program support

24 See: Monitoring Report: Public Finance Strategy 2014 -2020, pg. 25

25 Internal Audit, External Audit and Public Procurement

26 Ministry of Finance: Report on Functioning of Public Financial Internal Audit System in Local Government Units for 2015, pg. 10,16

The Ministry of Finance has trained staff of internal audit units in several existing units in 2015 and 2016. In May 2016, all 41 financial managers at municipalities were trained.

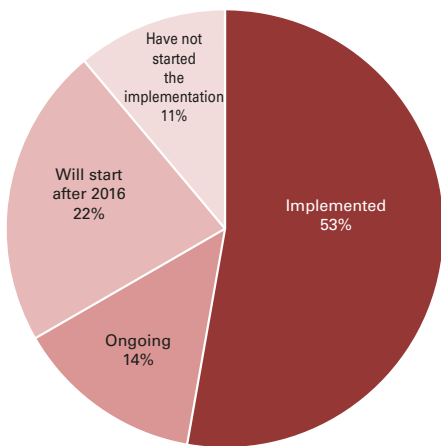
In order to evaluate the budget financial management system, PEFA (Public Expenditure and Financial Accountability) implementation started in 5 municipalities of the country by SECO and PLGP/USAID in cooperation with the Ministry of Finance.

4.3 Progress achieved in relation to Enhancement of Sustainable Local Development

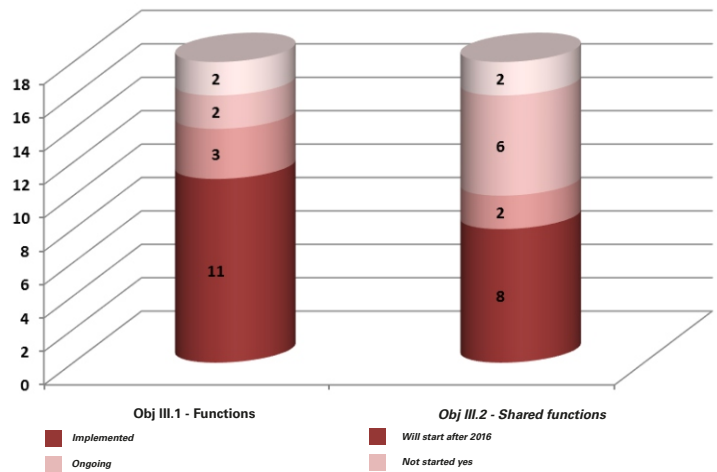
The strategy sets out a review of local government functions after the administrative-territorial reform as a top priority, with the aim of redefining the local authorities' responsibilities on their own functions and the joint functions, which have already been adopted by the new organic law on the local governance.

As shown in the charts below, about 1/3 of the planned activities under this priority goal, were carried out during the first year of the strategy implementation. Greater progress is seen under their own functions objective, which has the largest number of conducted activities, 11 versus 18 activities in total.

Graph 11: Scale of total implemented activities on the Strategic Goal – III (in %)



Graph 12: Scale of Implemented Activities according to Strategic Objectives (in number)



The new law on the local government functioning provides a new typology of local governance functions, classifying them into functions and delegated functions. The distinction between "its functions" and "joint functions" was removed. This change is consistent with the Constitution, which does not recognize the concept of "own function or shared ones" between the government and local government. The introduction of this typology of functions and the definition that functions and powers can be only transferred by law, creates a solid foundation and a good practice in respect to local autonomy.

For reporting purposes on the strategy implementation, and reflecting the achievements within the objectives, the following report will take into account the new types of functions.



Strategic Objective: Local Government Functions

More significant progress can be observed in the implementation of the Strategic Objective of Local Governance Functions. The approval of the legal framework paves the way for the efficient implementation of its functions, based on a clear and harmonized legal framework. Drafting a new law on the organization and functioning of local government, was conducted through a consultative process, which ended with its adoption on December 17, 2015²⁷. The law provided also for the review of the functions and powers of the LGUs, the municipalities and qarks. The role of the qark was defined as a unit that will continue to ensure the harmonization of local policies with national policies of regional development. A DCM was also adopted on new functions.

Improvement of the quality and infrastructure based on required national minimum standards to be determined, remains an important challenge to be addressed. Review of legislation on public services/local public enterprises was partially conducted by Law 139/2015 on local governance and work is ongoing on further completion of the legal framework.

A. Local infrastructure and public services

In the water and sanitation sector, Law 139/2015 and DCM No. 63, dated 27.01.2016 "On the reorganization of Water - Sewage Enterprise" enabled the revision of functions and powers scheme in the water and sanitation sector. USAID Project on Planning and Local Governance, is supporting some of the municipalities with which it has a cooperation agreement on developing Transition Plans. Municipalities have set up working groups to take over the fixed and circulating assets of water utilities, but the process of transferring the water utilities has not yet been completed.

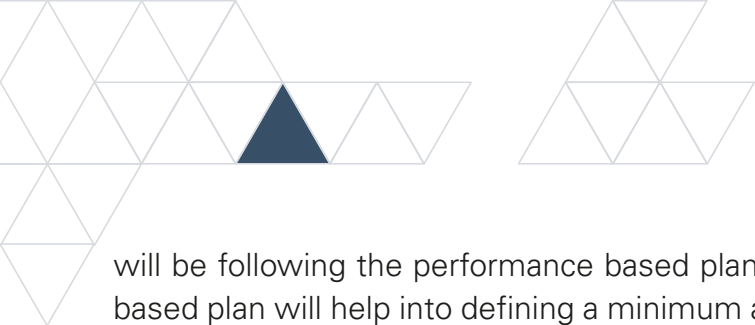
In the urban waste area, the Ministry of Environment in cooperation with GIZ, plans to review the strategy in this sector. In application of the recommendations of the National Conference on waste management, held on 20 May 2016²⁸, work will continue to ensure municipal ownership on waste management by adjusting the roles of the Central Government on implementation and investment associated particularly with the problematic areas of illegal waste deposit, disposal sites, landfills and incinerators (the total waste treatment). MUD is in the process of further provision with waste management data into the digital map, and in association with KfW, it has started drafting the Waste Master Plan.

SECO and the EU are in the preparatory phase for the mobilization of funds to support local government in the area of waste management.

Regarding the support of municipalities on collection, removal and treatment of solid waste and household appliances, in 2015, five municipalities, Shkodra, Lezha, Kukes, Malesi e Madhe and Puka, with the support of dldp, have carried out a service audit and they have developed short-term action plans to respond to changes brought about by the territorial reform. During 2016, drafting the local integrated waste management plans has begun in 6 municipalities Shijak, Dibra, Lezha, Shkodra, Puka and Malesi e Madhe. These management plans (except that of the Municipality of Shkodra which will end in 2017), which are expected to be completed by 2016, will be following the

²⁷ Law 138/2015 "On local self governance".

²⁸ <http://www.mjedisi.gov.al/newsroom/lajme/zhvillohet-konferenca-sektori-i-menaxhimit-te-mbetjeve-sfidat-dhe-mundësitë&page=16>



will be following the performance based planning methodology²⁹. This realistic and performance based plan will help into defining a minimum affordable service standard (Law 139/2015 and Law No. 10 463, dated 22.9.2011 "On integrated waste management").

Irrigation and drainage functions at LGUs have been further expanded. Review of legislation on decentralization of the maintenance function of secondary and tertiary irrigation and drainage network was partially provided by Law 139/2015³⁰ and DCM on the transfer of irrigation-drainage canals and drainage boards' reorganization. (DCM 1107/2015 and DCM 1108/2015). Currently, the draft law "On irrigation and drainage" was prepared and it is expected to be adopted in 2016. The adoption of the law will finalize the full process of decentralization of this function.

The reform initiated in the irrigation and drainage service consists of: first, redefinition of the roles, responsibilities and functions of the Drainage Boards; secondly, the decentralization of powers and responsibilities and transfer of management of the irrigation and drainage infrastructure, to municipalities, transferred to their ownership. The municipalities have the authority and capacity to better manage and invest in irrigation and drainage systems. With the new law, they will undertake a primary role in managing the irrigation and drainage sector, through³¹: (i) the transfer of the right of ownership of the irrigation and drainage infrastructure and the transfer of responsibilities on the operation and maintenance of the transferred infrastructure: (ii) setting fees for the irrigation/drainage service and their collection targeting a gradual cost coverage; (iii) the mobilization of financial resources from either themselves or having grants from the state budget based on the needs and performance achieved³². The organization of the irrigation service by the municipality shall be in accordance with the size of the irrigation scheme, its condition, tradition, the degree of farmers' cooperation etc.

In parallel with the legal framework drafting, work continued on development of local management plans and investments in secondary and tertiary network of irrigation and drainage. With donors' assistance and STAR Project, it is planned to have 61 local plans on development of irrigation and drainage infrastructure in 2017-2018.

Municipalities are supported by the state budget with investments for the rehabilitation of irrigation schemes, tools for cleaning the irrigation and drainage canals, personnel etc.³³. 267 employees were transferred from the Ministry to the Municipalities administrations; 39 large and small machineries were transferred to 31 municipalities and there have been bought 61 new excavator, which have been transferred to the Municipalities.

29 Methodology developed with dldp support

30 Law 139 (2015), article 27 "Municipality Functions in agriculture, rural development, public forests, nature and biodiversity" define the municipality's role in the exercise of these powers and specifically in administration, use and maintenance of water and drainage infrastructure.

31 See "Report on draft law " On the administration of the water and drainage system" http://www.bujqesia.gov.al/files/pages_files/Relacioni_i_p.ligjit.pdf

32 DCM 1107, dated 30.12.2015 "On setting up regional drainage boards Lezhe, Durres, Fier, Kukes"

33 DCM no. 90, dated 4.02.2016 "On the elaboration of the investment fund for the irrigation and drainage function" (fund from the state budget of 2:45 billion), DCM 129, dated 17.02.2016 "On additional funds to municipalities budget 2016 on cleaning of irrigation and drainage canals "(a fund of 111 million leke); A fund from the budget in the amount of 2561 billion for cleaning the canals and buying 61 new excavators

Box 1: First achieved results during 2016

- * A total of 1000 linear km of irrigation and drainage canals were cleaned;
- * 1 mln m³ (cubic meter) soil were removed; The goal for 2017 is 4 million m³.
- * 41 new infrastructure works were built (new canals or reinforced concrete);
- * 500 have infrastructure works were rehabilitated;
- * 220,000 farming families have benefited;
- * Since 1991, for the first time, the irrigation and drainage became operational for 22,000 ha of agricultural land (new systems);
- * Irrigation and drainage parameters were improved for 40,000 ha of land.

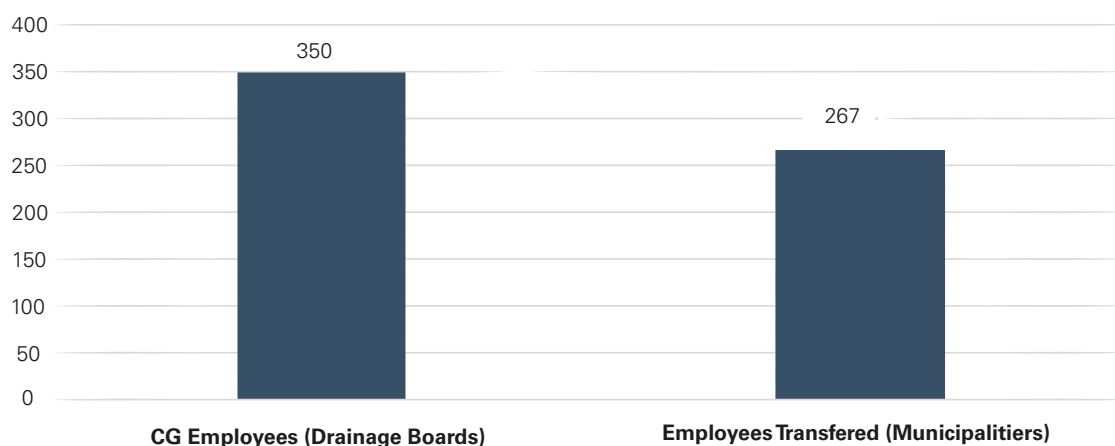
Operationalization was increased 15-20 times more than when this function was carried out by 13 drainage boards, through decentralization because of extension and decentralized intervention in almost 61 municipalities

Source: Speech of the Minister of State Mr. Blendi Cuci at the Conference "Decentralization, a year after," 28 September 2016

Reorganization of drainage boards was carried out in four major regions related mainly to the use and maintenance of main drainage canals (20 major irrigation schemes), pumping stations and 7 large reservoirs and protection works from flood (dams, river and marine levees and high inland water canals).

Later on, the Training of Trainers (TOT) will be carried out with the support of the World Bank in 10 municipalities during the first phase in aspects such as learning the legislation and technical management on good administration of irrigation and drainage system. ToT will provide training to new employees of the organizational structures at municipality established with the decentralization of irrigation and drainage system function.

Graph 13: Human resources transferred from CG to Municipalities
Water and Drainage Function



Source: MARDWA

The minimum standards program on public services was implemented at local level. In July 2016, the nursery³⁴ design standards developed by the Ministry of Urban Development were approved. The standards will serve as a reference for all those who are involved in the planning, programming, design and construction of buildings/facilities of new nursery or rehabilitation of existing buildings³⁵.

34 <http://www.zhvillimiurban.gov.al/al/neësroom/lajme/miratohen-standardet-për-projektimin-e-cerdheve>
35 http://www.zhvillimiurban.gov.al/files/userfiles/lajme/Standardet_e_Projektimit_të_Cerdheve_18_07_2016.pdf

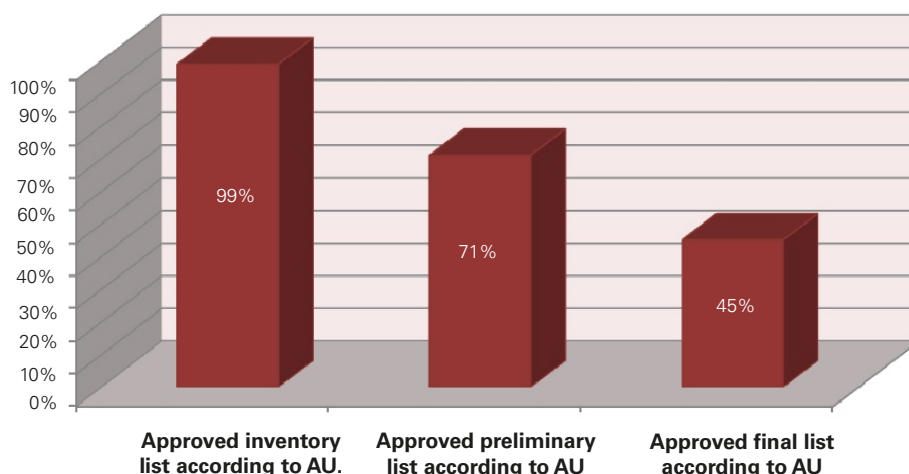
The government decision on standards aims at providing solutions to problems created by the lack of standards adopted for the design of the nursery, and will lead to higher quality and safety of the service provided to users of the nursery. These standards are very important for LGUs to ensure the investment distribution in connection to nursery investments and public day-cares.

The process of property transfer to the new municipalities restarted in 2016, and their registration enabled their use more at the function of local economies. Approved the 100% transfer of the forests and pastures to 61 new municipalities, abolishing more than 300 previous DCM on transfer to the former communes. Approval of this decision opens the way for the assets management by new municipalities and it enables their use more at the function of local economies.

It should be mentioned that the implementation process of the administrative-territorial reform resulted in a temporary suspension of property transfer, because it brought the change of local government units, through the elimination of previous units and the creation of new municipalities. The inventarization and transfer process (following) went through three stages³⁶. Following the adoption of the third phase, property registration procedures started in the IPRO. For this purpose, it is necessary that for all properties, the LGUs prepare the plans and their blueprints, which will be registered according to the DCM. The Inventory and Transfer of Public Properties Agency communicates on a regular basis with the municipalities to ensure the progress of the property registration process. So far, two final public immovable properties lists were adopted, that transfer the ownership or use, to the Municipality of Patos (Fier).

The graph below provides a general overview of the situation regarding the process of registration of properties nationwide. As it can be seen, 99% of the administrative units (373 administrative units - AU) have the property inventory lists approved, 71% or 265 AU have preliminary lists approved, and 45% or 168 AU have adopted the final lists.

