

STUDY ON THE FUNCTIONAL AREA DIBER

Economy

Public Services

Local Government

Prepared by ALCDF

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Programme on Functional Area of Diber

1. Introduction

The study on the Functional Area of Diber, designed by ALCDF (the Albanian Local Capacity Development Foundation) is made in the framework of the DLDP (3) programme. This product is in the course of studies and activities undertaken by DLDP for the Development Programme of Functional Areas which began in 2013.

The Decentralisation and Local Development Programme (DLDP) is funded by the Swiss Government and it has been working in Northern Albania since 2006, initially in Shkodra region (and from 2009 in Shkodër and Lezhë regions). The goal of this programme is to build and strengthen and develop the capacities of local governance units, to enable them offer efficient services for the citizens. The Programme has completed the second phase of activities and started (at the beginning of 2014) its third phase, which is a process of consolidation of the results of the programme as well as a follow up of its work with the local governance units in the above mentioned regions; meanwhile it has continued its work even in three other regions of Kukes, Diber and Durrës, thus covering the entire territory of Northern Albania.

The Government of Albania has clearly expressed its will for a new territorial and administrative reform. The Albanian Parliament has approved the map of territorial division which is followed by the process of discussions and feedback from all interested parties. The reforming process provides for a review of the decentralization strategy (i.e. fiscal decentralization, joint functions etc.), which has been foreseen to occur in the same time with this reform.

The purpose of this study is to provide a detailed analysis of the current situation in the economic, public services, organisation of local governance for the region of Diber and to prepare a package with priority projects in these three sectors. The study process requires also inclusion and involvement of a broad spectrum of key local stakeholder in the process of analyzing and studying of the development, in order that these actors, through the structures created during this phase, can promote the functional area of Diber among the general public and can be promoters of implementation of these priorities and projects that are developed under this programme.

Concept of Functional Area: The “Functional Area” term refers to the concept of a territorial space that, considering the form of administrative organisation, may be one or more municipality/commune, region and so on, based on various interactions occurring within this space, and are not necessarily defined by administrative or historic boundaries.

This means what opportunities and economic facilities, services or range of services; the residents use more of these areas, or on the basis of frequency and types of cooperation occurring between different government and economic entities. So, the concept of functional area, in the context of this programme, is used to define a space where interactions occur more intensively between residents as well as through cooperation between government and economic entities.

According to a detailed analysis, conducted during the period September-December 2013, after analyzing and assessing interactions between inhabitants oriented towards economic relations (employment, markets, consumption), basic services (health, education, road infrastructure) and institutional cooperation between local government and economic entities (cross-national and cross-border cooperation), the zone of Diber was defined as a functional area that corresponds to the territory of Diber district, which consists of 15 LGUs (one municipality and 14 communes).

Study of Functional Area: for the establishment of the programme development process on the Functional area of Diber, the following key steps have been made:

- Discussion of the concept idea and programme with the chairmen of local government units and key stakeholders, where it was reached their clarification about the process and agreement to be part of the programme.
- Analysis of the functional area;
- Identification and preparation of the package of priority projects;
- Preparation of recommendations for the programme design and for the implementation of functional area.
- Preparation of projects on the functional area of Diber for presentation in the national Fair on functional areas.
- Preparation of information and promotion of the programme of the Functional area to actors and to local public.

For the implementation of the process on functional areas programme, we have used the following methodological instruments: consultative meetings with local key stakeholders, creation of structures (functional area forum of Diber), data collection and consultation with strategic key local-regional-national documents, interviews and workshops in the field, meetings and discussions with thematic focus groups, etc.

A key element in the methodology of Area Development Programme is the creation of Functional Area Forum, a structure comprising all key local stakeholders such as LGUs, decentralized institutions in the region, representatives from Business and Civil Society. This

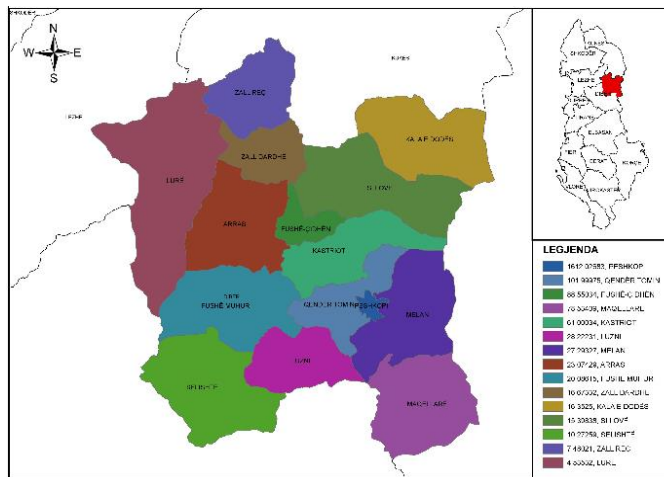
structure has played a significant role both, in their participation in every activity, and in the process, thus facilitating collection of information, provision of recommendations and opinions, local expertise for the study and data processing. We believe that it will be a bridge of communication with the large public for the programme promotion as well as a handover structure to the future LGUs.

To achieve this study, the ALCDF, in the quality of service provider, has applied the methodology compiled by DLDP experts and has engaged a group of experts in the fields required in the programme such as: experts on economic development, on services and public administration, on GIS, and a local coordinator. In addition to consultations with forum members, for the priority sector in the Diber area, which is determined the Agriculture, another expert on agriculture has been engaged who will provide a more professional analysis in order that the priority projects to be as much applicable as possible.

2. General Description of Functional Area

2.1 Territory of Diber Functional Area

The Functional Area of Diber lies in the northeast Albania and it has a surface area of approximately 1214 km², a mostly mountainous territory. The Drini i Zi River (the longest in Albania) flows alongside the Diber territory, which is surrounded, at both sides, by the Korab-Deshat mountains range (the highest in Albania), and it is part of Korab-Korritnik Natural Park, and Lure-Selishtë mountains range, one part of Lura National Park, containing 23 glacial lakes. The Diber functional area borders at north with the villages of Kukës district, at south with the villages of Mat and Mirdita districts, at southeast with Bulqiza district villages and at northeast with the borderline of Macedonia.



90% of the territory of Diber functional area is a rural zone and only 10% urban area, which lies in Peshkopi town. The rural zone comprises 141 villages of various relieve, i.e. mountainous, hilly and lowland, mainly located in the valley of Drini i Zi river. These villages were constitutive part of 14 communes, local government units of the up to date administrative division. The terrain of the area is mainly mountainous; roughly

55%, hilly roughly 30% of the territory and 15% of the whole territory is a lowland area.

Diber has a diverse environment regarding biodiversity and geographic aspects and a beautiful landscape. The National Park of Lura and Natural Park of Korab-Korritnik are the two most protected areas that lie on both banks of Drini i Zi River, the longest one in Albania. There are 48 monuments of nature and two protected zones in Diber, with excellent particular characteristics, a wonderful landscape and with rich flora and fauna. In Diber there are also many hydric monuments such as the Waterfall of Pocest, the Fountain of Bellova, the Cold Water of Vlesha, the sources of Seta, Murra and the most famous Thermal Baths of Peshkopi, which are known for their curative effects.

The zone of Diber has national and metropolitan access to Tirana – Peshkopi road of 186 km in length, not in good condition; it has the main access to the Road of the Nation (Rruga e Kombit) Tirana-Pristina of 72 km in length, which is asphalted and to the national road Peshkopi-Kukës, and to the roads leading to Macedonia through the border point of Bllata, roughly 16 km from the urban center of Peshkopi.

2.2 History, culture, tradition and main attractions

The Functional area of Diber lies on the territory of Diber district and it one of the three existing regional areas along with Bulqiza and Mat. This area is traditionally part of the territory of lower Diber that, together with the upper Diber, constitute the Diber region that lies from Lura and the Kala e Dodes, to Mavrovo in the region of Reka, in the city of Diber e Madhe, in the province of Golloborda and up to the outskirts of Ohrid and Struga cities. This area in the medieval period was an independent sanxhak, a constituent part of the vilayet of Monastery.

The name of Diber is believed to come from the Illyrian tribe “debore” /snow that lived in this territory and has evolved until today and changing "Debore" /Snow in "Diber" the scientific version. There was a later folk version that relate to the geographical division of the territory by the river Drin in its both banks, which in Dibra dialect is Di (y) -Bri and this duality is mostly used in Dibra toponimy as Upper and Lower Dibra (Dibra e Siperme dhe Dibra e Poshtme), upper and lower Sina, upper and lower Brest, upper and lower Lishan. Also this idea is related to the symbol of the Kastriotis (helmet with two horns) who were holders of the Diber region. Drini River is the geographical boundary of Dober with the Highland (represented by 9 mountains) and Topalltia, and is a borderline of Catholicism in the highlands and of orthodoxy in the part of Topallti.

The history of Diber is glorious and full heroic acts and historic figures. The highest historical symbols of Diber are connected with the place of birth of national hero Gjergj Kastriot (Scanderbeg), the village of Sin, with the 300 riders from Diber who accompanied Scanderbeg, and with his 24 battles that took place in the territory of Diber. In the territory of Diber there are many archaeological ruins, very few of them have been discovered and explored, which are connected to Illyrian, Byzantine, Christian and Medieval civilization. The most famous are the Castle of Grezhdan, the Castle of Skanderbeg, the churches of Peshkopi in the hill of Shtjefën, the town of Bellova, etc. The religion has played a significant role in the history of Diber, where the clergy and the servants of Catholic, Orthodox, Muslims religions (which constitute 97% of the population) have played an important role in education, culture and patriotism. The most prominent of them are the 7 Teqe of Diber, the most famous being the “Teqe of Bilbil” in Vleshë and revered clerics, Dom Nikolle Kacori (Deputy Prime Minister of the Government of Ismail Qemali), Haxhi Vebi Dibra (Speaker of the first Assembly of the Government of 1912), and representatives of Renaissance Josif Bageri, Seit Najdeni and Hoxhë Voka.

Diber inherits a rich culture and tradition from the Pagans to the present day. Holidays, traditions and customs are preserved and enriched from generation to generation without affecting the authentic values of celebrations, rituals, costumes, dances, songs, architecture etc. So even nowadays are still preserved and celebrated the Summer Day, the St. George Day, St. Nikolli Day; wedding rites of men and women dancing, costumes, folk games where most prominent is the "*kala dibrançe*", musical instruments, most ancient are flute and çifteli, etc. Most significant valuable assets are the towers of Diber, made of carved stones and workmanship by masters of Diber, Chamber of Dibra (dhoma e Dibres) etc. which are like assemblies characterized by

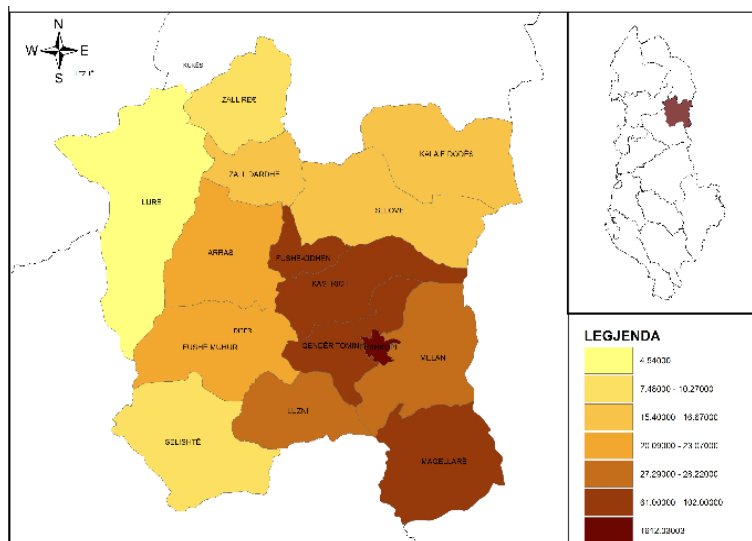
wisdom, knowledge, protocol rule, and allegory and where everything is arranged according to the *Kanun* (Law) of Diber based on the *Kanun* of Skanderbeg.