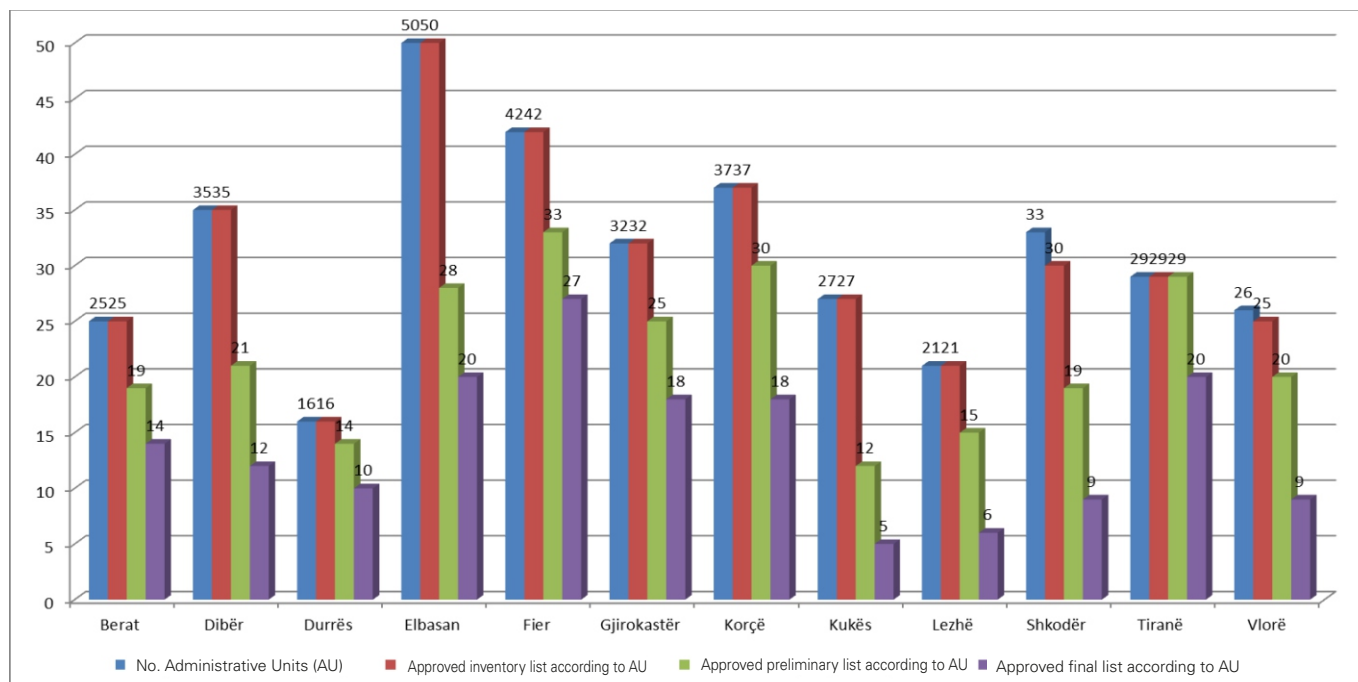
Graph 14: Status of Property Registration Process at National Level (in % AU)



The graph of below provides a detailed overview of the property registration process according to the qarks.

³⁶ Phase 1: The Council of Ministers approves the inventory list of public immovable properties. Phase 2: Approval of the preliminary list of properties, proposed by the council of the local government unit to be transferred to the ownership or in use. Phase 3: Approval by the Council of Ministers of the final list of properties transferred to the ownership or use of the local government units.

Graph 15: Status of Property Registration Process in Qarks
(as of AU number)



As shown in the graph, Tirana Qark has a better presentation, where the adoption of the inventory and preliminary lists was 100 % finalized in all the AU's, and the approval of the final lists in 69% of them.

With a view to the creation of an integral digitalized system at national and local level, registries of transferred properties to local government, a preliminary assessment was carried out with the support of OSCE on the registration system of municipal properties. The evaluation report is expected to come out at the end of 2016.

The inventory and the reclassification of urban and rural road infrastructure network were successfully completed, but still no progress regarding the establishment of an integrated planning of road maintenance. This process was finalized with the adoption of DCM 915, dt.11.11.2015³⁷"On property transfer ownership, from the qark councils to the municipalities, of the rural road network and tangible and intangible assets of maintenance enterprises of these roads." The transfer of the road infrastructure should be accompanied by the complete transfer of funds for their maintenance in municipalities. Even though the inventory of roads was transferred to the LGUs, there is still no progress in the implementation of an integrated system of road maintenance planning at local level.

The strategy puts the focus on ensuring **a sustainable local economic development through projection and implementation of an adequate framework of policies and mechanisms and their coordination**³⁸. A series of legal crosscutting changes strengthen the LGU's role on strategic investments, public-private partnership, and local assets management. In parallel, work is ongoing on compilation of respective sublegal acts.

37 http://www.qbz.gov.al/botime/fletore_zyrtare/2015/PDF-2015/199-2015.pdf

38 Specific Objective III.1.3

B. Social, cultural and sports Functions

To ensure an integrated approach on the provision of harmonized social services and social inclusion, the Government approved the "On social care services" draft law in August 2016. This new law will provide the appropriate changes to the LGUs structures (the draft law is expected to be approved soon).

The draft law stipulates the establishment of a dedicated social services structure in each municipality, as a separate unit within the Municipality structure. This solves the delay situation for the beneficiaries in the local or central administration offices, because they now have a clear address at the Municipality, where to turn to. The draft law also defines social fund raising in every municipality in the same line and also under the provisions of the Law on Local Governance. The draft law also stipulates the financing of these services and the role of municipalities in the management aspects of the funding process. Social services will receive funding, only if they have a tripartite agreement with the State Social Service and the local government unit where the service is provided.

Currently 5 social care centers were transferred to the municipalities of Shkodra, Elbasan, Berat, Korca and Poliçan. The specific transfer of 2016 to the Municipalities of Berat, Elbasan, Shkodra, Kucova and Kukes included funds for salaries and social security for the service personnel and operational costs for the centers, "Lira", Berat, "Balash" Elbasan "Shpresa", Shkodra and day care centers for children with disabilities to Kucova and Kukes municipality.

The legal changes affected the increase of the fund that the municipalities can use to decide on the families that will benefit economic assistance. The amendment of the legal basis for the social sector in 2016, including several new adopted³⁹ bylaws concerning economic aid to central and local levels, have enabled some legal priority for LGUs. The advantage of these legal changes is to increase the limit of 3% to 6% of the conditional fund, leaving more opportunities to the municipalities through the increased fund that they use to determine on the families that will benefit from economic aid, based on strict selection⁴⁰ criteria.

The LGUs will be supported to set up and strengthen special structures on gender equality⁴¹, ensuring a periodic monitoring and evaluation, based on harmonized gender indicators and service standards.

Progress has been made towards the development of strategic and legal framework ON social housing. The government adopted Social Housing Strategy 2016-2025⁴² in June 2016. This strategy was developed in accordance with NCSDLG. An important priority of this strategy is "Building local capacities on collection and management of social housing data by increasing the role of LGUs⁴³." Local capacity building will be focused on the establishment of a data system and training of housing specialists, creating a system on information collection about social housing applicants and beneficiaries, as well as about local resources, which can be mobilized in order to provide social housing programs and housing training for specialists to be trained about the

39 DCM no. 197 dated 9.03.2016 "On some amendments to DCM no. 904, dated 12.12.2012" On the definition of criteria, procedures and documentation for the benefit of NE in pilot areas"; Instruction No. 14, dated 10.05.2016 "On the provision of emergency services in social care institutions funded by the state budget funds that provide residential care services for children in need".

40 Law No. 44/2016 On Some changes and additions to the Law No. 9355, dated 10.3.2005, "On social assistance and services" Modified "Article 21 The municipal council has the right to approve economic aid to applicant families that are not declared eligible by the scoring system based on socio-economic evaluation, conducted by the social administrator. <https://www.parliament.al/ep-content/uploads/2016/04/ligj-nr-44-dt-21-4-2016.pdf>

41 Based on Law 9970/2008 "On gender equality in society" which establishes the obligation for the LGUs to cooperate in implementing the legislation and national policies on gender equality.

42 http://www.zhvillimurban.gov.al/files/userfiles/Plane_pune_dhe_Strategjite/Strategjia_e_Strehimit_Social_2016_-_2025.pdf

43 This priority aims at introducing clear housing supply and demand through the establishment of a system that periodically provides knowledge of housing supply and demand in all the local units. Each local unit will have a sustainable and reliable data system. At the same time, all local government units will identify the resources or the assets they possess or can secure in cooperation with several central and local stakeholders with the goal of providing social housing. See Social Housing Strategy 2016-2025 pg.



housing service provision, in 61 municipalities. Following the adoption of the strategy, the adoption of the social housing Law is expected within 2016. Further work and support will continue on development of social housing plans at local level.

In the Culture area, there is still no progress on the revision of the legal framework related to the clarification of functions and responsibilities in the field of Tourism and Cultural Heritage, and the establishment of an integrated system of development areas and cultural heritage objects at local level; Within the decentralization of certain functions to LGUs, the transfer of some centers for children was carried out, the power of the Ministry of Culture in several municipalities.

C. Local Economic Development

To strengthen the LGU role and increase effectiveness in public services performance and in application of Law 139/2015 "On Local Self-Governance", the government adopted several decisions (DCM) on the transfer of some functions from Line Ministries (LM) to municipalities.

The transferred functions from the Central Government are:


1. Rural roads
2. Function of pre-school and pre-university education
3. Function of protection from fire and rescue
4. Function of water and drainage
5. Function of forests and pasture

The effective date for the transfer of new powers was 1 January 2016. Pursuant to the Order of the Prime Minister (no.127, dt.16.09.2015), Line Ministries prepared the legal basis (draft-acts) on transfer of assets (movable and immovable), the transfer of human resources and funds for salaries. During January-March 2016, in order to facilitate the process of transferring new functions, four information sessions were organized in Tirana, Shkodra, Vlora and Korca by the Minister of State for Local Government and ATRI and in cooperation with line ministries. The focus of these sessions was direct assistance provided to municipalities to better organize work related to the new transferred functions.

Despite the achievements in terms of legislation adoption, there are still challenges in the implementation of these functions. Transfer of the function for maintenance of rural roads requires the necessary funds for the maintenance of the rural roads network."

Tourism

With the assistance of UN programs, the territorial consolidation of existing partnerships between Albanian LGUs and those from EU countries is being promoted. In this context, UNDP has facilitated cooperation between selected administrative units in Shkodra region, including the Qark Council and the Autonomous Italian Region of Friuli-Venezia Giulia, in the implementation of two project initiatives: i) physical rehabilitation and adaptation to touristic traditional architecture of six guesthouses in the Albanian Alps and capacity building of 25 local residents to train them as guides and touristic service providers; ii) the institutionalization of the digitizing, cataloging and



opening process for Wide World Web of one hundred thousand images of the 19th century from Marubi photo archive, the oldest and largest in the Balkans. These initiatives aimed at removing/reducing poverty and enhancing the vision and capacities of local administrations to exploit their inner potential, and promotion of culture and history, as well as generating revenues through increased tourism⁴⁴.

Strategic Development Plans

To fight informality in territory, urban areas and rural areas development and creation of a favorable environment for a sustainable economic and social development, the Government undertook the initiative on developing National and Local Plans, which are documents that support the municipalities and institutions of central government on all aspects of sustainable development of the respective areas.

Three national plans were adopted in 2016

- o National General Plan
- o Integrated Crosscutting Plan on the Coastal area.
- o Integrated Crosscutting Plan on the economic area Tiranë-Durrës.

Development of Local General Plans (LGP) is ongoing; it is being implemented in cooperation with professional architecture and urban planning studios and actions are being coordinated among municipalities, MUD, and NATP. The LGP's are being developed based on a methodology that includes urban territorial, agriculture, water, energy, and infrastructure systems. The LGP's will ensure: (i) coordination with national plans, (ii) integrated management that enables cross-sectoral planning, (iii) protection of the land.

34 Municipalities are working on the LGP's. The LGP's for 31 other municipalities will be finalized within 2016. It is planned that **8 to 10 other Municipalities** will be supported by MUD **on the development of LGP's in 2017.**

Forest and Pasture Management

In the framework of the full decentralization of forest and pasture administration and management function, the legal basis⁴⁵ that enabled the function transfer was drafted, including more specifically: (i) preparation of forestry and pasturage fund inventory by respective municipalities, (ii) distribution plan of transfer, staff, movable and immovable assets and the relevant budget, and (iii) drafting of sub-legal acts on transfer and regulation of function exercise by municipalities, as well as DCM⁴⁶. Also, the Ministry of Environment has issued several orders and guidelines defining rules, procedures and standards of the well-administration of forestry and pasturage fund. There have been approved two important laws: the Law on Administration of the Forestal and Pastures Fund in the Republic of Albania and the Law for Declaration of Hunting Moratorium in the Republic of Albania.

44 UNDP 2015 Progress Report Albania Chapter 2, fq 119

45 Order of PM, No.127, dated 16.09.2016), point 6, "On the function of forest and pasture management" and DCM No. 438, dated 08.06.2016 "On the criteria and rules of forest utilization and selling of timber"; DCM No. 435 dated 08.06.2016 "On some supplements and amendments to DCM 1374/2008 "On definition of rules and procedures to be followed for removal, increase and modification of pasturage fund destination"; DCM No.33 dated 08.06.2016 "On the transfer of public forests and pastures, property of MoE and former communes, under the ownership of Municipalities";

46 DCM No. 434 dated 08.06.2016 "On definition of rules and request submission, keeping of technical documentation, as well as criteria and procedures of reducing the forestry fund area and volume."



With the function transfer to LGUs, **82.3% of the area of forestry and pasturage fund passed under the administration of Municipalities**, 15% of the area belongs to protected areas and 2.7% of it is private forests.

60% of human resources (**182 employees** of forest fund out of a total of 294 employees) was transferred to the Municipalities since January 1, 2016. Also, the relevant fund for the salaries and social insurance for the transferred staff was allocated from the state budget.

With a view to ensuring the effective management of this function by the Municipalities, several challenges should be addressed:

o Municipalities should enhance their abilities in planning their human and financial resources to ensure the well-administration and management of forestry and pasturage fund, in the framework of drafting the budget of 2017. The needs for human resources for this function have been estimated at approximately 687⁴⁷ forestry experts at national level.

o Municipalities should recruit their technical staff in accordance with criteria stipulated in the legal basis (no political appointments).

o Asset registration has not started yet (a complex process). About 40% of the needs for forestry fund asset registration will be supported by World Bank “Environmental Services 2016-2020” Project, through which the registration and unification of cadastre registry at IPRO for forestry fund will be carried out. For the rest (60%) of the forestry fund, the Municipalities should plan the necessary resources from their own funds to complete the registration of assets.

There is still no progress in respect of revision of functions in the area of public order and civil protection adapting them to the new administrative division.

(i) Ensuring service quality according to national standards and policies; (ii) Increasing the efficiency of the national budget to ensure the necessary financial coverage to comply with service standards according to central/local ratio, and (iii) Elimination of competences by way of decentralized structures at local level and local government structures, represent the three major challenges of the strategy with regard to implementation of joint functions.

Pre-university Education

The decision of Government to decentralize the education⁴⁸ specifies the transfer of teaching staff in pre-school education (kindergartens) and non-teaching staff in pre-university education⁴⁹. In the framework of the decentralization of this function, 7,101 employees were transferred under the competences of municipalities in 2016 and the transfer of personnel files to municipalities was completed. The transfer of educational services along with the number of employees providing these services was accompanied by financial effects of 4.3 billion ALL adopted by way of annual budget law,⁵⁰ stipulating that these employees shall comply with “Standards and criteria of service provision set in accordance with legal and sub-legal framework in force.”⁵¹

In the specific transfer of 2016, several municipalities were allocated funds for pre-university boarding-schools, such as funds for staff salaries and social insurance (employees and

47 MoE in accordance with the legal basis requirements of the fund.

48 Order of PM No. 127, dated 16.09.2015 and DCM No. 1102, dated 28.12.2015 “On the use of public funds for the transportation of teachers and students attending schools outside the territory of their residential area.”

49 On the transfer and number of employees in pre-school education, educators/teachers in kindergartens, number of employees of supporting services in 9-year education including the number of cultural centers for children, number of employees of supporting services in general middle education “high schools” as well as the foreseen funds to cover personnel expenses (salaries and social insurance).

50 Law 147/2015 “On the budget of 2016”

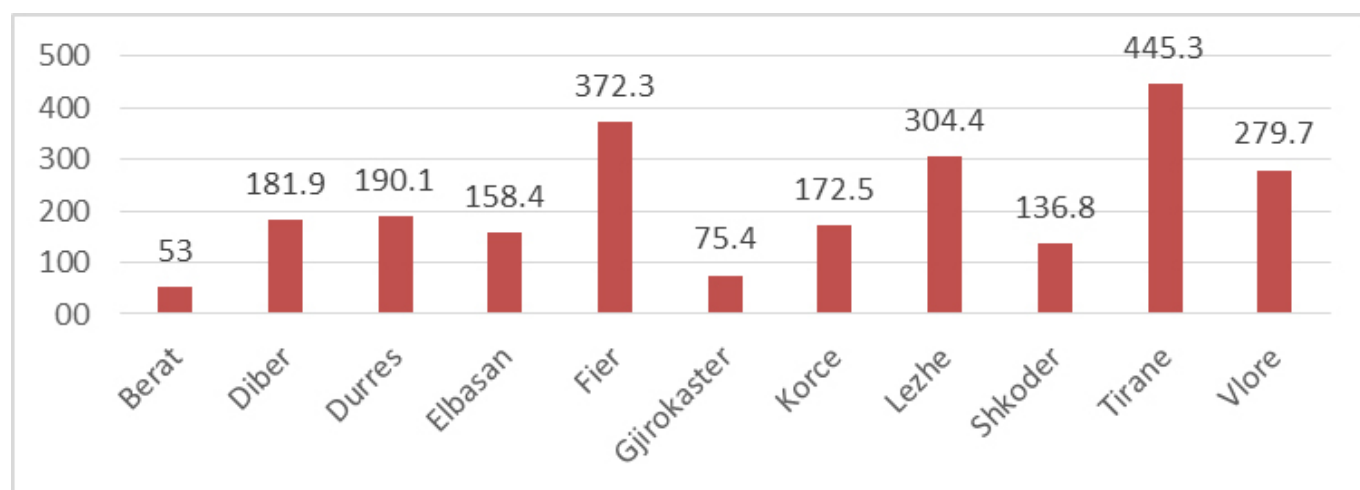
51 Reference to Annex 4 of Law 147/2015 “On the budget of 2016”

educators/teachers), operational expenses and investment expenses. Ministry of Education and Sport prior to the beginning of 2016 forwarded to the local government units the entire legal and sub-legal framework regarding salaries and social insurance of pre-university boarding-schools. LGUs may add funds from their own revenue to enhance the quality of the service in this sector, although they still claim that the funds allocated by the central government to implement this function must be bigger.

Municipalities should coordinate well their actions with MoF and MoES in case of opening of new units as regards the number of employees and the necessary funds in the framework of planning the budget for the upcoming year. Special care should be taken in using the special fund which is already being managed by the Ministry of Finance.

1,131.8 Million ALL were invested at national level⁵² in 2015, respectively in 4 new buildings, 44 reconstructed buildings and 44 sport facilities and gyms. The amount of investments in school infrastructure in 2016 is 2,370.4 Million ALL.

Graph 16: Investments in School Infrastructure by Regions (Qarks) in 2016
In million ALL



Source: MoES

Important progress was made in respect of drafting the strategic and legal framework for poverty reduction, social inclusion and social protection. Social Inclusion Strategy⁵³ which was adopted in December 2015, defines clearly the policies of this sector at local level. The strategy defines the following as important objectives related to local government:

52. Reference aneksi 4 i Ligjit nr.147/2015 "Për buxhetin e vitit 2016"

53. Për investime në infrastrukturen shkollore sipas nevojave të tyre (Ndërtime të reja dhe rikonstruksione të ndërtesave ekzistuese), Bashkitë aplikojne nepermjet MAS ne Fondin e Zhvillimit te Rajoneve.



1. Establishment of an integrated social care service system in LGUs in the selected areas until 2017 and at national level until 2020;
2. Revision of the functions of planning and provision of social care services for various levels of local government and implementation of new models until 2017.

The adoption of draft-law on social insurance is still in progress and it is expected to be finalized within 2016. Following the adoption of the law, the specific list of social services to be provided by LGUs will be developed, introducing and explaining the typology of the new services. Further, the development and adoption of service standards and costs per unit will be done. The template regulation of job descriptions for social workers, the necessary competences and required skills is being drafted.

Environmental protection

During this period, the focus was on building human capacities for the protection of environment. Training local government experts in the implementation of law on environmental permits, different aspects of environmental administration, development and training programs about environmental issues, environmental legislation, is an obligatory condition for all civil servants working at LGUs structures, which are directly responsible for environmental management.

In the course of 2016, ASPA has been conducting the training of municipality civil servants in integrated waste management issues (local planning of waste management, service financing, performance system, communication) through the one-year training course, with participants from 48 Municipalities.

In 2017, the data collection system in this sector will be improved and the benchmarking system will be introduced, at first in some municipalities in the north of Albania and then it will be proceeded with a training cycle to increase the municipality capacities to extend the benchmarking system all over the country.

Aiming to increase LGUs financial resources with respect to the environmental protection function and development of an integral system of waste treatment cost definition and fee setting, the Ministry of Environment, assisted by DLDP, submitted in June 2016 the draft-DCM "On costs and fees of integrated waste management". This decision will enable the use of a methodology for calculating waste management costs and fees. The adoption of the DCM on waste management costs and fees will be followed by the training of officials of 61 municipalities on the cost and fee model conducted by ASPA. The cost and fee model was first introduced in 6 municipalities which will use this methodology during the drafting of budget and fiscal package in 2017.

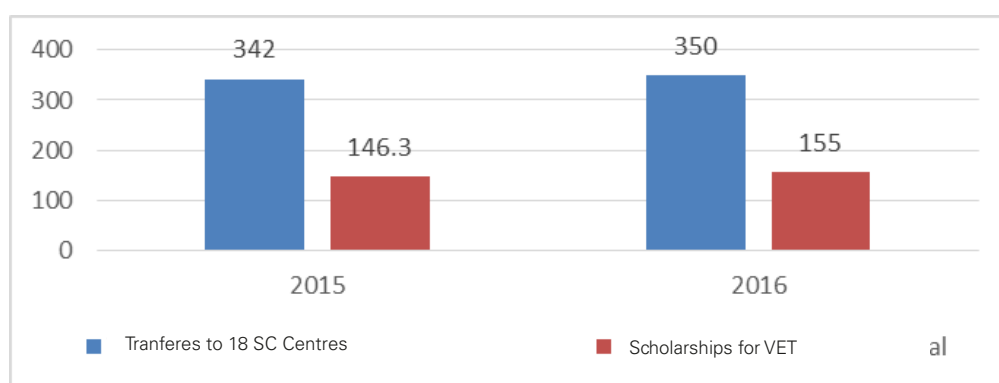
Other functions

Increase of the efficiency of the national budget, is indispensable to ensure the necessary financial coverage to fulfil service standards⁵⁴. As mentioned above, the new Law on social care, which is about to be adopted, will define the necessary changes in LGUs structures to ensure an integrated approach and planning of harmonized social services and social inclusion. The

⁵⁴ Specific Objective III.2.1

plan for deinstitutionalization of services from the residences into community and family based services has been developed, the buildings of 18 social care centers (out of a total of 28) have been transferred to the municipalities, which are responsible for their maintenance and investments, whereas MoSWY and MoF transfer the funds from the state budget according to the organigrams (for salaries, social insurance and operational expenses) to social care center through the Treasury system.

Graph 17: Transfers for Social Care Centers and Scholarships (2015-2016)
In million ALL



Both levels of government (MoSWY/National Social Care) and Municipalities have roles and responsibilities in monitoring various social services in accordance with approved standards and relevant regulations. The number of employees in 28 social care centers is 335 (or 11.1% of the total number of public employees employed in the social sector).

Elimination of competence overlapping among decentralized structures at local level and local government structures, is one of the specific objectives of the strategy. Revision of Law on the Prefect which is submitted to the Government for adoption aims at clarifying the prefect's status and role to avoid overlapping. The law is expected to be adopted by the Parliament within 2016.

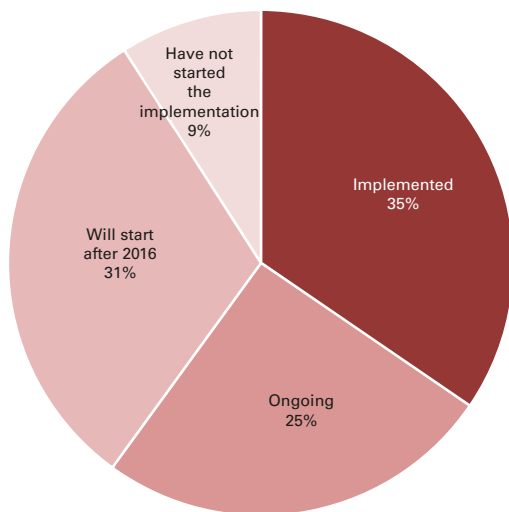
4.4 Progress made in respect of Strengthening Good Governance at Local Level and Implementation of Citizens' Rights

In the framework of this pillar, in the first year of the strategy implementation, almost 60% of the activities, or in total 32 out of 54 activities started to be implemented and 18 were fully implemented in the first year, while a good part of them were planned to start with the implementation during 2017 (see the charts below).

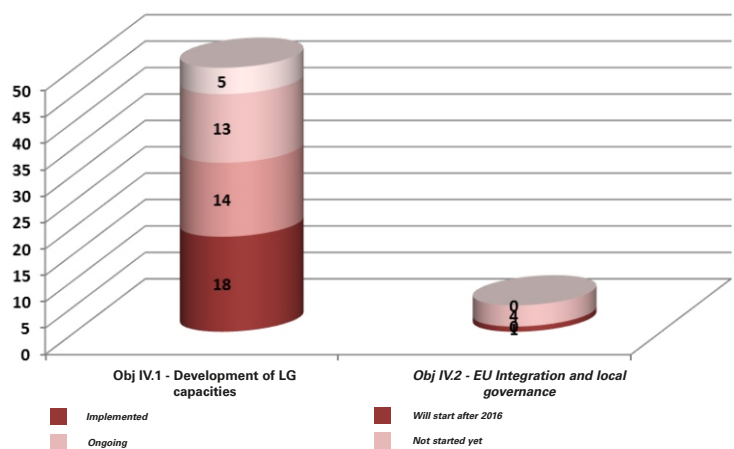
A better progress is noticed in carrying out activities related to the achievement of the strategic objective of *Development of government units' capacities*, where the biggest number of activities to attain this strategic objective has been foreseen. In the framework of this objective, 17 activities were carried out. **Meanwhile, 5 activities are running late.**⁵⁵

55. 61 municipalities have been trained in administrative reorganization procedures; LGUs that have connected HRMIS into treasury system; revision of legal acts; cooperation agreements with Chambers of Commerce and setting up of electronic database.

Graph 18: Activity implementation scale in total for Strategic Objective– IV (in number and %)



Graph 19: Activity implementation scale by Strategic Objectives (in number)



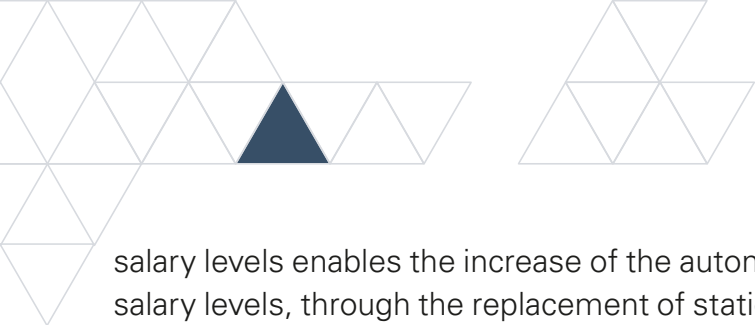
Strategic Objective: Capacity development of government units

Strengthening of local administration is the main objective of the public administration reform at the local level. Government's priority is to establish a public administration which is not bureaucratized, professional and transparent, politically unbiased, capable to respond to business and community expectations for public services, willing to respond to the challenges of country's European integration and attracting EU funds, in full respect of standards, as the major priority of this reform. Law No. 139/2015 clarifies more the roles and their separation, the relevant powers and procedures regarding inter-local cooperation for the implementation of relevant functions, empowering thus local government bodies. At the beginning of March, the Government adopted DCM No. 165, dated 2.3.2016 on the new level of local administration salaries⁵⁶.

The increase of institutional capacities of new municipalities in order to improve the provision of public services has been one of the activity objectives during the first stage of strategy implementation. The financial support to the implementation of the process of establishing new HRM structures in the new municipalities has been provided, as well as technical assistance has been provided by MoSLG, ATRI and STAR project to set up the new structures. The program of Council of Europe on human resources will provide more specific assistance in this respect.

Substantial progress has been made in respect of ensuring an effective human resource management system for local administration, but there are still important steps to be undertaken. DCM No. 510, dated 10.6.2015 "On adoption of transfer procedures of rights and obligations, personnel, fixed and unfixed assets, archives and any other type of official documentation to LGUs, affected by administrative and territorial reorganization⁵⁷, defined clearly the rules and time limits regarding the transfer of staff and assets to the new municipalities. MoSLG and ATRI issued "The practical guideline on staff transfer after the local elections of June 21, 2015"; to help LGUs to carry out this process as correctly as possible. The definition of new

56 DCM No.165, dated 2.3.2016 "On grouping LGUs out of salary effect and definition of salary limits of elected and appointed officials, of civil servants and administrative employees of LGUs" http://www.qbz.gov.al/botime/fletore_zyrtare/2016/PDF-2016/38-2016.pdf
57 http://www.qbz.gov.al/botime/fletore_zyrtare/2015/PDF-2015/103-2015.pdf



salary levels enables the increase of the autonomy of locally elected officials in defining additional salary levels, through the replacement of static criteria of salary ceilings with the dynamic system of performance indicators.


The preliminary preparation of template structures (blue print) for the municipality administration is complete as well as the job description template/model. STAR Project drafted 61 structures with the relevant job descriptions. These proposed structures have been submitted to municipalities to be reviewed. The Project of the Council of Europe also provided two structure models/templates to be used during the merging process of municipalities. Also, a structure model/template was provided through E-PAV system to be taken into account during the process of structure discussion and adoption by the mayor. The standard model/template structure created by the system allows the adaptation of any structure-model/template approved with the help of other actors. The structure created by the system for those positions that have legal criteria stipulations inserts control elements during the distribution of the employees in the system, warning thus HRMUs about the discrepancy and enables the generation of reports in cases when legal criteria are not met.

Progress has been made as regards the conducting of periodical evaluation of the implementation of the Law on Civil Service and relevant procedures. This evaluation, which is about to be complete within 2016, carries out the first evaluation on law implementation after the administrative and territorial reform.

There is still no progress in respect of making HRMIS operational and its connection to Central Financial Management (Treasury), for the purpose of monitoring the implementation of civil service legislation and salary system at the local level.

The support given to municipalities for building capacities to carry out performance appraisal by LGUs has continued. DoPA has already drafted manuals and guidelines for performance appraisal and for job classification system dedicated to LGUs. The training on performance appraisal of HRMUs staff of LGUs was conducted, and in November 2016, Council of Europe Project will offer an advanced training, with a view to enabling the carrying out of performance appraisals at the end of 2016. Through E-PAV system, the data provision on the number of employees who pass the performance appraisal process until the end of June 2016 will be enabled, as well as the presentation of these appraisals.

Positive progress has been made in respect of training needs assessment and drafting of national training plan. The national institutional assessment of local administration training needs was conducted. This assessment is a process that follows the implementation of human resource management procedures in application of the Law on Civil Servant 152/2013 as amended, which ensures that the employees data will be updated in continuation in terms of career advancement, training needs and provision of trainings by ASPA. The methodology of training needs assessment is being developed to support the performance of new functions transferred to LGUs. The methodology of training needs assessment is based on the assessment according to the competences for each function and it is related to performance appraisal. Currently a consultation process is taking place among MoIPA, MoSLG, DoPA and ASPA about the formal regulation of training needs assessment process in the local administration to set a unified standard, applicable at the local level. Regardless of the preliminary assessment, training needs assessment will be carried out periodically related to performance appraisal process in the middle



and at the end of every year, in conformity with the Law on Civil Servant 152/2013, as amended. Also, E-PAV system enables the interaction between LGUs, MoSLG and ASPA to finalize the plan of trainings provided by ASPA as well as enables the coordination of training through other providers/projects/agencies by MoSLG. This system, simultaneously offers the opportunity of training coordination and organization.

Following the training needs assessment, the Strategy and Training Plan for Local Administration 2016-2019 are being prepared.

In addition, the DCM No.510, dated 10.6.2015 regarding the treatment of redundant staff during the transitional period has been issued.