Some State institutions in Peshkopi, such as center of Culture "Haki Stërmilli", Institute of Monuments, the Museum of the region etc. are in charge of preserving and promoting these values of Diber culture and tradition. Non-governmental organizations provide a great contribution to the same purpose with a focus on culture and tradition such as the Association of Diber Historians, Association of "Diber Initiative", "Cidhna" Association, "Dibra Youth" Association, "Diber Women" Forum, "Agritravision" Association and the "Road of Arber" newspaper. The most important cultural event is a nationwide folkloric festival named "Oda Dibrane" (Diber Chamber), an annual event, attended by more than 20 artistic groups from all Albanian speaking territories in the Balkans and the "Crops Feast", which is a Fair of typical products from Diber.

2.3 Demography

The Functional Area of Diber has a population of 82,668 inhabitants, which constitute approximately 45% of the entire population of the region, which has 190,000 inhabitants. The population is dispersed in 15 LGUs - 1 municipality and 14 communes, 141 villages. The Municipality of Peshkopi is the urban zone of the Functional Area with a population of 20,000 inhabitants, while the remaining population live in the rural zone, in the communes of: Maqellarë, Melan, Tomin, Kastriot, Fushë-Cidhën, Sllovë, Kala e Dodës, Rec, Zall-Dardhë, Arras, Muhurr, Luzni, Selishtë and Lurë.

During the last decade, the demographic situation in the Functional Area of Diber has had the same trend with other areas in the north and north-east, which has been characterised by a general demographic movement of population towards the metropolitan and other urban areas and migration within the Functional Area mainly in the city of Peshkopi. Between 2002 and 2013, the population has decreased about 16% to 25% (depending on calculation method). The highest migration of 11% happened during 2004-2006. From 2006, the change of population number is slighter, respectively 2,1% and 1,6% for periods 2006-2008 and 2008-2013. The movement trend has been present almost in all LGUs, most obvious in the mountainous communes of Zall Dardhës 59%, and Reç 58%.



The average density of population in the functional area is 78.2 inhabitants / km², a figure much lower than the national one i.e. 148 inhabitants / km². This figure ranges between LGUs, in plain commune is 270 inhabitants / km² and in mountainous communes 50 inhabitants / km². The highest density is in the Municipality of

Peshkopi, 1,008 inhabitants / km², which constitutes 25% of the entire population of the zone, while the lowest one is in the commune of Zall-Dardhë, Rec and Lurë, which ranges between 11-24 inhabitants / km².

The figure of the urban population has been more or less stable during 2002-2013. Currently the urban population constitutes 25% of the entire population.

No	LGUs	2001	2012	2013	2014	Size in km ²	Density inhabitants/km ² 2013
1	Peshkopi		19377	18856	18950	18.6	1018
2	Maqellarë		14018	13535	13632	100.69	135
3	Melan	6250	4516	4451	4415	71.65	62
4	Tomin		9200	8503	8489	66.58	128
5	Muhurr	4677	3535	3505	3516	61.52	57
6	Kastriot	9817	7939	7394	7323	62.52	117
7	F.Çidhën	4631	3964	3637	3611	21.83	165
8	Sillovë	5349	3346	3211	3184	86.99	37
9	Kala e Dodës	4611	3375	3028	3014	82.97	36
10	Zall Dardhë	3778	1343	2353	2346	43.68	24.6
11	ZallReç	3050	1075			50.49	
12	Lurë	2185	1545	1464	1482	140.19	11
13	Arras	5828	4304	3875	3841	53.93	71
14	Selishtë	4344	2089	1959	1961	96.3	20
15	Luzni	4905	3176	3173	3176	43.57	73
Region of DIBËR		59425	82802	78944	78940	1001.51	78.82

Based on the analysis of demographic and space developments the functional area of Diber is characterized by the following prevalent features:

The functional area of Diber has a relatively young population. However, this area continues to experience the demographic movement from areas with fewer opportunities that are the mountainous parts of the zone to the west coast, especially in the central part of Tirana and Durres. This will have important implications for the development of the area, because together with the demographic movement of the population move the financial and human capital, creating empty areas;

The geographical features (rugged territory and distance between residential areas) affect the access of peripheral areas that are mainly mountainous to administrative center and basic services, posing significant socio-economic and administrative challenges. This is a characteristic that should be considered in future management of LGUs;

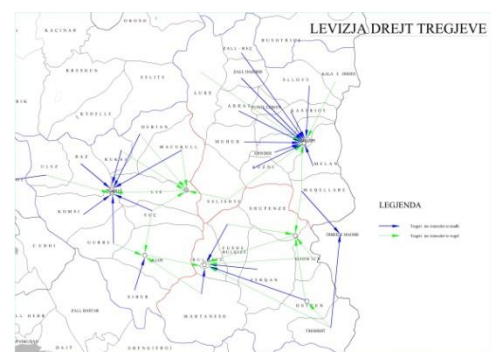
2.4 Features of Functional Area

The “Functional Area” term refers to the concept of a territorial space that, considering the form of administrative organisation, may be one or more municipality/commune, region and so on, based on various interactions that occur within this space, and are not necessarily defined by administrative or historic boundaries. This means that what opportunities and economic facilities, services or range of services residents use more of these areas, or on the basis of the frequency and types of cooperation that occur between different government or economic entities.

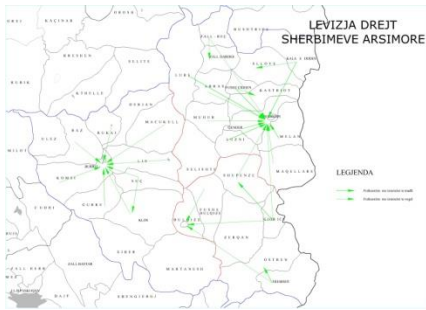
On the basis of this concept, Diber has been chosen as a functional area following an analysis made during the period of September-December 2013 from DLDP on the Region of Diber and where reference criteria were taken interaction in the economic sector, service sector and international and cross-border.

Based on the data and interviews made with many local shareholders as well as on data taken from various documents, it was concluded that people in the Diber area have a higher intensity of interaction in Peshkopi on the following issues:

Interaction in market (where people buy goods), almost all inhabitants of LGUs in Diber are focused in on the market of Peshkopi, where are located the highest number of wholesale and retail selling points as well as weekly markets.

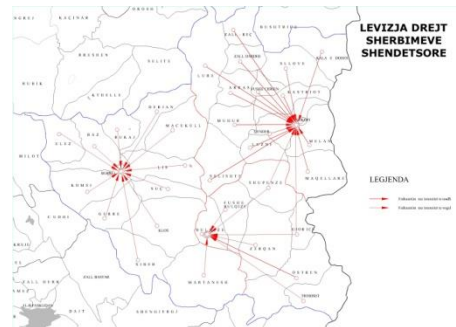


Interaction related to employment; the vast majority of employed people in the sector of services, construction and public administration are focused on Peshkopi city and the movement trend is from LGUs towards Peshkopi city.



Interaction related to basic education services: Even in this case the interaction trend is Peshkopi, where are located the best secondary schools (general and professional high schools), as well as the affiliation of “Aleksandër Mojsiu” University.

Interaction related to health care service; it is concentrated in Peshkopi where are located the regional hospital and the biggest dentistry clinics, pharmacies and other health care services. The same situation applies for the Bulqiza and Burrel, which are the biggest urban centers of the zone.



Interaction in inter-local and inter-border cooperation; although it is not very obvious, but it is noticed on issues related to Potable Water and waste management between some local units in the Municipality of Peshkopi, as well as a series of inter-border joint projects with Diber e Madhe.

On the basis of this analysis, it has been defined that the Region of Diber has three Functional areas, matching with the old boundaries of the districts of Dibra, Mat and Bulqize.



Map of Division of Dibra into 3 Functional Areas

3. Economy in the Functional Area

3.1 Economic Features in the Functional Area

The functional area of Diber has an agricultural basic economic profile that provides the highest employment in the zone and the main production for the market in the area and a service sector that provides services for the local population, but there is a tendency for this sector to be oriented towards tourism, mainly curative, with thermal waters Baths of Peshkopi.

In terms of economic development, the area of Diber is positioned among the last ones (58%) compared to the average national GDP (indexed on 1 00). The GDP for Diber area is 177,111 ALL per capita, while at national level 305.229 ALL. The sectors that mostly contribute are agriculture, forestry, tourism and hydropower.

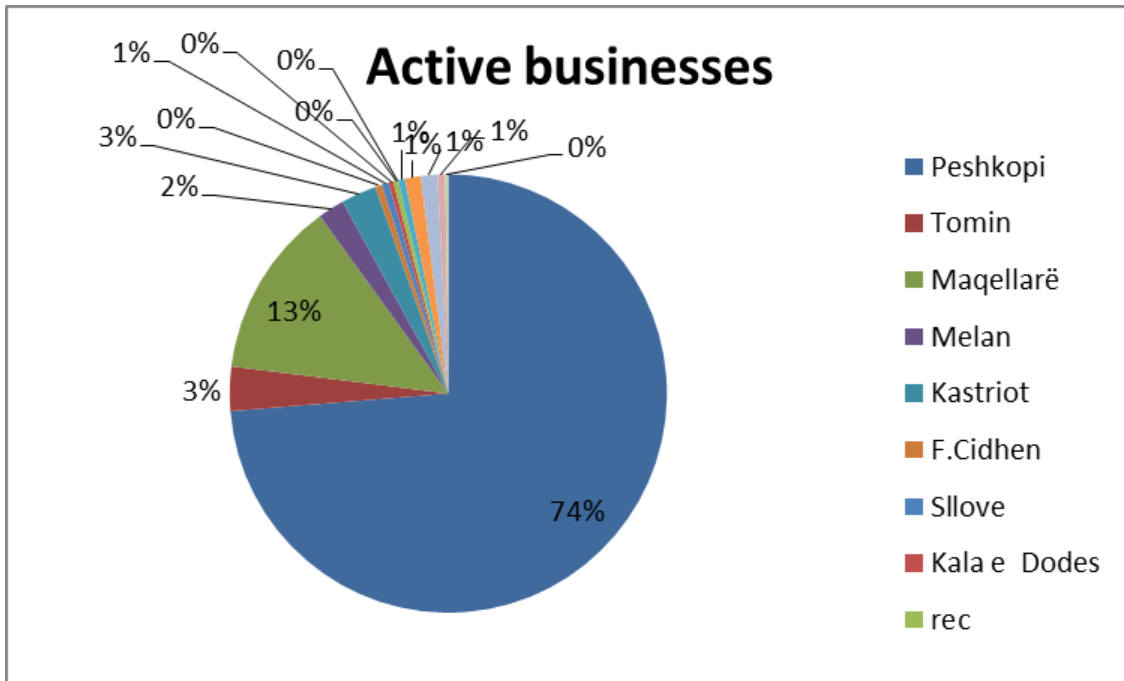
The data from the Taxation Department show that the enterprises registered in recent years (2014) are not newly created, but recently recorded as a result of policies against informality and formalization of the economy.