The establishment and initial training of HRMUs, as units that will prepare and implement the transition process, at each new municipality administration has started and is being implemented successfully: 3 specific trainings were conducted with all the

representatives of HRMUs in 61 new municipalities (a total of 194 people), respectively on the union and merging of government units topics, recruitment/hiring topics and performance appraisal topics. The Council of Europe Project, until the end of 2016, will provide training to HRMUs on performance appraisal topics in relation to training needs assessment. Once HRMIS will be functional for LGUs, the Project will provide them with training on this system until June 2017. LGUs will be trained also during 2017-2018. ASPA has approved 2 one-year continuous training programs during 2016 in the areas of: 1) Urban Waste Management, and 2) Public Finance Management. DLDP is evaluating the quality of the training curricula on provision of administrative

services through One-Stop Shops. During this period, the introductory training has been offered to all transferred civil servants (for new municipalities) who did not go through the training provided by ASPA. 324 civil servants were trained by ASPA in 2015, and 226 civil servants were trained in 2016. In 2017, ASPA will provide a training program to all municipalities about administrative services and procedures to be offered by IOSSH⁵⁸.

The national team of trainers and the HRU manager network are being established, capable of replicating and providing special training programs and modules in application of legislation on Civil Service. The trainers' pool for human resource management has been set up, certified by the Council of Europe Project. Representatives of LGUs' HRMUs, capable of providing trainings on HRM topics to their colleagues have been identified. Through E-PAV system (Electronic Platform for Local Administration) - the network of HRM of 61 municipalities and 12 regional

*Box 2: Data on trainings conducted by ASPA
(January 2015 - September 2016)*

- Civil Servants a total of 1,150
- Total number of training days: 216
- Total number of training courses: 50

Detailed by periods as follows:

In 2015 the data are as follows:

- 755 civil servants were trained
- 132 training days
- 29 training courses

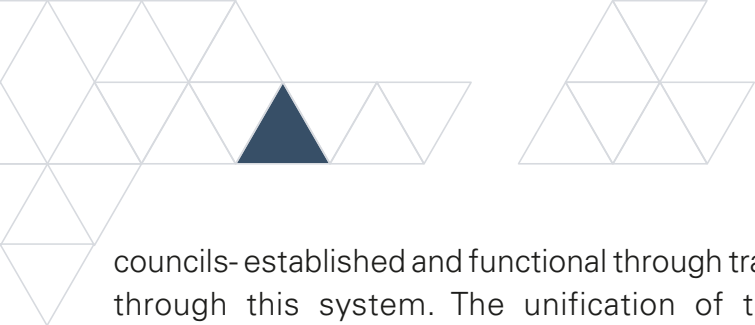
January - June 2016 the data are as follows:

- 251 civil servants were trained
- 65 training days
- 13 training courses

June 2016 - 30 September 2016 the data are as follows:

- 144 civil servants were trained
- 19 training days
- 8 training courses

58. With the support of DLDP



councils- established and functional through trainings, has the opportunity to function even virtually through this system. The unification of the system, of procedures, unification of legal interpretations and practices through the help-desk created at DoPA and E-PAV, keep the network of HRM active and updated with the latest news in the area of HRM. The team of trainers and the national network of LGUs' HRM will continue to strengthen through training tools, E-PAV, electronic notices about HR topics, FAQ on E-PAV site.

The foundations for the establishment of an obligatory/binding system (procedural and institutional) to ensure the coordination and certification of training activities provided by donors through ASPA are being laid down. ASPA is implementing the testing and certification of municipality employees who attend training programs supported by various donors. This enables a better coordination of donors in case of support for capacity building.

Progress has been made in creating the archives and electronic library of training materials on local government. The quality systems for the curricula and trainers are being established. Also, the standards and criteria of the quality systems for the curricula and trainers are being developed. In 2017, the "e-Library" platform containing all the curricula that have passed the quality assessment process will be finalized. ASPA has published a catalogue of training materials of local government employees and within 2016 it will assess a part of the existing curricula. Also, E-PAV system enables the access to training materials archives on HRM topics.

Strategic Objective: ensuring open governance, through transparency increase, accountability and larger extension of e-governance at local level.

This is another important objective of the strategy where the activities are being implemented, especially in respect of revision of legal framework and accountability and transparency systems. With the assistance of the Twinning Project, financed by EU, DoPA is carrying out the evaluation and revision of the specific legislation regarding special administrative procedure under the jurisdiction of LGUs, to the benefit of ensuring their compliance with the New Code of Administrative Procedure.

The evaluation of opportunities for using information technology in local public services has already started and is expected to be finalized within 2016. This evaluation is based on the legal framework analysis and self-evaluation of 61 municipalities and 12 regional councils, in terms of ensuring decision-making transparency and accountability in the local governance process. The evaluation also incorporates the means and tools used, including ICT ones. This evaluation aims at creating a map of the current situation, as well as of the involved actors and needs presented by LGUs. This evaluation will also serve as a basis for the further designation of assistance based on their needs. Currently, 59 municipalities and 10 regional councils have already submitted their questionnaires. MoSLG will continue to work on creating standard tools for ensuring transparency, eliciting citizen opinion on service quality, ensuring accountability, and building capacities.

There is still no progress in terms of creating the electronic database of legal and sub-legal acts that affect local government and strengthening of cooperation between LGUs and Chambers of Commerce.

Management of documents and their archiving has been one of the major shortcomings of local administrations. With the assistance of STAR Project, the municipalities

of Ura Vajgurore and Pogradec have been selected as pilot municipalities to carry out the evaluation and to prepare a model to address this issue. The system was piloted in July 2015. At the end of 2015, the analysis of the situation at the local level was conducted, which allows to open the opportunity to deal with the issue in question in the other municipalities as well in the future.

Good progress has been made in terms of creating facilities for citizens in obtaining information and services. The establishment of “one-stop shops” continues at the administrative units, to deal with all the procedures and formalities falling under the discretion of municipalities. One-stop shops have been set up in 5 pilot municipalities of Shkodër, Lezhë, Durrës, Elbasan, Korçë⁵⁹, and in 2016 7 one-stop shops in 7 administrative units (5 in Shkodër and 2 in Lezhë) will be established, whereas in 2017, 11 one-stop shops will be set up in 11 administrative units in Mat and Klos (7 in Mat and 4 in Klos).

ADISA is currently focused on 420 services and 10 institutions⁶⁰. The extension of the Agency for the Delivery of Integrated Services – ADISA from currently 2 centers: Tiranë and Kavajë, within the first 6 months of 2017 will continue with the opening of 3 other such centers in Fier, Krujë and Gjirokastër.

E-Lejet (E-permits) is the electronic platform for application, acceptance and review of development/construction permits- a joint initiative of the Ministry of Urban Development and of National Agency of Information Society (NAIS) that enables the electronic application for permits in the construction field in the entire territory of the country. Since September 1, 2016, any citizen or business must apply through e-Albania portal to be granted a construction permit. The system enables the monitoring of application time limits and reviewing of applications for permits.

Some progress have been made by the new municipalities to offer information to the public, but implementation of the law on right to information is not implemented according to all stipulated requirements.

Communicating with citizens through the use of information tools and social media has been a very important objective for new local administrations and for the existing ones as well. 61 municipalities and the regions (qarks) have set up their websites. If creating a website is not possible, a Facebook account is used, as a new social media which enables the communication with the citizens. Currently, as shown in the following table, 36 municipalities and 10 regions (qarks) have already used their websites to publish their activities.



59 With the support of DLDP

60 1. National Business Center 2. Central Technical Construction Archives 3. Territory Development Agency 4. Ministry of Education and Sport 5. Immovable Property Registration Office 6. Maritime General Directorate 7. Social Insurance Institute 8. General Directorate of Road Transport Services 9. General Directorate of Civil Registry 10. Health Care Compulsory Insurance Fund

Table 3: **Municipalities and qarks websites**

Nr.	Qark	Website of the Qark council	Municipality	Municipality website
1	Berat	garkuberat.gov.al	Berat	bashkiaberat.gov.al
			Ura Vajgurore	
			Kuçovë	bashkiakucove.gov.al
			Skrapar	bashkiacorovode.gov.al
			Polican	polican.gov.al
2	Dibër	www.garkudiber.gov.al	Dibër	peshkopia.com
			Bulqizë	
			Mat	bashkiamat.gov.al
			Klos	
3	Durrës	www.garkudurres.gov.al	Durrës	durres.gov.al
			Shijak	
			Krujë	kruja.gov.al
4	Elbasan	www.garkuelbasan.gov.al	Elbasan	elbasani.gov.al
			Cërrik	
			Belsh	
			Peqin	
			Gramsh	bashkiagramsh.gov.al
			Librazhd	
			Prrenjas	
5	Fier	www.garkufier.gov.al	Fier	bashkiefier.gov.al
			Patos	bashkiapatos.gov.al
			Roskovec	bashkiaroskovec.gov.al
			Lushnjë	bashkialushnje.gov.al
			Divjakë	bashkiadivjake.wordpress.com
			Mallakastër	
6	Gjirokastrë		Gjirokastrë	gjirokastra.org
			Libohovë	
			Tepelenë	bashkiatepelene.com
			Memaliaj	
			Përmet	bashkia-permet.wix.com/bashkia
			Këlcyrë	
			Dropulli	bashkiadropull.com/sq/
7	Korçë	www.korcaregion.com	Korçë	bashkiakorce.gov.al
			Maliq	
			Pustec	
			Kolonjë	
			Devoll	bashkiadevoll.al
			Pogradec	bashkiapogradec.al
			Kukës	kukesi.gov.al
8	Kukës	www.kqk.gov.al	Has	
			Tropojë	
			Lezhë	lezha.gov.al
9	Lezhë	www.garkulezhe.gov.al	Mirditë	bashkiamirdite.gov.al
			Kurbín	
10	Shkodër	www.garkushkoder.gov.al	Malësi e Madhe	
			Shkodër	bashkiashkoder.gov.al
			Vau - Dejës	vaudejes.gov.al
			Pukë	bashkiapuke.gov.al
			Fushë - Arrëz	
11	Tiranë	www.garkutirane.gov.al	Tiranë	tirana.gov.al
			Kamëz	kamza.gov.al
			Vorë	bashkiavore.gov.al
			Kavajë	bashkiakavaie.gov.al
			Rrogozhinë	
12	Vlorë		Vlorë	bashkiavlore.org
			Selenicë	bashkiaselenice.org
			Himarë	himara.gov.al/himara
			Sarandë	bashkiasarande.gov.al
			Konispol	
			Finiq	
Delvinë				



The information coordinator was appointed in 42 municipalities (or 68.8 % of them), whereas the publication of the municipal council decisions is made only by 14 municipalities (or 22.95 %)⁶¹.

With the support of Lëviz Albania project, various monitoring were carried out related to law enforcement on the right to information.

61. According to the data of the Commissioner on the Right to Information



Strategic Objective: European Integration and local governance

A significant attention is paid to the local government role strengthening in the process of European integration. This role first requires the new municipalities to have the capacities in terms of their successful inclusion in project management funded by the European Union. The Ministry of European Integration has organized a series of information days on calls for proposals published during May to July 2016, on cross-border cooperation programs with Montenegro and Greece. Municipality representatives also attended these information days benefitting from these programs. MIE has held an information session with 12 municipalities benefitting from IPA CBC programs and supported by dldp, in July 2016. Financial, planning, IT sector, services, female members of municipal council's staff attended these sessions on IPA II, IPA CBC framework.

PLGP/USAID organized a training session of 5 days with municipalities of Korca, Fier, Lushnje, Kuçovë, Berat, Patos, Vora, Shkodra, Vau Deja, Ersekë, on IPA funds management, at the end of which, each municipality developed project proposals for their concrete plans.

Also in the context of further developing the capacity of civil society and local administration, within the project "Increasing local ownership of European integration by reorienting the debate and strengthening the civil society capacities for the acquisition of EU funds", to be funded by OSFA /Soros Foundation, a training program was realized in the period August - December 2015 for 4 major regions of Albania: Shkodra, Vlorë, Gjirokastra and Korça, which have widely benefited from the funds of IPA CBC, targeting directly the representatives of the local government of these regions at qark, municipality level. Training seminars aimed to meet the immediate need to provide general information on the operation of EU financial mechanisms for Albania, which financing sources Albania benefits from and specific examples of concrete programs from which the relevant regions benefitted: Gjirokastra, Vlorë, Korça and Shkodra. The training seminars were broadly attended by all municipalities and regions, and high interest was displayed especially by small municipalities, which had never previously attended such training seminars. The latter were organized in cooperation with ASPA, ensuring maximum participation not only by municipalities, but also by the counties and prefectures. These training seminars were attended by roughly 94 participants.

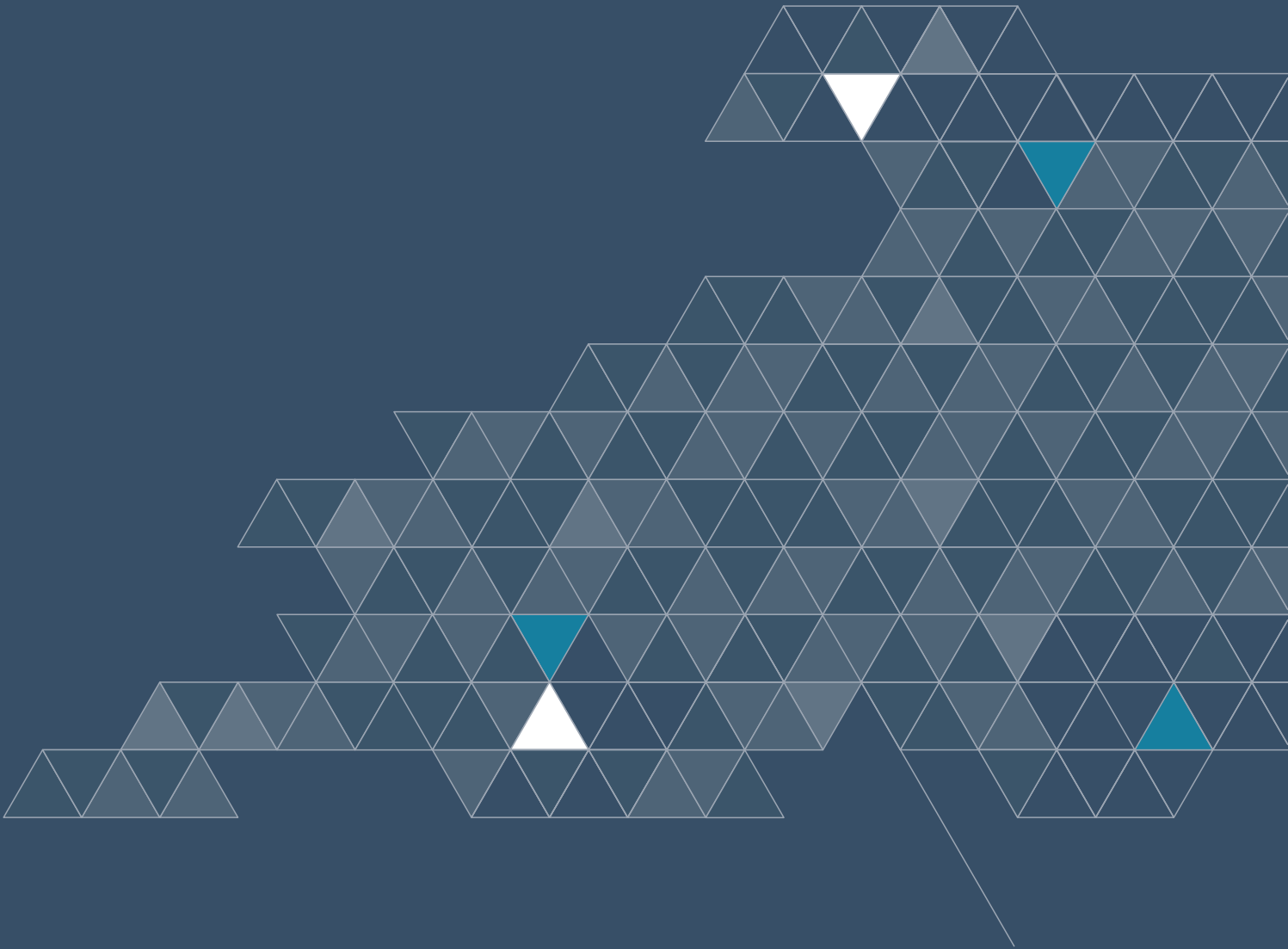
5. Main activities until the end of 2016



While work continues for the implementation of a series of activities scheduled in the action plan, the following activities are expected to be realized within the four next months until the end of 2016:

- Revision of the Law on the Prefect, with a view of clarifying the status and role of the prefect to avoid overlaps.
- Finalization of the draft law on the Finances of Local Government and of the package of relevant training seminars;
 - Finalized drafting of the National Plan of Training of Local Government Units
 - Approval of DCM on the geographic determination of administrative borders of 61 municipalities
 - Setting up a Consultative Council and collaboration with local associations.
 - Revision of the law on social housing
 - Realization of 1 Conference and 4 regional seminars concerning the role of the local governments in the EU integration processes.

Approval of the above laws will pave the way to the implementation of further reform and programs of support to municipalities and administrative units.



6. Monitoring and Reporting Methodology



The National Crosscutting Strategy for Decentralization and Local Government 2015-2020 specifies that the strategy implementation will be associated with a continuous monitoring process, in order to ensure the achievement of the planned objectives. The whole monitoring and evaluation process is politically guided by the Minister of State for Local Issues.

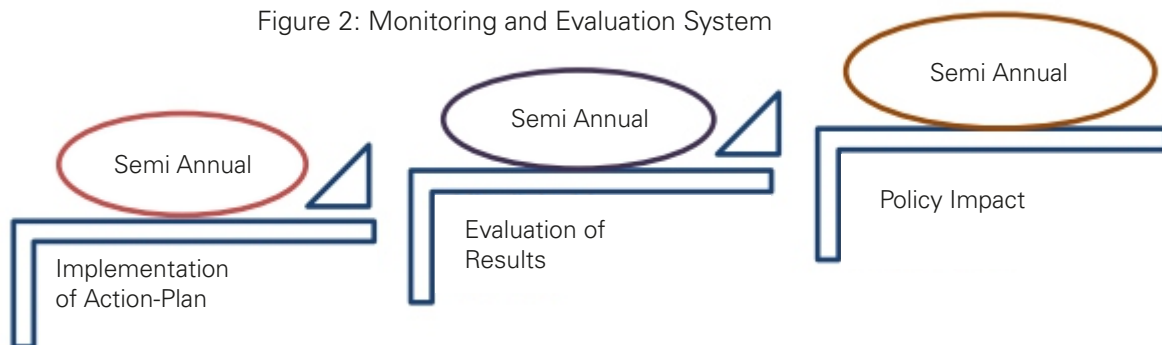
The Strategy involves two main monitoring and evaluation instruments:

1. **Action Plan of the Implementation of the National Crosscutting Strategy for Decentralization and Local Government 2015-2020**, which serves the monitoring of achievements and progress of the process by measuring the actions and results within the scheduled term. The Action Plan includes all components with specific objectives, actions planned, time limits, conditions and responsibilities for its implementation.

2. **Matrix of Performance Indicators**, which included basic indicators to be used for monitoring the performance and achievements of policies in various fields such as fiscal policy, territorial-administrative reform etc.

The Strategy Monitoring foresees the monitoring process at three-step level of its implementation within three specific deadlines:

Figure 2: Monitoring and Evaluation System




This monitoring report is focused on the analysis of the degree of achievement or execution of activities by presenting an analysis of implementation for the first one-year period of implementation of the planned activities.

The performance indicators are not subject to measurement and reporting, as their measurement will be carried out during 2017 to correspond to the mid-term evaluation of the strategy achievements.

Data collection

Information collection process began in June 2016 and ended in August 2016. The process of information collection, progress monitoring and evaluation was coordinated by the Cabinet of Minister of State for Local Issues, who will perform the role of crosscutting coordinator of the process of Strategy implementation and monitoring. A substantial contribution to the provision of information was provided by project teams to support the implementation of reforms in the field of local government: Local Development and Decentralization Program, Local Governance Project/USAID, the Council of Europe Project and STAR Project. Addition to information gathered from the above sources of information, a series of information were collected through information



published in websites of various ministries and central agencies. Monitoring reports prepared in the framework of other sectorial strategies were used, which included activities that were linked with the operation and various aspects of local government. Further, the monitoring reports of civil society or locally operating international organizations were used as a significant source of information. In addition, through the local experts contracted by the Dldp Programme, several interviews were carried out with the representatives of the line ministries.

Evaluation criteria

The assessment methodology applied is based on the assessment of the degree of implementation of activities. Given that the activities envisaged in the action plan are extended to three phases, for the purposes of assessing the progress of their implementation, information is collected and evaluated for each of the activities regardless of the expected terms of their beginning and end. This assessment showed that a number of activities had started before the time scheduled in the document of Action Plan 2015-2020.

The progress was assessed based on the information collected, taking into account the progress assessment based on two evaluation criteria:

1. Assessment of the status of initiation of the activity: (i) if the activity had started from its implementation; (ii) if the activity had not started to be implemented and (ii) if the activity was scheduled to start after 2016. This category included activities, which as planned, were scheduled to start in the years after 2016 or were planned to begin in the years 2015-2016, but due to specific reasons, their start term was extended to latter periods;

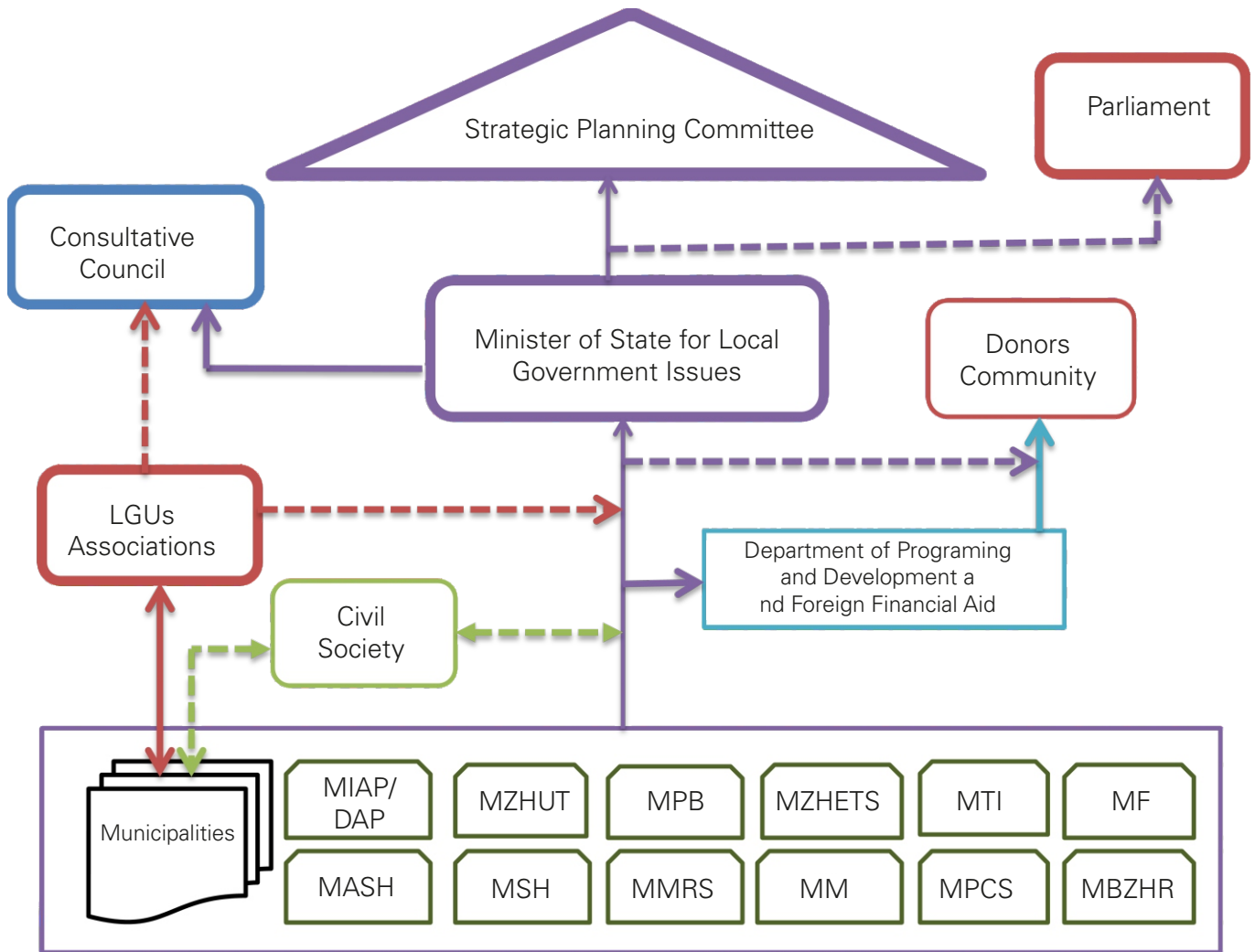
2. Activity implementation level: based on this requirement, the activities that had started to be implemented regarding the level of their fulfilment by classifying them into two groups: (i) fully implemented and (ii) partly implemented.

Finalization of the report and presentation of findings

The National Crosscutting Strategy for Decentralization and Local Government 2015-2020 also defines the institutional framework of its monitoring and accountability. The following Graph presents the institution accountability system provided for in the strategy. This system foresees the Consultative Council⁶² as a key instrument for the monitoring and coordination of strategy implementation. The failure to set up a Consultative Council constitutes a fault in this process of monitoring of the strategy implementation.

62. The Consultative Council will be a permanent structure established by virtue of bylaw, based on the organic law of local government. It will be made up of governmental representatives at the level of ministers, presided by the Minister who is responsible for local issues, as well as representatives of the local government, mayors organized in local associations to act in the capacity of technical secretariat of that Council. The Implementation of Strategy will be annually monitored by this Council and based on the monitoring reports; it will guide and recommend the adoption of concrete actions for the advancement of strategy implementation. The annual recommendations of the Consultative Council will be made known to the Assembly, Government and donors.

Figure 3 : Institutional Framework of Accountability and Monitoring



The first draft report was completed at the end of August 2016. Key findings of the monitoring were presented at the meeting of the Group for Integrated Management of Policies for the Public Administration Reform, held on 2 September 2016.

The monitoring report will be made public and information will be shared via the website of the Office of the Minister of State for Local Issues.

7. Status of Implementation according to the activities scheduled in the Action Plan 2015-2020

No.	Objectives/Measures	Implementation period	Result indicators (Outcomes)	Progress achieved	Future steps	Institution
Strategic Aim I. Increase of efficiency, as a whole, of local government units						
Strategic Objective I.1 Administrative-Territorial Reform						
Specific Objective I.1.1		Administrative and financial consolidation of 61 new municipalities upon the approval of new law on the administrative-territorial division;				
Performance Indicators		Index of asset inventory				MSLI
A	Establishment and functioning of the Agency for Implementation of the Territorial Reform	2015-2020	DCM for establishment of the Agency for Implementation of the Territorial Reform	Decision of Council of Ministers no. 83, dated 28.1.2015 "On establishment and functioning of the Agency for the Implementation of the Territorial Reform" Official Journal no. 14. 2015, p. 548 Decision of the Council of Ministers no. 235, dated 03.18.2015 "On an additional number of employees and budget funds for the Agency for Implementation of Territorial Reform for year 2015", Page 1919, Official Journal Year: 2015 - Number: 45		MSLI
			Number of personnel appointed	14 people nominated. A number of 800 persons attended the meetings organized by the agency in connection with new functions (irrigation, drainage, firefighting, forests and pastures, education etc.)		
B	Infrastructure support program for 61 new municipalities	2015-2020	Number of infrastructure projects for new municipalities			MSLI
						RDF
C	Application of integrated administrative services with ICT technology for 61 municipalities and administrative units.	2015-2016	67 services	New IT services piloted in 5 municipalities (Shkoder, Lezhe, Durres, Elbasan and Korce) and Integrated One Stop Shops set up to provide services in:	Extension in the other units will be realized during 2017. During 2016 the system will be expanded in Shkoder with 5 administrative units, in Lezhe with 2 administrative units and identification of	MSLI, MSIPA

				<p>(i) Shkodër Municipality (currently 72 digitized services in municipality and 2 administrative units)</p> <p>(ii) Lezhë Municipality (currently 83 digitized services in municipality and 2 administrative units and Vau i Dejes (currently 62 digitized services in municipality and 1 administrative unit)</p> <p>(iii) Korce municipality (currently 76 digitized services in municipality and 7 administrative units),</p>	<p>the list of services will start in Mat and Klos and identification of the services to be provided by new functions. In 2017 OSSH will be established in Mat municipality and 7 administrative units and in Klos municipality and 4 administrative units. Extension of the system will be completed in Shkoder and Lezhe and it will be extended in Lezhe and Vau i Dejës. The process for analyzing the services and preparation of the procedures manual for Fier and Berat municipalities is ongoing. The system will be installed in September - October and the work will start in these municipalities including the respective Administrative Units. The system is planned to be applied before March 2017 in Sarande and Kucove municipalities.</p>	
Ç	Inventory and financial consolidation of 61 municipalities	2015-2016	DCM on the approval of the inventory of properties in 61 municipalities.	DCM 510 was approved on 10 June 2015 "On approval of procedures for the transfer of rights and obligations, staff, tangible and intangible assets, archives and any other official document in the local government units affected by streamlining administrative-territorial http : //www.qbz.gov.al/botime/fletore_zyrtare/2015/PDF-2015/103-2015.pdf	MSLI office will seek information from all LGUs to report about the stage of the process regarding the obtainment of properties. The reporting deadline will be 31 December 2016	MSLI/
			Financial reports reflect the obtaining of financial obligations from the merger of LGUs	A number of 373 financial reports of LGUs prepared and consolidated in 61 new municipalities. Financial reports are available to the new municipalities and discussed with WWWB and IMF	Financial reports will be officially sent to municipalities. The latter must take action to address the recommendations.	STAR
D	Geographical definition of administrative boundaries of 61 municipalities	2015-2016	Legal documents that determine administrative limits of municipalities	DCM for determining the boundaries prepared	Approval by DCM	MSLI/ STAR
Specific objective I.2.2		Institutional and infrastructure support in 12 counties and 61 new municipalities after local elections of 2015.				
Performance Indicator		Indicator of integrated administrative services application through ICT				MSLI
A		2015-2016	- The prepared model statute	The new law on local government has repealed the drafting of municipal statute	A new draft statute is being prepared and will be provided to 13 municipalities at the	MSLI

	Drafting of model statutes and regulations of 61 new municipalities				end of September. It will be also distributed to other municipalities through the Association of Municipalities. This material will be delivered together with a manual for secretaries of municipal councils.	
			- Model regulation drafted	A model of administrative procedures has been prepared to be used in the system of One Stop Shop Integrated Office Lezhë Shkodër, Vau i Dejës and Korçe municipality.	Manuals of Berat and Fier municipalities are in the process of completion and the manuals of Sarandë and Kuvë municipalities are in the stage of being planned. Administrative procedure regulations will be developed to be used in the system of One Stop Shop Integrated Offices in Mat and Klos.	
B	Technical assistance for city administrators (city manager) and local administrators	2015-2018	323 local administrators trained	An introductory training developed In October 2015 with 323 new administrators, through 6 regional meetings	Assistance will continue in the coming years through thematic training	MSLI
C	Preparation of social-economic development profiles	2015-2016	Development programs prepared	Operational Development Programs have been prepared for 26 municipalities and Territorial Development Plans for 36 other municipalities. Territory Development Strategies have been developed for 10 municipalities: Durrës, Lezhë, Shijak, Dibër, Kukës, Elbasan, Fier, Lushnjë, Kuvë and Berat.	The process has started for drafting the territorial strategies in Klos, Mat and Tropojë municipality and the process for preparing GLP of Mat, Klos, Tropojë and Vau i Dejës, Elbasan, Fier, Lushnjë, Kuvë and Berat Municipalities will begin within 2016.	MSLI/STAR
Ç	Assistance for the preparation of consolidated budgets and fiscal packages of 61 municipalities	2015-2018	61 municipalities trained on consolidated budgets	Training started with 61 municipalities of the country for Public Financial Management. One year training with four sessions has the dedicated curriculum.	Currently the government is preparing the new legal framework for local finances and with adoption of law the consolidated budgets will begin to be prepared. This process will be preceded by the drafting of the training curricula and training programs.	MSLI, MoF, LGU
D	Support for the harmonization of Territorial Development Plans under the new administrative division	2015-2018	Guideline for designing	Compiled by NATP. DLDP program has developed the methodology of the program of Functional Areas and the methodology of transition from PFZ to the Territorial Strategy	MUD and MSLI will consider the possibility to harmonize during the period 2017-2018 the local general plans in 30 other municipalities. Out of the remaining 27 municipalities MUD will support 8 to	MSLI, MUD, NATP