A negative indicator for economic development in the area of Diber may be the lack of foreign investments, which have shown interest only on natural resources of gypsum, chromium and hydro-power, but there are not yet any foreign investment in the area. The number of banks and lending agencies has increased since 2002. In 2013 there are 10 such agencies versus only 2 in 2002. But these banks and agencies are all located in urban areas (10 in Peshkopi), not in rural areas (only one in Maqellarë).

Diber area, which is the administrative center with not much mining property (there is a chrome mine only in the municipality of Selishtë) has currently 61 large businesses that employ about 423 employees; the most important are the sectors of services, trade, transportation and construction. The neighboring areas have higher indicators, because of their mining property especially in Bulqize. The number of non-agricultural active enterprises operating in the area is 1,381 businesses. In terms of type of activity, most non-active enterprises operate in the service sector (74%) and are located mainly in the municipality of Peshkopi, where most of these enterprises have only one employee.

In the below table are listed the registered businesses as per local units (sources -National Registration Center -NCR)

	Peshkopi	Tomn	Maqellarë	Melan	Kasriot	F.Cidhen	Silove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Active businesses	1018	45	180	27	36	7	7	5	5	0	7	16	17	8	3



As indicated in this table, the largest number of businesses is concentrated in larger local units, as in Peshkopi (74%) and in Maqellara (13%). As a result, both these urban centers are under pressure of constructions, occupying public spaces and creating problems with the look of the city and urban planning. Whereas in other local units, businesses are very small, so that in the communes of Zall Dardhë there are not any registered businesses, and in 7 communes the number of registered businesses does not exceed the number of 7 businesses. These are mainly the most remote and mountainous local units of Peshkopi.

3.2 General Economic Data of Functional Area

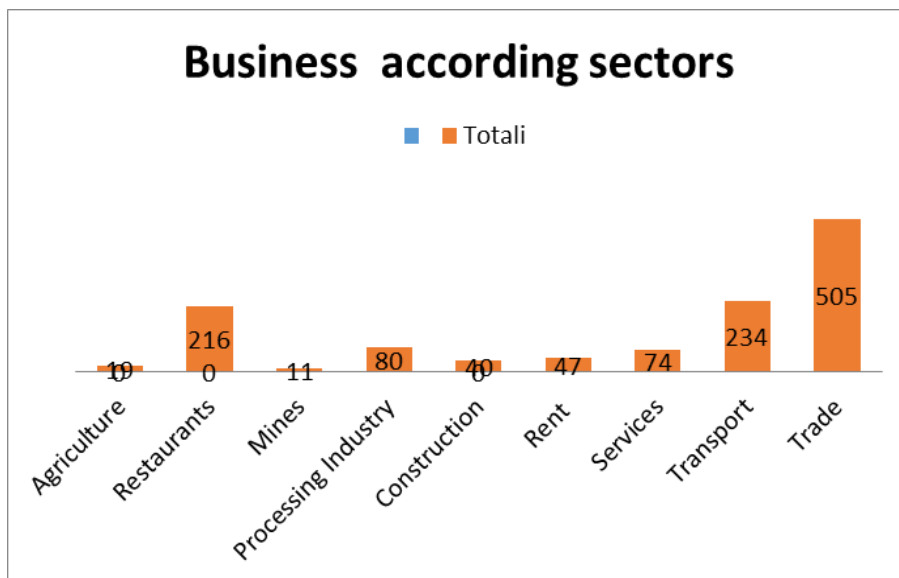
Diber is an area where the economy in rural area is clearly distinguished from the economy in urban area. The economy in urban area is mainly based on the sectors of services, trade, hotel and tourism, processing, and construction. While the economy in rural areas has pure agricultural profile, based on family small farms of agriculture and livestock with a growing trend of some basic services and commercial businesses (mostly in Maqellara area). The last years there is a start of investments in the processing of agricultural products mainly milk (about 18 dairies), fruit (manufactory for fruit juice, alcoholic beverages, compotes, jams, local pasta etc.). Most of these businesses in the agricultural sector are not registered in the tax office, but they are identified and recognized by the offices of local government units.

The number of active enterprises in the functional area of Diber in 2014 was 1381 businesses which are concentrated mainly in Peshkopi (1018). In rural areas, the highest number is in the municipality of Maqellara (180 businesses) none in Zall-Dardhë, and (3 businesses) in Luzni.

In the below table are listed the registered businesses as per local units, on sector base (sources - -NCR)

LGU	Agriculture Hunting	Restaurants hotels	Mines	Processing Industry	Construction Gas	Rent	Services	Transport	Trade
Arras	1	2	2	0	0	0	1	6	4
Fushe Cidhen	0	0	0	0	1	0	0	2	4
Kala e Dodes	2	0	0	0	0	0	0	2	1
Kastriot	3	2	0	2	0	0	0	19	8
Lure	1	0	2	0	0	0	0	1	0
Luzni	0	0	0	0	0	0	0	3	0
Maqellare	1	28	1	17	4	7	12	33	69
Melan	0	4	0	1	1	1	0	9	10
Muhurr	1	0	1	2	4	1	0	4	2
Peshkopi	7	174	4	56	24	37	60	135	391
Selishte	0	0	1	0	1	0	0	4	1
Sllove	1	0	0	0	1	0	0	4	1
Tomin	2	6	0	2	4	1	1	12	14
Zall Dardhe	0	0	0	0	0	0	0	0	0
Zall Rec	0	0	0	0	1		0	3	1
Totali	19	216	11	80	40	47	74	234	505

Table on the business data for each LGU (Sources: NRC)



It is to point out that in Diber business environment the businesses that have greater weight in overall economy in relation to income are trade (505) or 41% of businesses related to the wholesale and retail sales and are distributed in each local unit. Even in Zall - Dardhe, Lure, Luzni which appear to have no

business, it is not a real figure because in almost every village there is a selling point.

The transport, Hotel & Restaurants have a lower weight in relation to employment since the employed people are the business holders. There are a total of 216 hotels and restaurants, which show the orientation of investment towards the quick profit, family self-employment; a tourist orientation in Diber area, is particularly the curative tourism in the valley of Thermal Bath or "valley of Healing", while transportation is mainly public via mini vans.

The sectors of agriculture – hunting - forestry and processing industry are interesting and have a significant number of businesses, respectively 19 and 80, but they are mostly in rural areas and consist on investments in dairy or cultivation. This trend will grow in the future

Number of businesses and of employees on sector base

Most enterprises in Diber area are small and the number of employees ranges between 1 and 5, but only one is officially declared. The most number of enterprises is in the sector of services and trade, mainly concentrated in the town of Peshkopi. These businesses are mainly for the local market and consumers, so they are mostly family and small businesses.

Large firms and businesses by number of employees and production.

There are 61 big businesses in Dibër, mainly on construction, extraction of minerals, gas and trade. Despite the free manpower, the industry sector and labor sector (facons) that provide job to many people, do not exist at all in the area of Diber, because of the weak infrastructure and the remote distance from the ports and metropolis, which does not favor the development of such sectors.

Identification of most important economic groups

Diber area has several businesses that are organised by the type of product and geographic location, but they don't have a structured interaction between them. Most typical are businesses focused on curative Tourism of Thermal Baths in Peshkopi. The municipality owns the complex and it is the institution that manages the water source, the complex facilities, the healthcare service and promotes this business in the form of a municipal economic enterprise. Many hotels and guesthouses businesses that exercise their tourism oriented activity, spontaneously complete the tourism service for visitors who frequent this area, mainly centered in the valley Thermal Baths, or otherwise known as the "Healing Valley ". Tourism enterprises/businesses pay a fee for water and other facilities offered by the resort center, which is at their function

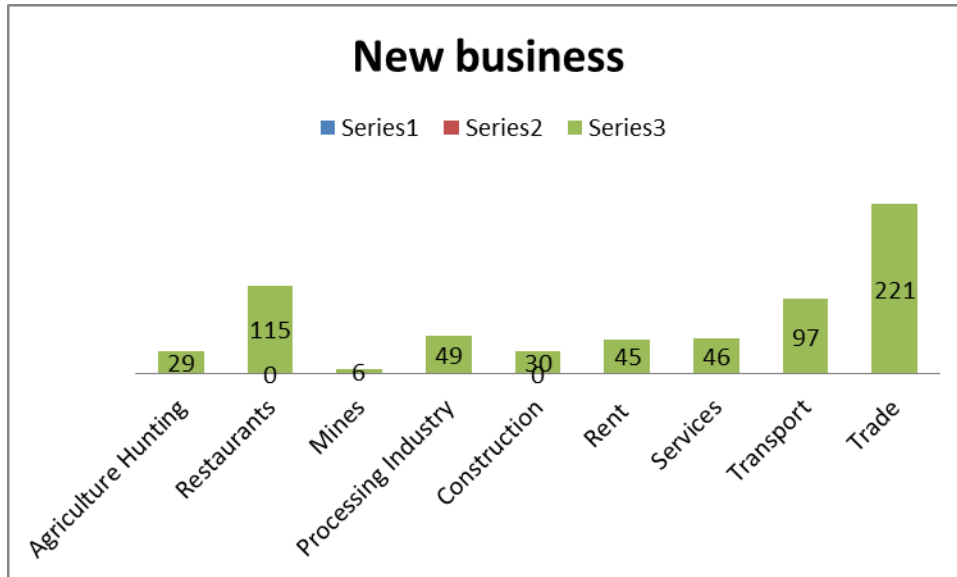
Number of new businesses, type, sector, activity and exportation

We are not in possession of any data on new businesses, but the enterprises registered in the last 7 years (2007-2014) for each sector are below listed.

LGU	Agriculture Hunting	Restaurants Hotels	Mines	Processing Industry	Construction Gas	Rent	Services	Transport	Trade
Arras	1	1	0	0	0	0	0	0	2
Fushe Cidhen	0	0	0	1	1	0	0	1	3
Kala e Dodes	2	0	0	0	0	1	0	1	3
Kastriot	7	1	0	1	1	0	0	11	5
Lure	1	0	2	0	0	0	0	1	1
Luzni	0	0	0	0	0	0	0	3	0
Maqellare	2	15	1	10	1	3	11	15	31
Melan	0	1	0	0	1	1	0	6	5
Muhurr	3	0	1	2	4	1	0	1	1
Peshkopi	6	97	1	28	14	38	34	49	159
Selishte	0	0	1	0	2	0	0	4	0
Sllove	3	0	0	2	1	0	0	1	1
Tomin	4	0	0	5	2	1	1	4	8
Zall Dardhe	0	0	0	0	1	0	0	0	1
Zall Rec	0	0	0	0	2		0	0	1
Totali	29	115	6	49	30	45	46	97	221

It is obvious that the number of newly registered businesses (they cannot be new businesses) is 638 or 46% of registered businesses from 2007 to 2014. Based on sectors, there is the same trend with the same growing level; there are more newly registered businesses in hostelry, construction

(30 of 40 enterprises) and rent of facilities and of real estate properties (45 of 47 registered subjects). This is due to numerous constructions made during this period.



Domestic and foreign investments

Major investments in Diber area are mainly in energy sector with domestic and foreign investments. 4 hydropower plants were built in Lure and 2 hydropower plants are under construction in the municipality of Selishtë and of Muhurr. In this sector there are some concessions and some requests for concession that are deemed to absorb substantial investments for the construction of 11 other hydropower plants. In the mining sector, the most important investment will be the use of gypsum. This investment has already started and the usage permit has been approved, so the work will start soon. Most important investments by local investors are the construction of two shopping centers, two city hotels with a capacity of 100 beds each and the construction of fruit juice production line.

Small and medium investments are made mainly in the construction sector for lodging, shops and other services. This has led to an increased pressure for building in urban area where investments are concentrated, creating a problematic situation in urban management of the city space (data provided by the municipality on construction permits and legalization). There is a tendency to invest also in agro-processing sector, mainly in small and medium lines of fruit processing, dairy processing and refrigerated warehouses.

3.3 Labor market, employment/unemployment structure

The Functional area of Diber is impoverish area with the highest number of unemployed people in Albania. The vast majority of the population mainly in rural area and in urban area are under social care scheme. Despite the clear criterion, the management of the social scheme is not very correct i.e. the social aid to go to real beneficiary. (To be enriched with real indicators for each LGU soon)

Diber area has a population capable to work, with an age indicator of 53% of total population. For the period between 2002-2014 the population with capable working age has been fairly stable (the growth rate only was 46%). The rate of working age population in urban areas is 45% and in rural areas is 52.5%.

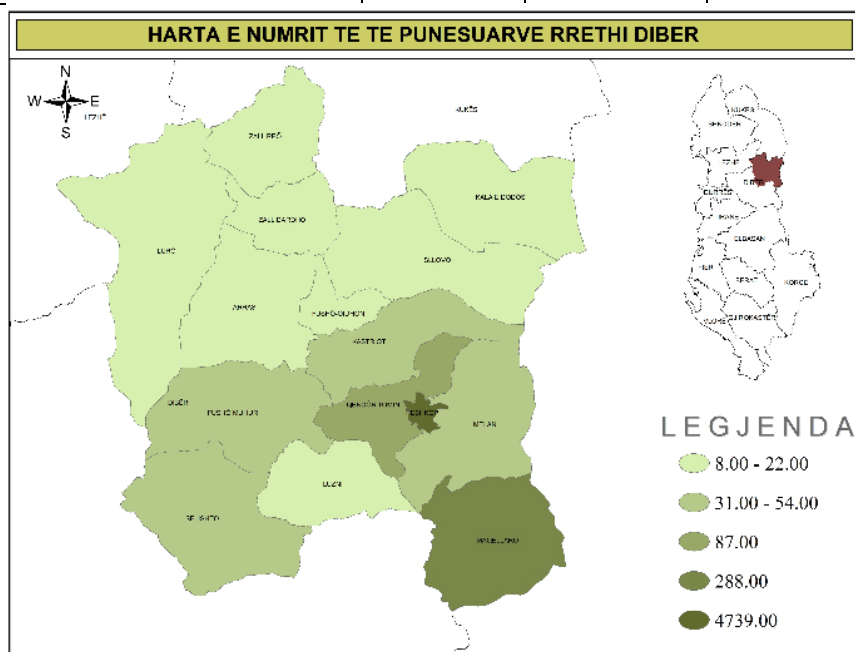
No.	Municipality/ Commune	Population	Family	M	F	Age tranche (0-14)		Age tranche (15-59)		Over 60	
						M	F	M	F	M	F
1	Peshkopi	18,950	5,045	9,692	9,258	2036	1797	6688	6442	963	1029
2	Arras	3,841	1,133	1,958	1,883	454	426	1274	1212	230	241
3	FushëÇidhën	3,611	1,013	1,903	1,708	416	332	1285	1118	194	245
4	Muhur	3,516	1,021	1,840	1,676	388	359	1249	1097	202	209
5	Kala e Dodës	3,014	801	1,582	1,432	377	312	966	910	240	210
6	Kastriot	7,323	2,007	3,804	3,519	850	781	2558	2291	396	457
7	Lurë	1,482	480	734	748	165	147	458	489	108	107
8	Luzni	3,176	924	1,621	1,555	411	370	1054	986	159	202
9	Maqellarë	13,632	3,414	6,998	6,634	1659	1579	4611	4201	737	863
10	Melan	4,415	1,107	2,268	2,147	506	467	1489	1369	271	310

11	Tomin	8,489	2,219	4,367	4,122	947	858	2905	2652	515	597
12	Selishtë	1,961	540	1,017	944	257	235	640	581	129	137
13	Sillovë	3,184	994	1,615	1,569	350	337	1064	990	191	228
14	ZallDardhë	2,346	683	1,225	1,119	287	270	798	744	156	125
15	ZallReç										

In 2012 the general employment rate in the region was only 3,4% higher than in 2008, and for the total period of 2002-2010 the change has been only of 23,3%.

In Diber area the employment structure is based on agriculture and private sector, which are key sectors that have bear the weight of employment in recent years, and employment in this sector continues to dominate. The data show that the highest number of employees is in the agricultural sector (56%) and in the private non-agricultural sector (45%), while employment in public sector has fallen by 24% in the period 2002-2012.

	2002	2006	2008	2010	2012
Public sector	38.9	37.6	28.3	27.3	23.9
Nonagricultural private sector	14.8	14.6	11.6	18.1	17.4
Agriculture sector	46.3	47.8	60.1	54.7	58.6
Total	100	100	100	100	100



The active population in the area of Diber (labor force) increased by 50% in the period of 2002 – 2012, while in 2012 it constituted 27% of the entire population of Diber Functional Area and 54% of the total working age population, showing a high

degree of passivity among population in this area. The gender structure of workforce by 2012 is 13% females and 87% males. During 2002-2012 the rate of female participation in the workforce has fallen by 70%, while the rate of male participation in the workforce has increased by 37%. The registered unemployment rate for Diber area is high (16%). The dynamics of unemployment in the area has declined by 43% compared with 2002 (28%).

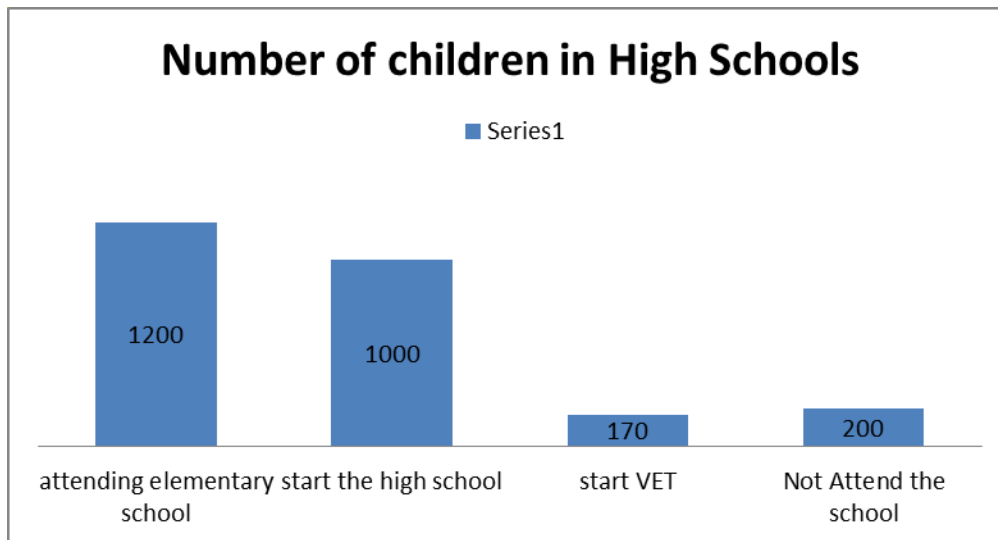
As shown in the maps and indicators, most employment is concentrated in the area of Peshkopi in the sectors of trade, services, construction but also in Tomin and Maqellara areas which are focused on a range of services and on some investments in agro-processing.

3.4 Education and training for local residents of Functional area

The residents of Diber area have working tradition and professional skills in administration, construction, agriculture, etc. There is an old saying "if Istanbul is burned, Diber may build it again, but if Diber is burned, Istanbul cannot build it." In Diber education system there were several professional and agricultural schools, arts school, construction school and some vocational training centers.

Currently there is a vocational high school where students are trained in several main professions like mechanical, electrical, textiles, educational, economic, etc. Although there are about 417 pupils attending secondary vocational education, there are numerous requests for other branches in compliance with labor market, most urgent are those related to agriculture, mountain tourism, construction, etc.

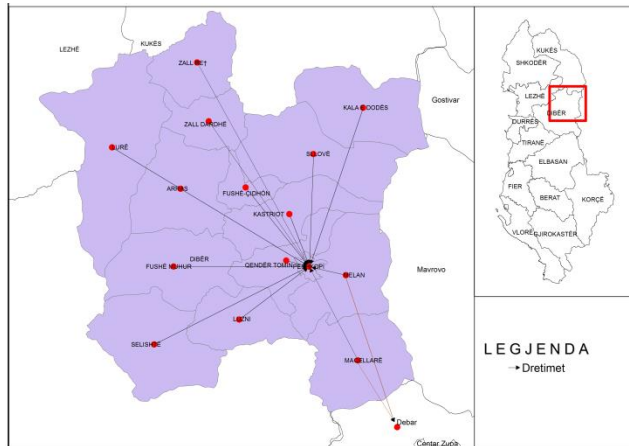
There are numerous requests for vocational training centers with short term and long term courses which help to increase the capabilities in free professions., In Diber area, 1200 pupils attending elementary school are due to complete the studies and about only 1000 students will continue the secondary school, so there are about 200 others who will not attend secondary school. So the need for professional training courses is very high as there are 17%, who do not attend any school at all.



It is obvious that a considerable number of children do not have the possibility to study at professional schools or it is a contingent who can take professional training courses.

3.5 Economic interaction in the Functional area

The region of Diber has territorial and socio-economic diversity. The biggest economic interaction relates to the employment aspect, in the trend of where people buy and consume.



Peshkopi is the largest center of interaction in terms of employment. Most public sector employees are in Peshkopi, since all regional administrative institutions, educational institutions, health, banking, telecommunications, etc. are centered in the city. In urban centers is located also the largest number of businesses on services, trade, and construction that provide the highest employment of residents. In Peshkopi, there are 3,150 businesses and

1240 people employed in public sector. The other area with a high activity is Maqellare, where interaction is higher among residents of the municipality.