			Local development plans and the number of new municipalities assisted for preparing plans regarding territory development	31 local general harmonized plans of municipalities have been drafted and will be adopted in 2016 (26 municipalities are actually being supported by MUD - 5 from USAID (Elbasan, Berat, Fier, Kuçovë, Lushnjë) - 3 of the Swiss program DLDP (Montenegro, Mat, and the contract has been entered into with Tropoja);	10 municipalities by 2017, within the projected funding. The process has started to prepare the territorial Strategies in Klos, Mat and Tropoje municipalities and the process for preparing GLP of Mat, Klos, Tropoje and Vau Deja will begin within 2016. It has also started the process for drafting the GLP of Malesi e Madhe municipality. Trainings have been organized and other trainings will be carried on during the upcoming months to train municipal experts to draft GLP and their connection with MBP	
Strategic Objective I.2 Administrative Units						
Specific Objective 1.2.1		Strengthening the decision-making and monitoring role of municipal councils and regional councils				
Performance Indicators		The number of initiatives for public policy and monitoring of financial and administrative control of municipal councils				MSLI
A	The training program of new councillors of 12 districts and 61 municipalities	2015-2018	All municipal councillors and regional councillors trained in 5 training programs	Activities have been developed for building capacities of women councillors, through the network of women in politics. In addition, the Training Needs Assessment report also provides data on the needs for training mayors and councillors		MSLI, Local Associations, CoE
Specific Objective 1.2.2		Strengthening the role of mayors in management of municipal structures and leadership				
Performance Indicators		% of complaints / requests of citizens against the decisions of municipal councils and municipal structures in relation to the total number of decisions.				LGU, Monitoring of Civil Society
A	The leadership program for new mayors of 61 municipalities	2015-2018	61 mayors trained in the training programs on leadership	ATRI has held several information meetings with the new mayors TNA provides data on the needs for training mayors and councillors	Leadership training with attendance of mayors of municipalities will start within 2016	MSLI, Local Associations, CoE
B	Amendment of Law no. 8652/2000 "On the organization and functioning of local government", in order to provide: (i) increase of the mayor's power to approve the organizational structure of the municipal administration and the internal labor regulation, and (ii) creation	2015-2016	Amendment of Law no. 8652/2000 "On organization and functioning of local government", as amended and bylaws	The law 139/2015 "On local self-government" that meets the provisions of this measure has been adopted		MSLI, DoPA

	of administrative units and determination of their functions.					
C	Transparency and Participation Program in decision making at the local level.	2015-2020	Number of meetings of municipal councils with citizen participation	Consultation meetings were organized in several municipalities to discuss about the local government law (with attendance of municipal councillors, regional departments, civil society and experts of municipalities). Citizen Advisory Committees were instituted in 13 local units, and consultation processes have been carried out with citizens, including topics such as: GDP, the fiscal package, budget etc.	Following the transparency and accountability evaluation report the assisting plan will be proposed in LG	MSLI,
				The national evaluation of transparency and accountability is being realized in LG.		
Specific Objective 1.2.3		Support for functionality of component administrative units				
Performance Indicators		The rate of transfer of local property at LGUs				MoI/MSLI
Performance Indicators		The ratio of projects funded with PPP scheme (number)				MSLI/MEDTE
A	Development of the methodology for the transfer of functions / powers from CG to LG	2015-2016	The methodology for the transfer of functions / powers from CG to the prepared LG	It is advanced in preparing the methodology for the transfer of functions. The study regarding the readiness of LG to obtain new functions has been conducted (it is called monitoring of level 2 - L2) and reports on the status of new functions that have been transferred at local units are being prepared.	During 2016-2017 it will be followed by monitoring the level L3, which means monitoring how the VC has exercised the functions transferred. After this monitoring the methodology for the allocation of functions will be conducted	MSLI, DLDP, Local Associations
B	Detailed evaluation of procedures / processes of current functions and new functions planned within the mandate of the LGUs (including new management functions).	2015-2016	Completed Evaluation Report	LG services stemming from current functions have been analyzed, as well as a part of services stemming from the new functions. Analysis in the framework of IOSSH	It is expected to be drafted in 2017.	MSLI, Line Ministries
C	The development of standards related to determining the number of employees and the workload for each function.	2015-2017	Report of standards designed and approved	Standards have been developed regarding the organizational structure of municipalities, in terms of the organization of services within the IOSSH	Expanding the experience in other municipalities	DoPA, MSLI,
Ç	Detailed evaluation / study of the possibilities for contracting or providing services selected through public-private partnerships.	2015-2018	Evaluation report		It remains to be done in the next year	MSLI, Line Ministries, NGO

D	Preparation of the model (blue print) for the organization of the administration of the new municipalities, as well as a manual for its implementation.	2015-2016	Model and manual drafted	A number of organigram models and the relevant manual have been designed, which are used in more than 30 municipalities. Dldp has developed organizational scheme in the framework of service delivery through IOSSH. The Project of CoE has offered two structure models, one of which is in E-PAV system to be used by the LGUs	These models will be further improved in STAR II project, according to new specifications. Expansion of experience in other municipalities, adoption of organizational scheme according to different typologies of Municipalities	DoPA,Min. CV,STAR
DH	Preparation of the model of job descriptions / mission for each of the typical units of the new municipal administration for each function / primary process, and for each typical job position of the new municipal administration.	2015-2016	70% of all the functions and duties with models of job descriptions prepared	Duties and responsibilities of labor positions developed in the framework of service delivery through IOSSH (back-office and front-office). Administrative Regulation adopted	Expanding the experience in other municipalities, adopting rules under different typologies of Municipalities	DoPA, MSLI
E	Creation of a permanent "help-desk" and continuous aid to municipalities in the process of reorganization.	2015-2018	The number of persons employed in the unit "help- desk" DoPA established	Help-Desk established and operates at the DOPA, where there are employed 2 experts regarding legal and technical issues and one local expert at ASPA regarding training matters	In 2017 the help-desk will be strengthened for functions / powers	MSLI, DoPA
Transfer of properties						
A	Completion of the process of transferring public assets to LGUs	2015-2020	Decision issued for the approval of the property inventory for each of the municipalities	Property transfer stopped in 2015. In 2016 restarted the transfer process in the new municipalities. Under DCM no 63, dated 08.03.2016 the transfer of forests and pastures of 61 new municipalities has been performed 100%, abolishing the previous 300 DCM for transfer to former municipalities.		MoI, MSLI
B	Creation of an integral digitized system at national and local level for registers of properties transferred to the local government	2015-2016	Digital system established	An assessment is being carried on for the system of municipal property registration by the OSCE.	The evaluation report will be issued in 2016.	MoI,MSLI
C	Development of local regulations for the management of the LGUs new assets.	2015-2017	The regulation prepared and approved	A manual established for local officials where a special chapter refers to local asset management	After the evaluation process the possibilities of assistance to municipalities for the preparation of these regulations will be considered.	MSLI, MoF, MoI, Local Associations
Ç	Review of legislation that regulates the procedures for the registration of the right of	2015-2020	Legal amendments to the legislation on public properties		After the evaluation process there will be concrete recommendations for amendments to the legislation.	MoJ, MoI, MSLI

	ownership and management of municipal property;					
Specific Objective 1.2.3		Strengthening the local democracy through civic all-inclusive growth and strengthening of community structures at the local level.				
Performance Indicators		The number of civil structures in% against the number of LGUs				LGU, Monitoring of Civil Society
Performance Indicators		The average number of meetings held among municipal structures and civil structures				LGU, Monitoring of Civil Society
A	Support with contemporary infrastructure the decision-making at the local level to promote civic inclusiveness and local democracy (reconstruction of the municipal halls of the new municipalities, equipment with electronic voting systems, facilities for the participation of citizens / media in the council meetings).	2015-2020	Number of halls of 55 municipal councils reconstructed	No progress		MSLI, donors
B	Strengthening of community structures at the local level (civic committees, heads of villages, citizen liaison)	2015-2018	No of 61 new municipalities with community structures	2 projects are supported by Move Albania and OSCE for the establishment of community structures in Tirane, Fier, Gjirokaster and Vau Dejes.		MSLI,
				Advisory Civic Committees institutionalized in 13 local units established with PLGP support		NGO
Specific Objective 1.2.5		Strengthening the dialogue between central and local government, and mutual accountability				
Performance Indicators		Number of joint round tables				LGU reports, Monitoring of Civil Society
Performance Indicators		% of project decisions made with consensus CG/LG				LGU reports, Monitoring of Civil Society
A	Cooperation strengthening program between the central government and local government units. Establishment of the Consultative Council and the cooperation with local associations.		Consultation Council set up	Draft DCM prepared and consultations made with associations of municipalities.	DCM will be approved within 2016.	MSLI, Local Associations, Donors
		2017-2020	Meetings with Local Associations	This process begins after the establishment of the council.		
Strategic goal II. Strengthening of Local Finance and increase of Fiscal Autonomy						

Strategic objective 1. Reforming the system of local revenues						
Specific Objective II.1		Increase of LGU local revenues capacity to meet the financial needs to provide more services				
Performance Indicators		Local Government Budget in relation to GDP (%)				MoF
Performance Indicators		The ratio of domestic revenue to GDP (%)				MoF
A	Establishment of a technical working group with local and central representatives to explore and identify specific areas of current legal framework that needs to be changed	2015-2016	- Technical Working Group established	Created with the help of PLGP and DLDP projects under the guidance of the Ministry of Finance.		MSLI, MoF, PLGP/USAID Local Associations
			- Report on the secondary legislation that are necessary to be reviewed	The process of drafting bylaws will start following the adoption of the law on local finances.		
B	Draft law "On Local Finances"	2015-2016	Law "On Local finances" amended	The draft law prepared and under consultation	Expected to be approved by the Assembly in 2016.	MSLI, MoF, PLGP/USAID Local Associations
C	Review and adoption of sectorial legislation and bylaws for finances and local taxes	2015-2018	List of the revised sectorial legislation	Part of the process of the working group under point A		MSLI, MoF, PLGP/USAID Local Associations
			- List of revised bylaws	After the adoption of the law on local finances will start the process of drafting bylaws. The new formula is adopted for the unconditional grant		
Ç	Analysis of pervasive impacts of national tax-sharing with LGUs	2015-2018	The report of analyzes for changes of GDP / capita at regional level	Conducted partly through recommendations of political documents and the evaluation made by PLGP / USAID. Analysis to be finalized during the process of drafting the law on local finances.		MSLI, MoF, PLGP/USAID/ Local Associations
D	Increase of distribution of vehicles tax divided between central government and LGUs	2015-2016	DCM approved the distribution of approved tax	It remains pending after the adoption of the law on local finances.		MSLI, MoF, PLGP/USAID Local Associations
DH	Implementation of the new system of property tax	2015-2018	Changes to the property tax legislation	It remains pending after the adoption of the law on local finances or a new law on property tax - According to IMF recommendations		MSLI, MF, PLGP/USAID Local Associations

E	Support for local tax administration regarding the property tax and local taxes	2015-2018	Number of municipalities assisted in the administration of local taxes by the PLGP program	Completed. 12 partner municipalities of PLGP / USAID and 2 non-partners assisted through "capacity building" workshops and "on the job trainings" and "demand-driven" technical assistance PLGP – Tax Administration and Local Finance System implemented in 10 municipalities (Elbasan, Kamza, Vore, Lushnje, Berat, Elbasan, Kamez, Vore, Lushnje, Berat, Kucove, Fier, Patos, Vlore and Sarande). In the absence of information from IPRO for identification of taxpayers of property tax for 5 municipalities (Elbasan, Lushnje, Fier, Korce and Kamez) a GIS system has been built.		MSLI, MoF, PLGP/USAID/ Local Associations
Specific Objective II.2		Improving sustainability, simplicity and equality of the transfer system together with increase of transparency				
Performance Indicators		Conditional transfer report versus local revenues (%)				MoF
A	Creation of a new formula for unconditional transfers based on more transparent criteria, simpler and more objective	2015-2016	The new formula for unconditional transfers approved by DCM	Completed. The new formula was adopted by Law 147/2015 "On State Budget 2016".		MoF, MQV, LGU
B	Consistency of data from the census and civil registry and determination of the source of information that will be used to intergovernmental transfers and expenditure functions	2015-2016	Transfers to local government use a unified basis of population data	Important part of the new formula of sharing unconditional transfer.		MoI, INSTAT, MoF
C	Using matched data of the population for the purpose of joining the LGUs and for unconditional grant transfers	2015-2018	Transfers for local governments use a unified basis of population data	It is an important part of the new formula of sharing unconditional transfer		MoF, MSLI, LGU
D	Review of the system of conditional grants (RDF, etc.) to focus it on areas with greater regional importance; review of its relationship with the skills and practices necessary for the	2017-2018	Study report for the distribution of conditional grants	This process is being reviewed by the regional development working group.		MoF, MSLI, LGU

	absorption of EU funds in the future					
DH	Determination of the level of transfers to local governments as a percentage of total public revenues	2017-2018	Change of legislation on local finances	It will be approved as part of the new law on local finances.		MoF, MSLI, LGU
Specific Objective II.3		<i>Increase of LGUs' capacities to use borrowing and debt to finance capital investments within the national public debt policies;</i>				
Performance Indicators		Local Government budget in relation to PBB (%)				MoF
A	Assessment of the overall borrowing capacity of local governments and restrictions imposed on LGUs to borrow and use credit	2015-2016	Completed Evaluation Study	No progress.		MoF, MQV
B	Creation of the dialogue between stakeholders by central, local and financial organizations to review the existing legal framework and to identify new approaches to borrowing	2016-2017	10 meetings held	It remains pending after the adoption of the law on local finances		MoF, MQV, LGU
C	Review of the Law on Local Government Borrowing to determine a fair ratio of public debt between the central government and LGUs	2017-2018	Government Borrowing Law, as amended			MoF, MQV, LGU
Ç	Identification of accounting related problems at the local level and preparation of a package of measures to address them.	2017-2018	Completed Evaluation Report			MoF, MQV, LGU
			Plan of Measures designed			
D	Support for the application of local borrowing guarantee	2019-2020				MoF, MQV, LGU

	schemes by linking the land and infrastructure with relevant financing authorities.		Number of municipalities that use guaranteed local borrowing instruments			
Specific Objective II.4		Strengthening the system of public finance management at the local level;				
Performance Indicators		% Hidden debts identified at the local level				MoF, MSLI, LGU
Performance Indicators		% Local Government Units to adopt the approach SDP and MBP (SDPeMTBP)				MoF, MSLI, LGU
A	Identification of hidden debts created before changing the map of LGUs and development of specific plans to cover debts	2015-2017	- Report on the level of hidden debts prepared	The report on debts and arrears compiled. Debt at the end of 2015 amounts 9.7 billion.		MoF, MSLI, LGU
			- Number of specific plans drafted		In 2017, municipalities will be assisted to prepare specific plans.	
B	Implementation of the computerized Financial Treasury Information at the local level	2017-2018	- The number of municipalities that have adopted 100% system TFIS			MoF, MQV, LGU
C	Expansion of Internal Audit Reform and Control, external audit and public procurement to include local governments; raising the level of LGUs at equally important level to monitor the performance of reform progress in the MFP.	2017-2018	Number of municipal employees trained on financial management, auditing and public procurement	Being trained by DLDP ASPA with the help of financial management. In May 2016 a number of 61 finance chiefs of municipalities trained.		MoF, MSLI, ASPA
						LGU
Ç	Unification of the guidelines and procedures for pre-commitment and control of engagement of funds applied at central level (registration of contracts, acceptance and registration) adoption of guidelines for the local level to prevent the creation of hidden arrears at the local level in the future.	2019-2020	List of guidelines approved			MoF, MSLI, LGU
D	Improvement of capacity of the LGUs on the drafting and implementation of the budget. Distribution of MBP budgeting process in all LGUs; Using SDP	2015-2020	Number of municipalities that use budgeting with PZHS and MBP	ASPA is implementing 1-year training program for Public Financial Management at local level, specifically developing strategies and their relationship with the medium-term budgetary programs. The	The second course of the 1 year training program and within 2016. The testing in writing and certification will be made based on the points of employees of 48 municipalities.	MoF, MSLI, LGU

	approach and MBP (SDPeMTBP) for all LGUs		system (SDPeMTBP)	first course currently developed, 69 employees of 48 new municipalities trained. 10 municipalities (Shkodër, Durrës, Lezhe, Malësi e Madhe, Kukës, Tropojë, Dibër, Klos, Mat dhe Shijak). 2018-2020 MBP linked with territorial strategies that are being developed in the framework of drafting the GLP.		
Strategic Aim III. Promotion of Sustainable Local Government						
Strategic Objective III.1. Own functions						
Specific Objective III.1.1		Efficient implementation of its functions based on a clear and harmonized legal framework				
Performance Indicators		Clarifying list of its functions to local-government and the extent of their implementation				MSLI,
A	Drafting of the new law on the organization and functioning of local government	2015-2016	New law approved	The new law was approved on 17 December 2015 (Law 138/2015 "On local self-government." The CoE project supported by SDC provided technical assistance during the process of drafting the law through a local expert as part of a working group created by MSLI. Additionally, CoE, with the contribution of Expertise Centre for Local Government Reform and international expertise, provided comments on the draft law proposed by MSLI for public consultation. The new law was approved on 17 December 2015		MSLI, USAID, OSCE, CoE
B	Review of the functions and powers of the District through the harmonization of national regional development policies	2015-2017	Amendments to the legislation	Partly implemented by Law 139/2015 139/2015 and DCM on new functions.		MSLI
C	Review of legislation on public services / public enterprises at local level	2015-2017	List of laws and legal acts amended	Partly implemented by Law 139/2015 .		MTI, MSLI
Ç	Review of functions and powers scheme in the water and sanitation sector	2015-2018	Amendments to the legislation	Completed by Law 139/2015. DCM No. 63 dated 27.01.2016 "On the reorganization of water supply and sewerage Enterprises"		MSLI, MTI