	Peshkopi	Tomin	Maqellare	Melan	Kastriot	F.Cidhen	Slove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Active businesses	1018	45	180	27	36	7	7	5	5	0	7	16	17	8	3

Most residents of Diber region get basic public services in Peshkopi. The regional hospital of Peshkopi with 10 wards, 340 nurses and 23 doctors is the biggest medical center that covers the needs of the whole area. There are also the affiliation of the "Alexander Moisiu" University and 2 secondary schools (general and professional) in Peshkopi, which make this town the main educational center of Diber region. The center of Culture, Korabi sports club and religious centers are located in Peshkopi, serving all surrounding communes.

Peshkopi is also the largest market place for the entire area of Diber. There are 20 wholesale points that cover the entire population of Diber; there are about 1,300 stores, 8 collection points of agricultural and livestock products, which are sent to Tirana and Durrës markets. There is an open weekly market taking place in Peshkopi as well (every Sunday) where sellers and buyers from all areas of Diber sell and buy their products. In Maqellara communes there are 5 wholesale

points, 15 stores that are located in the center of the commune and alongside the national road taking to the Bllata customs, mostly for the residents of the surrounding villages.

An effective interaction in the area of Diber is the cross-border interaction with Diber e Madhe. There is a growing trend of buyers and visitors mostly from Diber area who buy goods and take services in Diber e Madhe because prices are lower and the quality is better, mainly (foods, fruits, and some mechanical services, etc.) . There are fewer cases (because of the smaller size of the population 1/6) where people from Dibra e Madhe buy goods in Peshkopi, such as hydro-sanitary materials, fruits, and get dental services etc.

Consumption, main markets and interaction trend

The largest shopping center of Diber area is in Peshkopi. The wholesale market facilities are in Peshkopi. They supply products to smaller shopping faculties at village level for the vast majority of the population. The following table details the key sectors in Diber area.

LGUs	Agriculture Hunting	Restaurants Hotels	Mines	Processing Industry	Construction Gas	Rent	Services	Transport	Trade
Arras	1	1	0	0	0	0	0	0	2
Fushe Cidhen	0	0	0	1	1	0	0	1	3
Kala e Dodes	2	0	0	0	0	1	0	1	3
Kastriot	7	1	0	1	1	0	0	11	5
Lure	1	0	2	0	0	0	0	1	1
Luzni	0	0	0	0	0	0	0	3	0
Maqellare	2	15	1	10	1	3	11	15	31
Melan	0	1	0	0	1	1	0	6	5
Muhurr	3	0	1	2	4	1	0	1	1
Peshkopi	6	97	1	28	14	38	34	49	159
Selishte	0	0	1	0	2	0	0	4	0
Slllove	3	0	0	2	1	0	0	1	1
Tomin	4	0	0	5	2	1	1	4	8
Zall Dardhe	0	0	0	0	1	0	0	0	1
Zall Rec	0	0	0	0	2		0	0	1
Totali	29	115	6	49	30	45	46	97	221

As shown in the above table, the largest number of shopping centers and selling points is in Peshkopi, 159, and Maqellarë , 31 shopping centers. In Peshkopi there is also a weekly market with agricultural products and craft works, where people come from all Dibra area and beyond.

There is a moving trend towards Diber e Madhe, because of the large variety of products and better prices. Recently the movement by private cars is bigger due to lower oil price.

4. A thorough Economic Analysis of Functional Area

4.1 Economic features

Diber is an ancient historical center with an agricultural profile, recognized for the professional skills of a large number of the population (or craft workers) who are distinguished for stone carving, tailoring, watch repairing, cooking, etc. It is also an administrative center. Peshkopi is the urban and administrative center with 25% of the population living in this city, referred to, in ancient times as a center of bishops, with an old neighborhood that has not played a strategic role in the economic development of the area, but with historical value. This area has the potential for growth and regeneration of its historical value, to enable their use for historical tourism value through refurbishment of old houses and alleys. This requires the full involvement of residents in this venture making the urban center of Peshkopi a tourism attraction.

As shown in population records, 71.8% of the population of Diber region are aged between 16 and 64, which is economically an active age for work, making this area have a skilled workforce to contribute to development of the area. The unemployment rate in Diber region is 33%, which is higher than the national rate. This explains the moving trend of a large part of the population towards urban and metropolitan centers to find work.

The dominant sectors in the economy of Dibra are Agriculture, Services, Trade and public sector, which have the largest number of employees: about 61% in agriculture, 24% in services, 15% in public sector. The agriculture is considered a priority sector that influences more in employment and household income in Diber. Another sector providing income to families is the curative tourism of Thermal Baths, with approximately 12,000 holiday-makers who bring approximately 3 million EUR a year.

The highest Economic Interaction is concentrated in Peshkopi city, which is the employment, services and markets center for the population from surrounding communes. In Peshkopi there are 3 shopping centers, 17 wholesale facilities, about 1,300 retail shops and a weekly market for agricultural products. Maqellare is another center where there is economic interaction, but mainly for its residents and for the residents from Diber e Madhe. Nevertheless, the residents from Maqellara buy goods or receive services in Diber e Madhe more than the other way around. Cross-border interaction with Diber e Madhe is a characteristic for the whole region of Diber.

4.2 Analysis of the main economic sectors

In the functional area of Diber, the main economic sectors are agriculture, services and trade. The services and trade complement each other. The most important and high potential service sector is the curative tourism which exploits the thermal water resources of Thermal Baths in Peshkopi where relax over 12,000 visitors from all over Albania, Kosovo and Macedonia.

Agriculture is the main sector in the area of Diber, because it relates to the tradition and provides the greatest number of employed people. Diber is an area known for the quantity and quality of its products. It is a champion in the production of apple, cherry, potato, nuts and beans and livestock products, especially cheese and meat. More than 75% of the population lives in rural areas and over 56% of employees work in this sector.

Tourism is the second priority sector in Diber, due to opportunities offered by natural resources and historical cultural values. Diber is mostly famous for the curative tourism, which currently counts around 12,000 holiday-makers a year. More investments in hotels and guesthouses have been made. Diber area has the potential of mountainous tourism. Korabi mountain (the highest mountain in Albania), Lura park (with glacial lakes), more resources and natural attractions, a great value of the culture and of national history as the birthplace of Scanderbeg, the boundary of Catholicism and Orthodoxy, etc..

4.3 Analysis of Agriculture, the priority economic sector of the Functional Area (Sector 1)

Agriculture is the most important sector that characterizes the profile of Diber area. This sector contributes most for the employment of the population, about 61%, and produces for the local and national market. The main chains of the agricultural sector in Diber are cereals, arboriculture, potato, livestock and Agro-Processing.

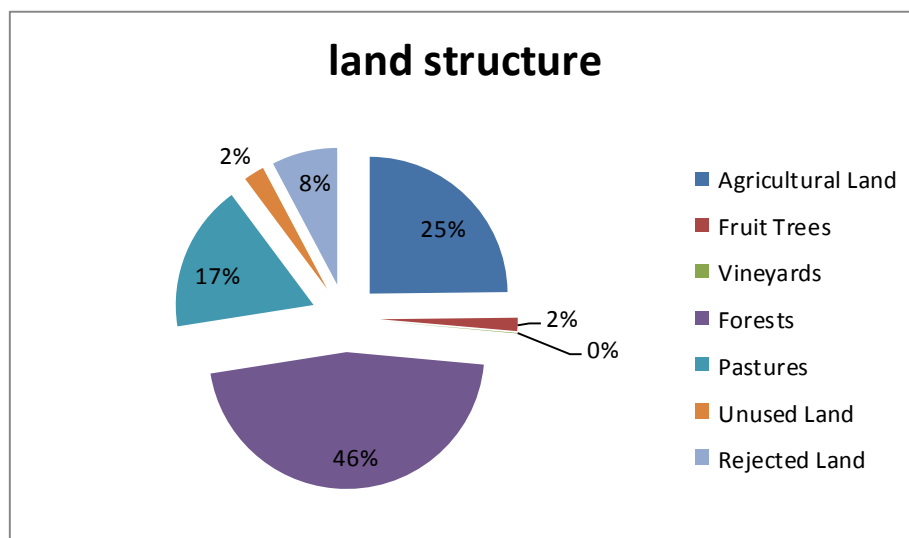
Structure of Agricultural Land:

The plants cultivated in the largest size of the agricultural land in Diber area are cereals (maize, wheat, rye) and forage (alfalfa, clover) mainly for animal food. Arboriculture is one of the traditional agricultural chains in Diber, mostly apple , cherry, plum trees and a little area with vineyards. Fruit tree plantations have played an important role in the economy of Diber, prior to 1990 when the planted area covered almost all the hilly area of Diber, but that was damaged in the early 1990s and now we finally have a tendency of creating new plantations based on the traditional and new experience obtained from Greece and Italy, brought by immigrants. Large pastures area has created favorable conditions for the breeding of livestock, mainly sheep and goats in mountainous areas of Kala e Dodes, Rec, Zall Dardha, Selishtë, Arras and a part of the mountain villages of Kastriot, Tomin, Melan and Maqellara.

The lowland area deals with breeding cattle for milk and meat. Vegetables and potatoes are another important agricultural culture in Diber, mostly vegetables for household needs, but beans and potatoes have high productivity and play an important role in the economy of the families in Diber region. The area of Melan (villages of EPRA) and Tomin villages are famous for the production of potatoes.

Table of planted land structure (sources: Ministry of Agriculture)

Nr	Total size	Agricu ltural Land	Fruit Trees	Vine yards	Forests	Pasture s	Unused Land	Rejected Land
1	66209	18436	1165	51	34193	12898	1805	5726



As shown in the table, the agricultural land in Diber occupies an area of 66,209 ha and currently about 38,234 ha or 57.7% of the land is cultivated and planted, while 42.3% of the land is still uncultivated, mainly due to lack of water irrigation and property conflicts or lack of

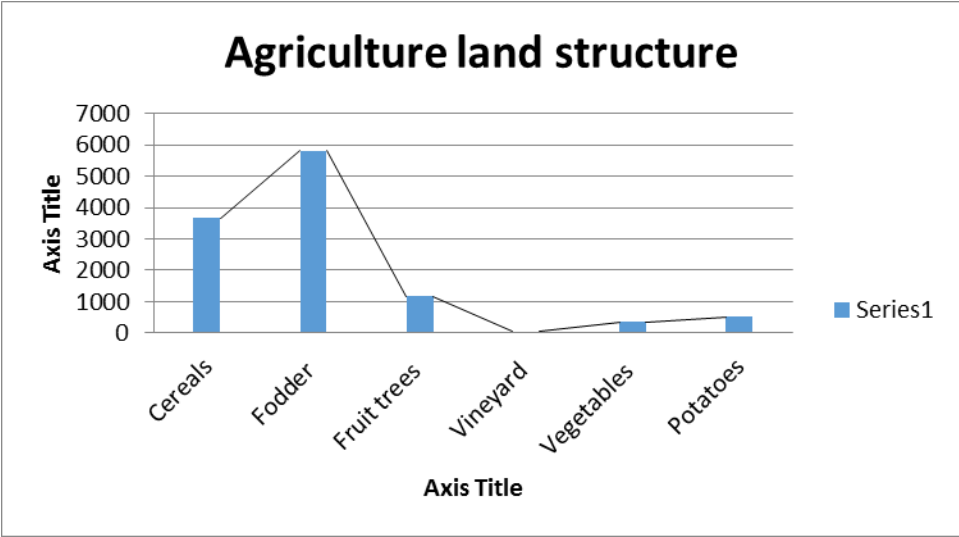
tiles, while 7531 ha or 11.5% of the land is rejected. The not cultivated land is very suitable for planting the nut trees since it has high productivity and the land is suitable. The lack of water for land irrigation is most problematic in Kastriot and Maqellarë, while the land plots having most ownership problems are the ones owned by villages (called vakufe). As indicated in the image, the forest area occupies most of the land, 46% and pastures 18%. This is an opportunity to increase the number of livestock and rational use of the area, which helps improvement of forest economy with these second forest products, herbs and mountain tourism.