D	Review of functions and powers scheme in the waste sector	2015-2018	Amendments to the legislation	Ongoing	Pursuant to the recommendations of the National Conference on Waste Management (June 2016) work will be done to ensure the ownership of Municipalities for waste management by adjusting the roles of the Central Government for implementation and investment associated particularly with hotspots waste site-depositing, landfills and incinerator (total waste treatment).	MTI, MoD, MSLI
DH	Study to expand the functions and powers of the LGUs in the field of rural development and agriculture	2015-2018	- Study completed			MARDWA,
			- At least 3 meetings conducted with LGUs for discussion of findings			MSLI,NGO
			- Legal acts approved	Performed partly with law 139/2015 and DCM for new functions.		
E	Review of legislation for decentralization of secondary and tertiary irrigation and drainage network maintenance function	2015-2017	Review of legislation on decentralization of secondary and tertiary irrigation and drainage network maintenance function	Performed partly with law 139/2015 and DCM for transfer of irrigation-drainage channels and reorganization of drainage boards (DCM 1107/2015 and DCM 1108/2015).	The draft law "On irrigation and drainage" has been prepared, to be adopted in 2016 and will complete the full process of decentralization of this function. Further, development of technical and human capacities for new organizational units created at municipal level; The allocation of funds to municipalities for this function except the fund transferred by MF;	MARDWA, MSLI
Ě	The drafting of local plans for the management and investment in secondary and tertiary irrigation and drainage network	2015-2018	61 local plans drafted	Conducted partly for investments that have been passed under the bylaw in 2016	It remains part of the assistance process with STAR in the year 2017-2018.	MARDWA, MSLI,LGU
G	Preparation of local plans for forest and pasture management	2017-2020	61 local plans drafted The transfer of movable assets and immovable property completed, personnel and budget in municipalities	Legal basis is completed with bylaws and guidelines of the Ministry of Environment	The adoption of laws on forest management and hunting moratorium; Increased capabilities for the planning of human and financial resources for administration of forest and pasture fund during budget determination for 2017. Conduct recruitment of technical staff in accordance with the criteria defined in legal basis (not political appointments). o Registration of assets has not started. About 40% of the needs for the	MoD, MSLI MSLI, Municipalities,

					registration of the forest fund assets will be supported by the WB project on "Environmental Services", 2016-2020, which will enable registration and cadastral register unification at IPRO for forest fund.	
GJ	Review of social housing law and support for the drafting of social housing at local level	2015-2016	Changes to the Law on social housing approved	The draft has been prepared and is ready by MUD. It is expected to be approved in 2016		MUD,MSLI,NHA, NGO
H	The national program to support firefighting decentralized service	2017-2020	National program approved by DCM The transfer of personnel and financial resources and assets completed		Approval of the amended law on firefighting; Establishment of new stations for the fire service in Municipalities where they are not present	MoI,MSLI, LGU
	The transfer of teaching staff in pre-school education and the non-teaching staff in undergraduate education	2016	Personnel and financial resources transferred as per the bylaws drafted	7101 employees transferred, the transfer of personnel files at the municipalities completed	Completion of bylaws for undergraduate education to ensure clarity and consistency in terms of the exercise of powers by the Municipality	MSLI, Municipalities, MES, MeF
Specific Objective III.1.2		Improving the quality of infrastructure and public services at the local level based on the national minimum standards set;				
Performance Indicators		The number of public services designed for minimum standards of service quality				MSLI,MTI,MoD MUD,MSWY
A	Program for minimum standards in public services at local level	2017-2018	Minimum standards in local public services provided by DCM	Standards on kindergartens designing, as well as on the part of public transport recently approved		MSLI,MTI,MoD, MZH , MSWY, LGU
B	Inventory and reclassification of urban and rural road infrastructure.	2017-2020	DCM-s approved	Completed by DCM 915, dated 11.11.2015		MTI,RDF, MSLI
C	Application of an integrated system of road maintenance planning at the local level	2017-2018	Number of municipalities that use the integrated system of road maintenance planning			MTI,RDF,MSLI

Specific Objective III.1.3		Securing a sustainable local economic development through the design and implementation of appropriate framework of policy and mechanism for coordination of thereof				
Performance Indicator 4.c		LED index (number of businesses increased, unemployment decreased, local revenues increased)				MSLI
A	Review of local economic development function. Drafting of legal sector amendments that strengthen the role of LGUs for strategic investment, public-private partnerships, local asset management.	2015-2016	List of bylaws revised and approved	Work is ongoing for the issuance of a special instruction on the manner of operation and rehabilitation of waste landfills, as a transitional provision until providing the territory with landfills / incinerators.		MSLI,MEDTE, MoI
B	Support for strengthening the structures of tourism at the local level.	2015-2018	Number of offices to promote and develop tourism at local level			MUD,MSLI,LGU
C	Clarification of functions and responsibilities in the field of Tourism and Cultural Heritage. Review of the legal framework.	2015-2016	Law on Cultural Heritage, as revised and approved	No progress		MSLI, MUD, MC, LGU
Ç	Establishment of an integrated system for development of zones and cultural heritage at the local level	2015-2018	Integrated plans of the development of mapped areas	No progress		MC,MSLI, LGU
Strategic Objective III.2 Shared functions						
Specific objective III.2.1		Provision of the quality of the services according to standards approved by the local government				
Performance indicator		Standards of services defined and implemented				MSLI,MAS,MTI,MoD MUD,MSWY
A	The development of service standards and the determination of the average cost / unit as a precondition for the transfer of additional powers in primary health care.	2017-2018	List of standards of services and calculation of the average cost/approved unit			MoH
B		2017-2018				MSWY,

	Review of sectorial legislation for full decentralization of social services scheme and the improvement of social inclusion at the local level		List of bylaws reviewed and approved			MSLI
C	Improvement of mechanisms to identify and assess the needs for social care services, according to standard operating procedures and methodologies.	2017-2018	Procedures, standards and methodologies drafted			MSWY,
						MSLI LGU
Ç	Review of the list of social services to be provided by LGUs presenting and explaining the typology of the new service.	2015-2016	List of social services reviewed and approved	Draft law on social services under approval in 2016.	Specific lists will be drafted upon law approval	MSWYR, LGU
D	Drafting and adoption of service standards and unit costs	2015-2016	Standards of social services and cost for approved units	Draft law on social services under approval in 2016.	Subject to law approval	MSWY
DH	Creation of integrated systems of services at regional / local level, based on the standards of social services for all groups.	2017-2018	Amendments to the legislation of social services	Draft law on social services under approval in 2016.	Subject to law approval	MSWY, LGU
E	Building the capacity of LGUs for planning social services (including the identification, management, monitoring and evaluation of the social services system).	2017-2018	Number of employees trained	All employees of municipal social services from the State Social Service are trained on the legislation in October-November 2015	The employees of municipal social units will be retrained upon the approval of new law on social services.	MSWY, LGU
Ë	Further capacity development of social service. Creation of professional profiles and implementation of the program of continuous training.	2015-2020	- Professional profiles designed		The employees of municipal social units will be retrained upon the approval of new law on social services.	MSWY
			-200 employees trained under the continuous qualification program.		The employees of municipal social units will be retrained upon the approval of new law on social services.	
F	Formulation of job descriptions for social workers and adequate competencies and skills required.	2016-2018	Job descriptions for social workers, drafted			MSWY
			- Defining adequate competencies and skills required for social workers.	Ongoing		
A		2015-2018		Ongoing		ME,

	Revision of the sectorial legislation for enhancing LGU role in the field of environmental protection.		List of laws and bylaws reviewed			MSLI
B	Relevant human capacity building for environmental protection. Training of specialists of the local government for the enforcement of law on environmental permits, various aspects of environmental management; training and development programs for environmental issues, environmental legislation, as a mandatory requirement for all civil servants working in the LGU units, directly responsible for environmental management.	2015-2020	120 specialists at local level trained	During 2016 it continues training on issues of waste integrated management. 50 officials continue to attend this one-year training course. 24 specialists are under a training process for local planning of waste management, financing of service, performance system and info-communication with the public.	During 2017 work will be done to improve the system of sectorial data collection and application of the benchmarking system will initially begin at the partner municipalities in the north of Albania and then it will provide a cycle of training seminars for further municipal capacity development for benchmarking system nationwide	ME, MSLI, LGU
C	Increase of LGU financial resources for the function of environmental protection. Development of an integral system of the calculation of costs and tariffs for waste treatment.	2015-2020	New list of costs and tariffs for training of waste, approved.	The draft DCM "On costs and tariffs of waste integrated management" was drafted in June 2016 to enable the use of a methodology of calculating costs and tariffs for waste management.	Following the approval of DCM on costs and tariffs of waste management, a training is provided with ASPA for the officials of 61 municipalities for the cost and tariff model. Application of cost and tariff model has begun at 6 municipalities.	ME, MoF, LGU
Specific Objective III.2.1		Increase of the national budget efficiency to ensure adequate financial coverage to meet the service standards according to the central/local reports				
Performance Indicator		Satisfactory level expressed by the stakeholders.				MSWY
A	Revision of LGU units to ensure an integrated approach and planning of the delivery of harmonized social services and social inclusion	2015-2018	% new structures approved at municipalities	Subject to approval of the new law on social care		MSWY, LGU
B	Design of the plan for de-institutionalization of services from the domicile model to community-based and family-based services	2015-2018	National plan for the de-institutionalization of services, approved			MSWY, LGU
C	Revision of the "Economic Aid" System. Piloting of the new "scoring" system of economic aid.	2015-2016	"Economic Aid" System, revised	Revised system. Its application has begun after June 2016		MSWY
Ç	Definition of the new role of LGUs for the administration of	2016-2018	Legal amendments for new			MSWY

	economic aid after piloting of the new scoring system		competencies of LGUs for the administration of legal aid, approved			
D	Design of the fund allocation model for social services at local and national level.	2017-2020	Model of fund allocation, approved			MSWY, LGU
DH	Building financial mechanisms for funding social services at national and local level. Establishment of the National Fund for Social Services and Regional Funds for Social Services as part of the Social Fund	2017-2020	DCM on the establishment of the National Fund for Social Services, approved			MSWY, MoF
Specific Objective III.1.3		Avoidance of overlaps of competencies between the de-concentrated units at local level and of local government units				
Performance Indicator		Legislation revision level				MSLI
A	Revision of the law on Prefect, with a view of clarifying the status and role of the prefect to avoid overlaps.	2015-2016	Law on Prefect, revised	Draft law under approval by the Government, to be approved by the Assembly by 2016.		MoI, MSLI
B	Revision of criteria to determine the optimal number of municipal police staff as per the size of new LGUs, number of population and list of functions/duties.	2017-2018	New criteria approved			MoI, MSLI, LGU, MoF
C	Revision of functions in the field of public order and civil protection, adapted to the new administrative division.	2015-2016	List of functions in the area of public order and civil defence, approved	No progress		MoI, MSLI, LGU
Ç	Analysis of the impact of the current implementation of shared functions after the new administrative division. Clarification of competencies. The matrix of competencies for three levels that define the role of line ministries, central institutions, regional institutions and LGUs.	2015-2017	- Impact analysis, drafted	Measure to be adopted as the new law on local self-government does not provide for "shared functions".		MSLI, LGU,
			- Matrix of competencies, drafted			
D	Revision of the system of the enforcement of obligations by administrative contraventions at local level. Legal review of the strengthening of mechanisms to collect fines by business entities	2017-2018	- Analysis drafted and discussed			MSLI, MoJ
			- Relevant bylaws, revised			

	and individuals for violations and irregularities.					
Strategic Aim IV. Strengthening of good governance at local level						
Specific Objective IV.1 Development of local government capacities						
Specific Objective IV.1		Further development of the institutional capacities of new municipalities, with a view of improving the delivery of public services;				
Performance Indicator		Satisfactory level expressed by the stakeholders.				MSLI,MTI, MoD MUD
A	Financial support for implementing the process of establishment of the HRM units at the new municipalities	2015-2016	% of municipalities with new HRM structures	Assisted by MSLI, ATRI and STAR for the new structures/units.	Further assistance will be specifically provided for the capacity development of the Human Resource Management Units.	MSLI,DoPA
B	Amendment of the secondary legal framework on Civil Service, with a view of including the final classification of positions as part of the process of approval of the organizational and administrative structure under the Mayor's competence.	2017-2018	Bylaws revised and approved	New DCM on the approved salary level. The remaining section is subject to review with DoPA.		DoPA, MSLI, LGU
C	Assessment of the specific sectorial and horizontal legislation on inter-local cooperation	2017-2018	Evaluation analysis drafted			MSLI, LGU
D	Preparation of legal amendments to the legislation, with a view of clarifying roles and their division, relevant competencies and procedures on the inter-country cooperation for the discharge of functions.	2017-2020	List of legal acts revised	Partly implemented upon the approval of Law 139/2015		MSLI, LGU
Specific Objective IV.2		Provision of an effective management system of human resources for the local administration				
Performance Indicator		Number of LGU staff registered with the Human Resource Electronic Management System				DoPA
A	Development of detailed manuals and guides with clear rules and procedures regarding the transfer/reallocation of staff process;	2015-2016	Manuals and guides approved	Process regulated by DCM 510, dated 10.6.2015. MSLI and ATRI have issued the practical Guide for the staff transfer after local elections of 21 June 2015.		MSLI, DoPA,
B	Preliminary preparation of standard structures (blue print) for the municipal administration and the model of description of job positions (including also the job requirements) for each typical	2015-2016	Standard structure (blue print) drafted and approved	Implemented by STAR Project, 61 units with the job descriptions submitted to the municipalities. The Project of Council of Europe provided two models of units/structures to be used during the process of merger of capacities for the	Assistance will be again provided in 2017-2018	MSLI, DoPA,

	position required in the phase of building the new municipal administration.			purpose of ATR. Also, through E-PAV system, the project offered a model of unit to be taken into account during the process of discussion and drafting of the unit by the mayor. The standard structure model created within the system allowed the adaption of every structure model approved with the help of other stakeholders. The structure created within the system for those positions that have provisions of legal criteria, defines control components during the allocation of employees in the system, therefore alerting HRM about the non-compliance and enables the generation of reports for cases that do not comply with legal criteria/requirements.		
C	Delivery of continuous assistance by the central government for implementing the process of administrative re-organization	2015-2018	61 municipalities are trained on the procedures of administrative re-organization		Assistance will be again provided in 2017-2018	MSLI, DoPA,
Ç	Preparation of manuals and instructions for the Civil Service procedures regarding the recruitment, career development, parallel assignments, job descriptions, job evaluation, discipline, restructuring and personnel files etc.;	2015-2018	Manuals and Instruction drafted and approved	Training modules are developed for the Law on Civil Service, recruitment, job performance evaluation, formulation of job descriptions, assessment of training needs, personnel files. Training modules and standard forms to be used during the implementation of these processes are downloaded in E-PAV system.	Assistance will be again provided in 2017-2018. E-PAV system will continue to be the unique system for the exchange of information and HRM standards for LGUs.	DoPA, MSLI, LGU
D	Establishment of help-desk center at DOPA to provide on-line assistance for LGUs regarding the implementation of Law on Civil Service.	2015-2016	Help-desk set up at DoPA	A help-desk office has been created since June 2014 on legal matters of LNC implementation for the local administration, which provides assistance to HRMU across municipalities.	Help desk office will continue to be operational in the future. LGUs are intended to be provided proper assistance by the institutions specialized and assigned by law, such as DoPA and ASPA, and at the same time to standardize and upgrade the HRM practices and strengthen the vertical and horizontal communication (between LGUs) via HRM network.	DoPA, MSLI, LGU
DH	Periodic assessment of the enforcement of Civil Service Law and of relevant procedures, with a view of identifying issues and taking measures to address the areas of concern	2015-2020	Periodic reports drafted	The evaluation report of LNC implementation is drafted immediately after its approval in 2013. LGU institutional assessment is currently conducted, including challenges regarding LNC implementation. The initial assessment will be finalized by the end of 2016 and will take into account LNC	E-PAV system will enable a periodic assessment of LNC implementation at the local administration.	DoPA, MSLI, LGU