Livestock:

The largest size of land is planted with bread cereals, fruit trees, fodder, vegetables and potatoes. Livestock is a priority and a vital sector for the development of rural area and the economy in the area of Diber. It is not separated from the development of agriculture and it is an integral part of the development of this sector. Livestock plays an important role, breeding mainly for milk, meat and in last years a little for fur. There is a tendency for the breeding of beekeeping and less poultry. The table shows the structure of planted land with agricultural plants.

No	Cereals	Fodder	Fruit trees	Vineyard	Vegetables	Potatoes	Total
1	3660	5804	1165	50	355	520	11554

Table: Structures of plantations (sources: Directorate of Agriculture)



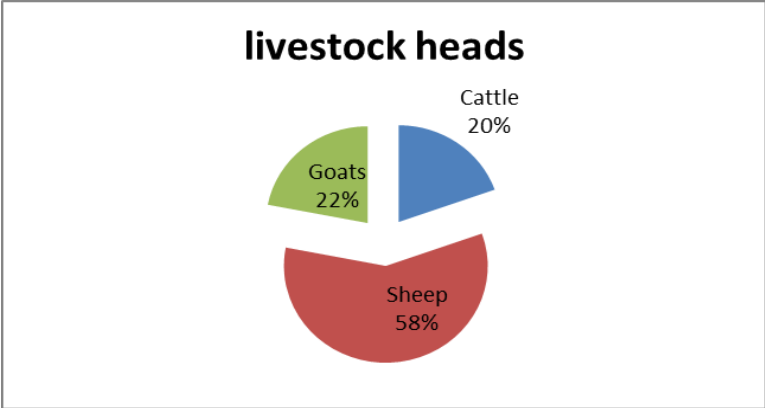
As shown in the table, the connection between agriculture and livestock is inseparable; therefore the largest land surface, about 50%, is planted with forage for livestock. Less planted are vineyards, due to inconvenient

climate. So far, there is no knowledge of vineyards varieties that suit to the climate. Arboriculture occupies a small land size, only 10% of the area, so more fruit trees should be planted. Based on the tradition, the entire land planted with forage may be very well planted with fruit trees, stimulating an integral agricultural economy for Diber area, a mixture of arboriculture and livestock.

Number of heads: Livestock farming is a very important sector in the area of Diber, and mainly they raise cattle, goats, sheep and there is a recent tendency for chickens and bees. The table below gives the number of animals in Diber area.

Nr	Cattle	Sheep	Goats	Poultry	Bees
	16500	49280	18500	170000	8600

Table: Number of animals (data from Directorate of Agriculture of Diber)



The lowland area, i.e. the villages of Tomin, Maqellara, Kastrioti, Fushe-Çidhna, are dealing mostly with cattle breeding, while the highland area, rich in alpine pastures, is dealing with sheep breeding, while the area of high and low forests is dealing with goats. The highland area of Kala e Dodës, Silova, Kastrioti, Tomini,

Melani and Maqellara is dealing mostly with sheep breeding, while the highland areas of Rec, Dardhë, Lura, Selishtë, Muhurr, Arras are mainly dealing with goats breeding. The experts *recommend*, on the one hand to increase the number of animals in livestock (up to 80% -100%) and on the other hand, without losing indigenous race, to intensify efforts for race improvement of cattle, especially of goats.

Livestock production is not high for many reasons, most important being the very small market of livestock products, since these races are not famous for high productivity. However Diber area has a considerable production of livestock. The following table shows livestock production in Diber area. As shown in the table, milk production is higher, but the productivity and profit from milk is not very high.

It is *recommended* to increase the number of heads and formalize dairy farms with selected races with milk and meat profiles

Products	Milk	Meat	Eggs	Honey
Production in Ton	36960	3075	23250	86

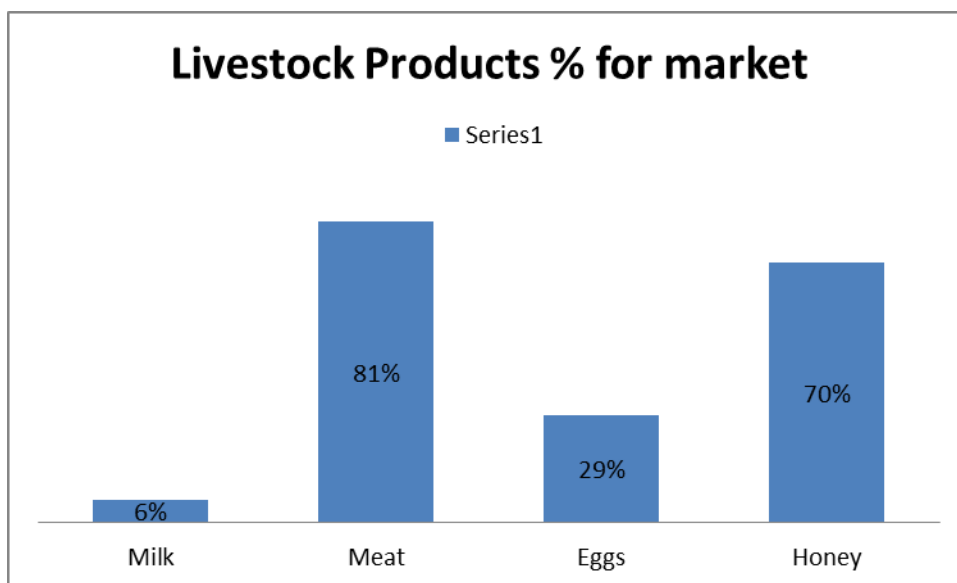
Table of Livestock Products (Data from Directorate of Agriculture)

The processing of livestock products in Diber, mainly of milk, is made in the traditional way by all families, and they get yogurt, butter, cheese and cottage cheese out of milk, mainly for household needs and less for the market. In recent years, the processing of milk has developed and 19 milk processing dairies have been set up, which produce different types of cheese in the villages of Kala e Dodes, Grame, Rec, Muhurr, Arras, Peshkopi and Maqellara. It is recommended that, since there is a growing trend for milk processing, more support should be required from subsidy schemes for processing lines, and for protection of domestic production from unfair competition forced by imported goods, where the production cost for 1 kg of cheese is 350-450 ALL, and it is sold in the market with the cost price or lower.

The market of livestock products is difficult. The largest amount of livestock production is used for household needs, one part goes for the local market in Peshkopi, and another part goes for the national market, mainly in Tirana. The positive image of products from Diber is not associated with a brand or with a complete chain of stores for Diber products. This has caused many other products are sold as products from Diber, which has damaged the image of products among consumer. The market production for Diber area is:

Products	Milk	Meat	Eggs	Honey
Production in Ton	36960	3075	23250	86
Quantity in Market	2300	2500	6700	60
% in Market	6%	81%	29%	70%

Table of Market Products (data from SNV researches on the Market of agricultural products)



As shown in the chart, meat and honey are the most demanded products in the market, respectively 81% and 70%, mainly for the local and national market. The quantity of milk for the market is small because it is not-processed and only traditional

dairy products are on the market. The selling price of dairy is not very satisfactory for the manufacturers, this is also another fact why meat and honey, which have advantageous price, have a more farmer-oriented market ranging between 700-1000 ALL / kg for meat, and 1000-1300 ALL / kg for honey.

It is *recommended* to create a brand of Diber products; they should have a special show place in the selling points, their trademark and a proper packaging.

Cost analysis of livestock products: Based on technical analysis in conformity with technical standards of livestock experts, mainly in relation to production of milk (not cheese processing) and of meat, we have these basic indicators, as shown in the chart.

Livestock products	Productivity /ha	Sale value 1kv	Gross income per 1ha	Expenses in ALL	Net Income per 1 ha
Milk	80	5000	400,000	100,000	300,000
Meat	7	50000	350,000	100,000	250,000

Table of cost analysis (sources from SNV research of agricultural market)

As shown in the table, there is no big difference between the products in terms of profit per 1ha between milk and meat, but the advantage is currently in great demand in the market for meat, and low demand for milk and its products. If recommended for integrated farms for milk and meat, income in livestock farms will increase.

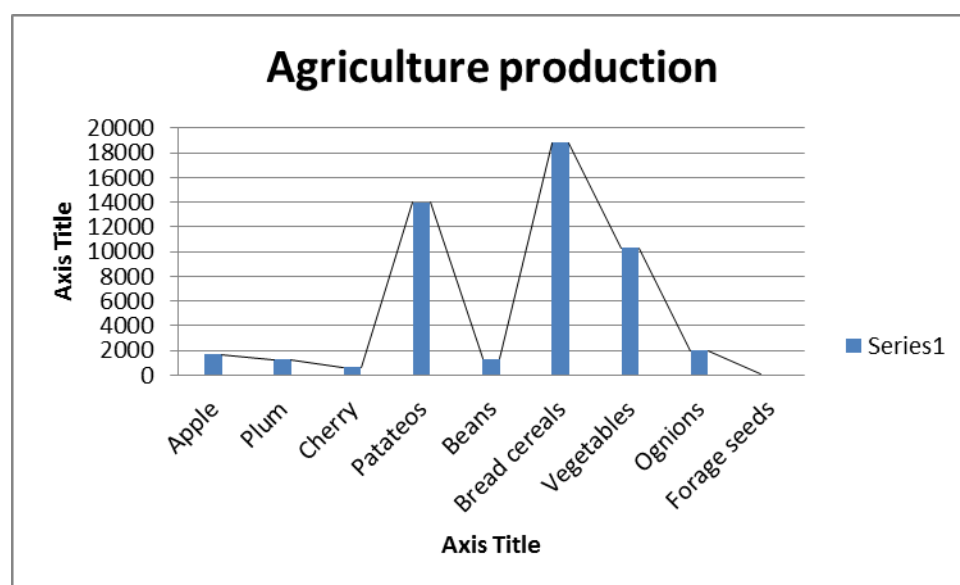
Agriculture:

The agricultural sector is the most important and most traditional in Diber area, which is well known for both productivity and quality of its products. The productivity of agricultural products depends on the size of planted area. Most of the production is consumed by the households and the rest goes to market. The main characteristic of agriculture in Diber is that economies are organized on family basis, both the small and the slightly larger and more structured economic units.

Agricultural production, According to data we have from the Department of Agriculture, and also from discussions with LGUs, in Diber area are cultivated mostly typical traditional agricultural products such as bread cereals, vegetables, beans, forage, potatoes and fruits, the highest share occupied by apples, plums, cherry etc. The following table provides the amount of output of key products.

Products	Apple	Plum	Cherry	Patateos	Beans	Bread cereals	Vegetables	Ognions	Forage seeds
Production in Ton	1700	1250	640	14000	1330	18800	10300	2000	80

Chart of agricultural products (sources – Directorate of Agriculture)

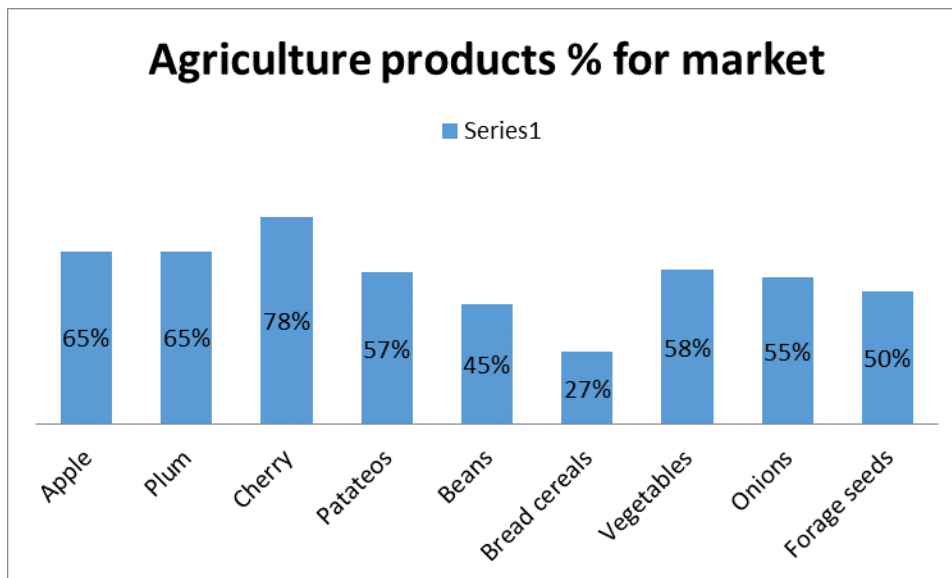


As shown in the table and in the chart, the highest products are the traditional ones, such as wheat, potatoes and vegetables. Few products are fruits and forage seeds, which are more market oriented products. So, the families care more

about their family needs than about the market. It is *recommended* that Diber families should think about a new market oriented economic structure.

Market of agricultural products: the majority of agricultural production is destined for the needs of the families and the rest for the local market in Peshkopi and for the national market mainly in Tirana. The quantity of production for the market is small. The following table provides the amount of agricultural products on the market

Products	Apple	Plum	Cherry	Patateos	Beans	Bread cereals	Vegetables	Onions	Forage seeds
Production in Ton	1700	1250	640	14000	1330	18800	10300	2000	80
Quantity for Market	1100	900	500	8000	600	5000	6000	1100	40
%	65	65	78	57	45	27	58	55	50



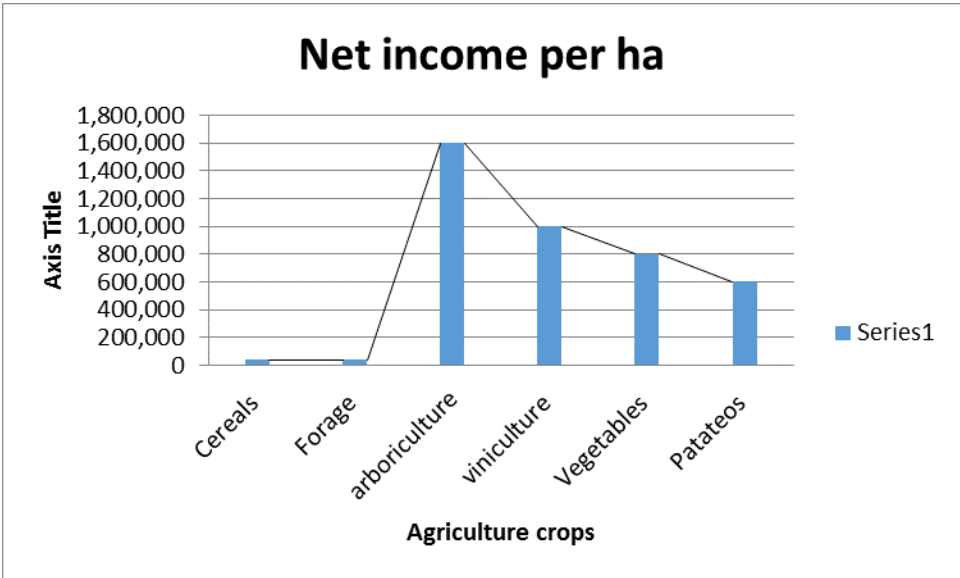
As shown in the chart, the fruit trees have the highest market orientation, the most demanded are cherries, 78% , apples and plums, 65%. Bread cereals are the less demanded, by 27%, which means that we need to think differently about these two products.

The production of fruit trees should be increased by increasing the planted area with apple, cherry, plum trees and reducing the cultivated size of cereals, as they are less required in the market. The market of agricultural products in Diber is not yet formalized at the expected quality, because of lack of products brand, certification, collection and sale points. It is *recommended* to increase the amount of production for the market, advise farmers to cultivate larger area of fruit trees, which are most demanded in the market, and create a sales chain of certified products originating from Diber, with a trademark, packaging and sale points in Tirana.

Cost analysis: the products in the market are very different with regard to the productivity, producing cost and price and for a long time they are almost invariable in the market. The table below provides the following information for each product.

Agricultural crops	Productivity /ha	Sales value / kv	Gross income /ha	Expenses in ALL	Net income / ha
Cereals	40	2500	100,000	60,000	40,000
Forage	50	1500	75,000	35,000	40,000
arboriculture	400	5000	2,000,000	400,000	1,600.000
viniculture	250	6000	1,500,000	500,000	1,000,000
Vegetables	400	4000	1,600,000	800,000	800,000
Patateos	400	3000	1,200,000	600,000	600,000

Cost Analysis Chart (sources - SNV research on agricultural market)



As shown on the chart, the highest yield is in arboriculture, vegetables and potatoes that produce more than 400 kv / ha, and bring the highest net income, ranging between 1.6 M ALL from arboriculture (apple, cherry and plum trees) and 600

- 800 thousand ALL from vegetables and potatoes. The cereal crops and forages have little or no profit at all, but they are cultivated because of tradition and are used for household needs and for animal fodder.

The processing of agricultural products has increased in recent years. Investors and farmers from Diber have invested in small, medium and large chains of agricultural products processing, especially in milk processing (dairy), fruits (juices and alcoholic beverages), refrigerating rooms for fruits, and craft products jams, pickles, compotes and pasta which are typical Dibra local products. As shown on the below table, more investments have been made on milk processing lines and refrigerating warehouse for fruits, depending on production and on raw materials.

The agricultural infrastructure in Diber area is below required standards. The infrastructure relates to the irrigation system, agricultural machineries and supply centers.

Irrigation system: the irrigation system is missing in 53% of agricultural, so that out of 19117 ha land size 10594 ha may be irrigated and only a size of 7542 ha is really irrigated, because the other part of the land has problems with irrigation canals or water sources.

Agriculture machineries: Even agriculture machines leave to be desired. There are in total 432 agricultural machines in Dibër, i.e. roughly 0,02 machines per ha, as a result approximately 10473 ha of land is manipulated by hands, 4969 ha by animals and 12870 ha by tractors. These facts are indicators of primitive working approach in agriculture.

Road infrastructure: The big fragmentation of land, where one family is in possession of roughly 1.03 ha of land, which is fragmented into smaller plots, creates problems for road infrastructure as well. The narrow roads have created social problems, since the land plots were distributed according to the system of year 1900 , so, this road system prevents mechanization and modernization of agriculture in Dibër .

Agricultural supply facilities: The facilities for advice and supply of seeds, pesticides, seedlings and other additional items, are too small and not well furnished; most of them are located in Peshkopi (7 facilities) and in Maqellarë (2 facilities). These facilities are private initiatives, since the formal centers, which should provide the due technical assistance, labs, control and other services, are missing, so the seeds, seedlings or pesticides are not within the required technical standards and quality.

SWOT Analysis

<p><u>Strengths:</u> 80% of the population is in rural area, Family tradition in agriculture and livestock breeding, which provides currently 46% of employment in these sectors, Land structure and climate in Dibër are suitable for agriculture development, Presence of agricultural advice institutions, extensions and specialists of Directorate of Agriculture in Dibër region, Gained experience throughout the years, enriched with successful models from neighboring countries and experience brought from emigrants, Good image of agricultural and livestock products of Dibër, Free labor force, capable to work on agriculture sector, Local NGOs working on development of the sector and of present individuals in Dibër.</p>	<p><u>Weaknesses:</u> High fragmentation of agricultural land into small plots, which prevents efficient production, Small farms most family based, Low production yield and low profit for land size (150\$/dm), Lack of suitable infrastructure for agriculture, Lack of collection facilities for agricultural products, difficulties for farmers to sell the products, Lack of access to local and national market, increased cost due to big distance of producers from the market and reduced chances to be in the market, High cost of production , Low number of experts on agriculture, low rate of advisors per number of farmers/farms, Lack of contemporary formal capacities on farmers, Lack of new agricultural technology and new technics, Rigidity and lack of proficiency by farmers in using technical and technological innovations Lack of agricultural professional school, Lack of culture of cooperation between</p>
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	<p>farmers, , Very small investments in agriculture, Lack of lobbying for benefiting from programmes and government schemes, Lack of promotion of agricultural and livestock products.</p>
<p><u>Opportunities:</u> Subsidy Scheme by the Ministry of Agriculture, Presence of donor with focus on agricultural sector, Successful regional Experience (Macedonia, Kosovo, Italy and Greece), Market demand for products from Diber, Agricultural University of Kamëz and increased interest to attend this university, Government programme setting agriculture a priority sector, Global crisis has increased care on agriculture and the return of migrants has increased investment and improved the quality of intervention in agriculture</p>	<p><u>Threats:</u> Low agricultural production cost in the region, competing local production, Use of poisons and pesticides have hindered access of local products to international markets especially for export, Natural disasters that are unpredictable because of climate change and lack of technologies and weather forecasting stations, Diseases and viruses (cancer of chestnut, cherry chrome, brucellosis, etc.) Wrong and spontaneous policies not based on solution of real problems in agriculture (big steps without going into small steps) Unclear ownership, Corruption</p>

Findings:

The major challenges the agriculture is facing in Diber, as per discussions with focus groups and individual interviews with key stakeholders in agriculture, are:

- Large fragmentation of land which increases the cost of services, reduces profit, damages the quality and quantity of production, hinders access of producers to the market and discourages investment in this sector.
- Lack of researches and orientations for farmers to switch from traditional and primitive agriculture to intensive and integrated one;
- Lack of capacity and of specialists per number of farmers and apathy of recognition and adaptation of knowledge and of new techniques in agriculture. This is reflected in the lack of ability to draft planning and submit applications to attract investments in the scheme of subsidies and other programs that focus on agriculture.
- Lack of cooperative structures and of farmers ability to collaborate and cooperate. There is a law on Joint Agricultural Associations, which enables formalization of the cooperation between farmers, but there is not any awareness campaign for farmers on the steps to take, models and benefits of this type of cooperation and formalization of the cooperative structure.
- Lack of a complete market chain, in which to include the trademark, collection points, shops, control, promotion of agricultural products of Diber so that they have their brand and market line.