				implementation after the administrative-territorial reform. Data generated from E-PAV system will be the main source of data to carry out this assessment. E-PAV system enables the generation of statistics on job dismissals and the reason of dismissal and new recruitments, and other HRM aspects.		
E	Operationalization of the system of Human Resource Management Information System (HRMIS) and its implementation by LGUs.	2015-2020	Report on the percentage of LGUs registered with HRMIS system	HRMIS is still not operational for LGU. E-PAV system is built within the same legal framework and principles, such as HRMIS. The Project of Council of Europe, in cooperation with DoPA, is considering the option of transferring personnel data from E-PAV to HRMIS.		DoPA, MSLI, LGU
F	HRMIS connection with the System of Central Financial Management (Treasury), in view of monitoring the enforcement of legislation on Civil Servants and the salary system at local level	2015-2018	Report on the percentage of LGUs that have linked HRMIS system with the treasury system			DoPA, MSLI, LGU
A	Assessment of option for increasing the autonomy of the local elected representatives to determine additional levels of salaries by replacing the static criteria of limit ceilings of salaries with the dynamic system of the performance indicators (e.g. personnel expenses such as the ratio of income earned from LGUs)	2015-2016	Evaluation Report drafted and discussed with LGU	New DCM on salaries at local level, no. 165, dated 2.3.2016		DoPA, MSLI, LGU
B	Planning and preparation of the full enforcement of civil service legislation regarding the job evaluation and classification of job positions in relation to the salary system at local government level	2017-2018	- Job evaluations realized for all LGUs	The Council of Europe Project has provided training for the job performance evaluation for HRMU of LGUs in June 2016 to prepare this process for the semi-annual evaluation for 2016. E-PAV system will enable the provision of data on the number of personnel subject to evaluation by the end of June and their results. However, even this time such a process is not expected to be fully compliant with the legal requirements due to the lack of final structures, in some cases due to the lack of consolidated job descriptions and of SMART objectives in the beginning of 2016. Through the help desk office the	An advanced training will be delivered in November 2016 on the job performance evaluation and of training needs, in order to enable the job performance evaluation by the end of 2016.	DoPA, MSLI, LGU

				project continues to provide assistance for the job evaluation and establishment of SMART objectives.		
			- Classification of job positions in relation to the salary system, completed			
C	Preparation of manuals and instructions for job evaluation and the system of job classification dedicated to LGUs.	2017-2018	Manuals and Guides drafted	Implemented		DoPA, MSLI, LGU
Ç	Delivery of specific training of human resources and of officials involved in the job evaluation and job classification system	2017-2018	Number of HR officials trained for the job evaluation and job classification system	The first training was provided in June 2016	An advanced training will be delivered in November 2016 on the job performance evaluation and of training needs, in order to enable the job performance evaluation by the end of 2016.	DoPA, MSLI, LGU, ASPA
D	Considering the option for implementing the salary system based on the salary increase steps.	2017-2018	Evaluation Report drafted and discussed with LGUs	DCM on salaries approved		DoPA, MSLI, LGU
Specific Objective IV.3						
Performance Indicator		% of LGU staff trained by ASPA				ASPA/DoPA
Performance Indicator		Number of training courses conducted by ASPA				ASPA/DoPA
A	Drafting of a National Plan for Training of Local Government Units	2015-2016	National Training Plan, drafted	Two one-year continuous training programs are approved for 2016 in the fields of 1) Urban Waste Management and 2) Management of Public Finances. The assessment of training curriculum quality for the delivery of administrative services through IOSSH is ongoing. A national institutional assessment and of training needs for local administration is being implemented. Following the assessment of needs, work is being done for drafting the Strategy and Training Plan for Local Administration 2016-2019. The above evaluation is a process taking place in the wake of the implementation of human resource management procedures pursuant to the Law on Civil Servants 152/2013, as amended and the project has enabled continuous updating of personnel records regarding the career development, training	In 2017, dldp and ASPA will deliver a training program for all municipalities for the administrative services and procedures to be provided through IOSSH.	MSLI, DoPA,
					Approved by 2016	CoE

				needs and training seminars by ASPA. E-PAV system enables the interaction among LGU, MSLI and ASPA for the finalization of the plan of training seminars to be provided by ASPA and training coordination between the other providers/projects/agencies from MSLI. This system at the same time affords the opportunity of training organization and coordination		
B	Setting up and initial training of HRMU at every new municipal administration as a unit to prepare and realize the transition process;	2015-2018	Number of HRMU personnel trained	3 special training seminars are held for all HRMU representatives at 61 new municipalities (in total 194 persons) under the Council of Europe Project, respectively on issues of the merger of local government units, issues of recruitment/employment and job performance evaluation.	Until the end of 2016 training will be provided for HRMU regarding the job performance evaluation related to the assessment of training needs. Once HRMIS system is operational for LGUs, their training for the system will be provided by the project and for the ongoing period until June 2017. LGUs will continue to be trained even in 2017-2018	MSLI, DoPA,
C	Preparation and approval of legal acts related to the treatment during transition period, of redundant staff	2015-2016	Bylaws approved	DCM 510, dated 10.6.2015 (accomplished)		MSLI, DoPA,
Ç	Establishment of HRM units and capacity development through intensive training and DoPA support	2015-2016	61 HRM units established and 100% of staff trained	3 special training seminars are held for all HRMU representatives at 61 new municipalities (in total 194 persons) respectively on issues of the merger of local government units, issues of recruitment/employment and job performance evaluation.	Until the end of 2016 training will be provided for HRMU regarding the job performance evaluation related to the assessment of training needs. Once HRMIS system is operational for LGUs, their training for the system will be provided by the project and for the ongoing period until June 2017. LGUs will continue to be trained even in 2017-2018	DoPA, MSLI, LGU
D	Establishment of the national team of HRMU trainers and network of managers, capable to replicate and deliver special training programs and modules for the enforcement of legislation on Civil Servants.	2015-2016	Team of trainers and network of 30 HRMU managers established	The group of certified trainers is set up. HRMU representatives of LGU capable to delivery training seminars on HRM issues for their colleagues are identified Through E-PAV system (Electronic Platform for the Local Administration- HRM network of 61 municipalities and 12 district councils established and operational through training seminars, has managed to continuously operate digitally through the system. The system of unification of procedures, unification of legal interpretations and practices through the help desk office established at DoPA	The team of trainers and HRM national network of LGUs will continue to be strengthened through the training instruments built, E-PAV, electronic notices on issues of Human Resources, FAQ in E-PAV website.	DoPA, MSLI, LGU

				and E-PAV keep HRM network active and updated with news in the field of HRM.		
DH	Preparation of an ad-hoc plan to deal with the implementation of TAR reform and decentralization in terms of training needs	2015-2016	Ad-hoc plan drafted and approved	Analysis of training needs is conducted. Drafting of the training plan-ongoing.		DoPA, MSLI, LGU, ASPA ASPA
DH	Implementation of centralized assessment of training needs for the transitional phase of new municipalities	2015-2016	- Assessment of training needs for the transitional phase, realized	Implemented	Training needs assessment will be carried out periodically related to the process of evaluating job achievements every middle and end of the year in accordance with the Law on Civil Servants 152/2013, as amended	DoPA, MSLI, LGU, ASPA ASPA
E	Planning and delivery of initial training for all civil servants moved (for the new municipalities), who have not undergone the training provided by the School of Public Administration;	2015-2017	Number of new employees trained	755 civil servants were trained by ASPA in 2015 and 395 in 2016. The number of courses for 2015 is 29 training courses and for January-September, 13 training courses		DoPA, MSLI, LGU, ASPA ASPA
F	Development of a wide training campaign to support the performance of new functions transferred to LGUs.	2015-2018	Number of employees trained	Ongoing		DoPA, MSLI, LGU, ASPA ASPA
G	Development and implementation of a solid methodology for assessing the training needs dedicated to LGUs	2017-2018	New TNA methodology for LGU	TNA methodology is based on the evaluation by competencies for each function and is related to the job evaluation performance. This process involves the employee and direct superior, heads of LGU, MSLI and central institutions related to the local governance.	Discussions are developed on the formal regulation of TNA process at AV, including the methodology, evaluation instruments and data analysis and entry system. The aim is to set a unified standard applicable at local level, which enables data processing and potential results for the decision-making at central level, delivery of training seminars by ASPA and coordination of the assistance of other stakeholders.	DoPA, MSLI, LGU, ASPA
DH	Organization by ASPA of obligatory training for all new persons recruited at the local administration	2017-2020	Number of new employees trained			DoPA, MQV
E	Preparation of the training module and organization of special obligatory training seminars by ASPA to the senior officials of civil service.	2017-2020	Training module drafted			DoPA, MQV
			100% of employees trained			LGU, ASPA
F		2017-2018				DoPA, MQV

	Calculation of cost for the delivery of obligatory training seminars and provision of the relevant budget as integral part of the funds from unconditional transfer		DCM on training cost, approved			LGU, ASPA
G	Development of training program by ASPA, in harmony with the needs identified.	2017-2020	Number of training programs realized			LGU, ASPA
GJ	Establishment of a binding system (procedural and institutional) to ensure the coordination and certification of training events provided by donors through ASPA,	2017-2018	Approval of amendments to the legislation	Work is being done in terms of the point-based certification, 69 municipal employees who are following the one-year program of the management of public finances and 50 municipal employees who are attending the one-year training program for the urban waste management. E-PAV system provides access to the organization of training seminars upon the approval of ASPA regarding the delivery of training standards and options of the certification of participants.	E-PAV system will be continuously developed, depending on the needs of ASPA and other training providers.	LGU, ASPA
H	Creation of archive and electronic library, of training materials for local governance	2017-2020	% of materials exhibited in the archive and electronic library	Ongoing. Currently, the archive of training materials is built regarding HRM issues accessible via E-PAV system to HRMU.	The archive will continue to be enriched with other materials and via E-PAV system.	ASPA
I	Establishment of quality system for curricula and trainers	2017-2018	Quality system for curricula and trainers, approved	Standards and criteria are being prepared for the system of evaluation and quality of curricula and trainers.	ASPA will collect and evaluate the existing curricula by 2016. The “e-Library” platform with curricula that have undergone the process of quality assessment will be finalized in 2016.	ASPA
Specific Objective IV.4		Provision of open governance, increase of transparency, accountability and larger extension of the e-governance at local level				
Performance Indicator		Index of local services provided online (%)				NAIS /LGU
Performance Indicator		Index of Municipal Council decisions published online %				LGU

A	Development of an assessment and revision of special legislation related to the special administrative proceeding under LGU jurisdiction, in order to ensure their compliance with the new Code of Administrative Procedure	2015-2018	- Evaluation analysis drafted	Under process with the EU twinning project with the Department of Public Administration		MSLI, LGU, MoJ
B	Revision of LGU internal procedures for their compliance in the context of reorganization with the new Code of Administrative Procedure	2017-2018	Internal procedures revised at 61 LGUs			MSLI, LGU, MoJ
C	Development of the Manual for implementing the new Code of Administrative Procedures at local government level	2017-2018	Manual drafted			MSLI, LGU, MoJ
Ç	Intensive training of LGU staff for implementing the Code of Administrative Procedures	2015-2018	Number of civil servants of 61 municipalities, trained			ASPA,
						MSLI
A	Assessment and revision of legal provisions regulating the procedures affecting local business	2015-2018	Legal acts revised	No progress		MSLI, LGU, MEDTE
B	Strengthening of cooperation between LGU and chambers of commerce	2015-2018	Number of signed agreements of cooperation	No progress		MSLI, LGU, MEDTE
A	Considering the opportunities for use of information technology in local public services;	2017-2018	Evaluation analysis completed	It is conducted the assessment of legal framework and of the situation for implementing transparency and accountability at the local government. This assessment is based on the analysis of legal framework and self-evaluation of 61 municipalities and 12 District Councils to ensure transparency in decision-making and accountability during local governance process. The assessment of instruments used, including those of ICT, is part of the evaluation process. Such an assessment is aimed at mapping the current situation and of stakeholders involved and of the needs introduced by LGU, with a view of building assistance based on their needs. Currently, 59 municipalities and 10 district councils have submitted the questionnaires.	Following the evaluation report on the situation of transparency and accountability at local governance, the project, in cooperation with other stakeholders and in coordination with MSLI, will continue work to deliver assistance, including the establishment of standard tools to ensure transparency, receive feedback for the service quality, accountability and capacity development through training seminars. This report will be finalized by 2016.	MSLI, LGU, MIPA

B	Creation of electronic database for legal acts and bylaws affecting the local governance	2015-2016	Electronic database built	No progress		MSLI,NGO
C	Program of enabling effective access of citizens to the local decision-making process and local normative acts through proactive publication and ICT use	2015-2018	Number of published decisions/decisions taken in total			MSLI,MIAP,LGU, NGO
Ç	Development of websites at 12 counties and 61 municipalities	2015-2018	Development of websites at 12 counties and 61 municipalities	25 municipalities do not have websites. The information coordinator is appointed at 42 municipalities (or 68.8%). The publication of municipal council decisions is made by only 14 municipalities (or 22.95%).	Development of websites at all Municipalities and full implementation of obligations deriving from the Law no. 119/2014 "On the Right to Information".	MSLI,NAIS,
						LGU, NGO
D	Implementation of ICT pilot projects in the selected areas (e.g. local taxes etc.)	2017-2020	Number of municipalities implementing pilot projects			MSLI,MIAP,LGU, NGO
DH	Establishment of unique help desks at the "administrative units" to deal with all procedures and formalities under the competence of municipalities	2015-2018	Single help desks set up at 323 administrative units	"One stop shops" are set up at 5 pilot municipalities in Shkoder, Lezhe, Durres, Elbasan, and Korce.	Establishment of 7 unique help desks will be finalized at 7 administrative units (5 in Shkoder and 2 in Lezhe) in 2016 and 11 unique help desks at 11 administrative units of Mat and Klos (7 in Mat and 4 in Klos), Berat, Fier and Sarande in 2017.	MSLI, LGU
						Line ministries
E	Assessment of LGU option and readiness to use Single Contact Offices of municipalities as "common" points for service delivery both for local and central level: Procedures / formalities under the jurisdiction of LGU and Central Government;	2017-2020	Evaluation Report			MSLI, LGU
Ë	Development and implementation of an integrated electronic of information management, to serve all functions of local government and ensure LGU access to the national information systems	2017-2020	Electronic integrated system of information management set up at 61 LGUs			MSLI,NAIS,
						Line Ministries
F	Design of the electronic official local journal for the publication of normative acts and policy, consultation process and publication of LGU normative decisions	2017-2020	Number of municipalities that have prepared Electronic Journals			MSLI, LGU

Specific Objective IV.2		European Integration and local government				
Specific Objective IV.2.1		Strengthening the role of local government in the European integration process				
Performance Indicator		Growing number of applications for EU funded projects				LGU
Performance Indicator		Number of information provided by EU focal points				LGU
A	Strengthening of LGU capacities in the framework of EU funded projects	2015-2020	300 employees trained for EU projects	Training programs are delivered for a number of municipalities to be applied to IPA CBC programs	Support is planned for capacity development after clarifying the schemes of IPA CBC Programs	MSLI, MEI, LGU, ASPA, NGO
B	Setting up and training of focal contact points for European integration at 30 largest municipalities	2017-2020	Focal points set up and operating at 30 largest municipalities			MSLI, MEI, LGU, ASPA, NGO
C	Strengthening cooperation between LGUs in the framework of regional and transboundary cooperation	2015-2018	Number of shared initiatives/projects launched			MSLI, MEI, LGU, NGO
Ç	Information campaign in the integration and EU process at local level (regional and local)	2015-2018	At least 1 information campaign annually realized at 30 largest municipalities	Dldp, in cooperation with MEI, has held in July 2016 an information session with 12 partner municipalities (staff participation, finance, planning, IT sector, services, female members of municipal councils) in the framework of IPA II, IPA CBC projects	Activities will be carries out to promote partnerships for IPA CBC projects.	MSLI, MEI, LGU, NGO
D	Support of LGU-s for cooperation in the framework of Adriatic-Ionian Euro-region	2016-2018	At least 5 shared initiatives implemented			MSLI, MEI, LGU, NGO