- High diversification of products, making farm families and producers groups to deal with the cultivation of many crops which have a low productivity and a small profit rate.

Recommendations:

- Draft the regional map (land management plan) in the area of Diber of most suitable crops to the climate and land,
- Most priority crops with greatest profit are: arboriculture (apple, cherry, plum trees), livestock (sheep in alpine meadows and goats in low and high forests). The number of farms to increase (family farms from 500 to 2000 heads) with poultry and beekeeping.
- Establish cooperatives or cooperative agricultural enterprises, as the best alternative for decrease of production cost and revenue increase.
- Increase investment in agro-processing sector (mainly in small craft lines) appropriate to the area's production capacity and with high production quality.
- Appoint agricultural specialists in the directorate of agriculture and in local government, add advisors to farmers.
- Create agricultural collection centers comprising the storage, market, quality control agricultural services (mechanical, pesticides, advice etc.).
- Establish vocational training centers and courses (formal and informal "learning by doing") for young farmers, management and new agricultural technologies.
- Develop investment projects on agriculture infrastructure for irrigation (channels, basins), roads etc. Local government should develop priority projects that serve a large group of farmers.
- Establish technical specialized centers to deal with quality control (laboratories) and weather conditions forecast.
- Develop the value chain for agricultural products of Diber, by creating the local brand and network of shops in the local market, especially in the metropolis.
- Apply for projects and loans that promote development through creation of by-product chain and agricultural product. (Eg apple chain, starting from seedling phase to processing).

4.4 Tourism Analysis (Second Priority Sector of Functional Area)

Tourism is the second priority sector offering many opportunities for development of the Functional area of Diber. High tourism potentials of natural resources, great cultural and historical values, and rich culinary tradition are potential resources for tourism. The highest potentials are development of curative tourism, mountainous, historical and cultural tourism.

Curative Tourism:

Diber area is well known for its curative tourism, through thermal waters of Peshkopi Thermal Baths, where relax around 12,000 holiday-makers a year, from all regions of Albania, Kosovo and Macedonia.

In the valley of Thermal Baths, known by the local population as "Valley of Healing", there is the famous source of Thermal Baths, which have a temperature of about 40° C, containing dissolved salts and gases. In this territory is located the bathing resort that is owned by the municipality of Peshkopi, which offers all necessary services ranging from swimming pools, bathing, massage, mud and medical services. The quality of Thermal Bath Water of Peshkopi is among the best in Europe.

This is a kind of curative tourism, primarily for the treatment of rheumatic pain, affordable by a vast number of people. The largest number of visitors, aged between 45 and 70, come from northern Albania, Tirana, Durres, Kosovo and Macedonia. This is a seasonal tourism mostly frequented in autumn (September-November) and during spring season (March-June).

Lodging and tourism services are at satisfactory condition and are offered through a number of hotels and guesthouses. In the area of Peshkopi stream are built up around 300 guesthouses (of various size) and 7 hotels with approximately 60 beds for holiday-makers. In these facilities, the service is provided daily as a whole package, including lodging, food, and warm water therapy. The service price is not high, which suits to clients' opportunities ranging from 10 to 13 EUR per day, for a 10-day package, i.e. 100-130 EUR per person all inclusive.

Lodging facilities	Hotels	Guest houses >15 beds	Guest houses 10-15 beds	Guest houses <10 beds
No of beds	7	30	50	170

Table of guesthouses and hotels in the Thermal Baths zone (sources: Municipality)

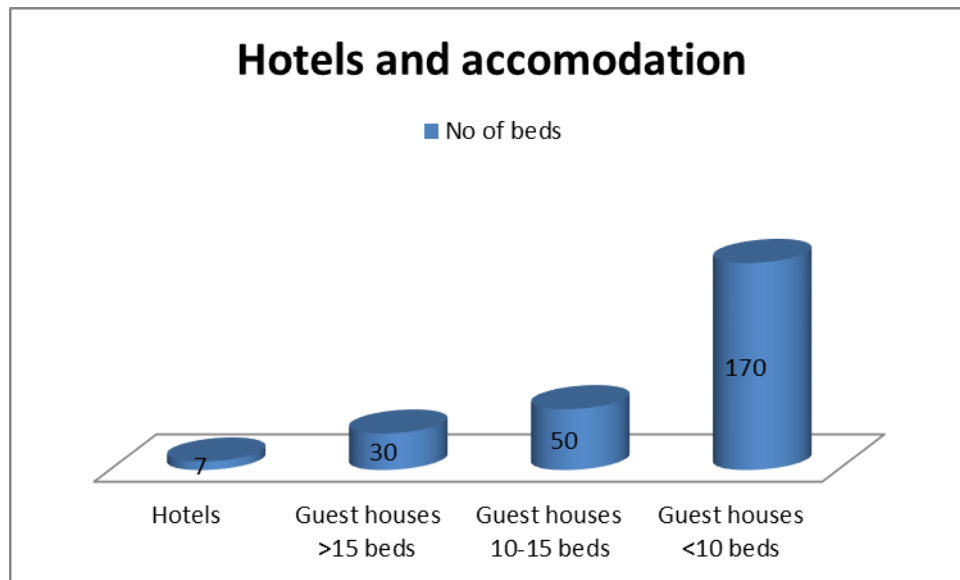


Chart on Tourist Lodging

Recommendations: The tourist curative potential in Diber area is likely to develop even more by increasing the number of visitors through extension of holiday season in summer months (June-August) and during winter for a small elite number. The use of Thermal Waters by private hotels when there are not vacationers in the spa resort will help increase the number of tourists and investment from the private sector.

In the Thermal Bath resort there are potentials to create facilities of higher quality for visitors, by investing in creating a pool and other facilities for physiotherapy services, treatment, and social environments, based on the experience of the spa resorts of Diber e Madhe (Kosovrasti and Banisht).

Invest in the neighborhood of Thermal Baths, which coincides with the park of Peshkopi town to create recreational park with green facilities, pedestrian paths, benches, sports facilities, to make the area a beautiful and picturesque environment and tourism attraction.

Communicate with the Thermal Bath neighborhood residents to organize the surrounding walls and facades of houses in a style that fits with local tourism and traditional architecture.

Mountain and rural tourism:

Diber area has great potential for the development of mountainous and rural tourism. The beautiful landscape of Diber area, known as the valley of Drin, is crossed throughout its length by Drin i Zi River, the longest in Albania. The valley of Diber is surrounded at both sides by Deshat-Korab mountain range, the highest mountain in Albania, and the Lure-Selishtë mountain ranges, where are and 21 glacial lakes. The entire territory is distinguished for numerous natural monuments: geo-monuments, hydro monuments or bio-monuments (41 natural monuments), which are part of the Korab-Korritnik Natural Park and Lura National Park, because of their

particular historical, aesthetic, tourism, biological value. This area has rich flora and fauna; more than 138 species of rare plants, Korab tulip, a rare local plant, and rare animals like Balkan tiger, chamois, grouse as well as many other wild birds, most famous being the eagle of Korab.

In comparison with neighboring regions of Kukës, Tropojë, Lezhë, Shkodër, Korçë, Permet and cross-border area of Diber e Madhe and Rostush-Mavrovë, the mountain and rural tourism in Diber is less developed than in those regions. On Diber area, tourism is in its early stages and much less promoted and supported by subsidy schemes. A negative impact on the non-development of tourism has played the poor road infrastructure to Tirana.

The few visitors are foreign tourists coming mainly from Western and Central Europe and North America for short periods of 1-5 days. A significant number of visitors, especially those coming for one day, are from Tirana and Durrës.

Local businesses are at first stages of investments on guest houses for tourists and some small hotels.

	Tomin	Maqellarë	Melan	Kastriot	Sillovë	Kala e Dodes	Lurë	Arras	Muhurr	Selishtë
Guest houses	3	3	7	1	3	3	7	1	2	2

Table of guest houses for mountain Tourism (sources: Council of Diber Qark)

There are only 2 appropriate hotels in Lurë, while in other communes there are only a few guesthouses, which are mostly initiated by local tourism agency KTT (Korab Tracking Tour) that works with foreign tourist agencies, mainly with fans of mountain tourism, flora and fauna researchers, and adventure tourism.

The promotion of tourism is in its early stage, where the best things are the tourism guide, strategy for Deshat mountain range, and local action group " Diber Tourism " that promote the development of mountainous and rural tourism in Diber. Website and many social pages are set up by organizations, institutions and individuals that constantly promote the beauty and resources of Diber.

Recommendations: Mountainous and rural tourism in Diber is likely to be developed; around 500 guesthouses are due to open soon all over the territory of Diber. There are several mountainous villages, which may be transformed into tourism villages in Maqellarë, Melan, Tomin, Kastriot, Sillovë, Kala e Dodës, Lurë, Reç, Dardhë, Arras, Muhurr and Selishtë.

Historical and cultural tourism: Diber is a well-known territory with rich history and culture. Diber is a borderline of Catholicism and Orthodoxy, as well as the territory of many archaeological ruins, discovered only partially, the greatest one being the Grezhdani castle. Archaeological excavations have revealed one part of it only. Researches should be made on

archaeological ruins, which belong to the Illyrian period: the Debor and Penest tribes, the Byzantine ruins with many churches and monasteries, and the medieval Ottoman period with mosques, teqé and chimneys. The most important potential for tourism development is the village of Sinë, birthplace of our national hero Gjergj Kastrioti / Scanderbeg, where are situated the castle of Kastriots and many places associated to Skanderbeg period.

The rich culture and traditions of Diber area create opportunities for cultural tourism. Mores, customs, costumes designs, popular games and festive pagan and religious rituals, are a treasure for the Development of Cultural Tourism. *Oda Dibrane* (Diber Chamber) and the allegory of Diber, the Diber *Kanun* known as kanun of Skanderbeg, towers and houses made of stone, wedding ceremonies, etc., are some of attractions for Cultural Tourism. It may be further enriched with the cultural monuments of Diber, historical museum of Peshkopi and museum of Kastriots in Sinë, palace of culture "Haki Stërmilli", and some important events and celebrations such as "*Oda Dibrane*", a national folk festival organised every year, St. George Day (the birthday of Scanderbeg), Summer Day, Saint-Nikol Day in Lure and Selishtë, the Crops Celebration, day of the Fair), Drin Feast and many other local and religious festivals, will serve for the enrichment of tourism events in the area of Diber.

We confirm that currently only "Oda Dibrane" folkloric festival is the most important event that promotes cultural tourism of Diber area, and the Crops Feast promotes typical products from Diber.

Recommendations: Identify all archaeological sites and mark them with tourist signs in the area. Draft the programme of main feasts and annual tourism events throughout the area of Diber. Refurbish the museum of Peshkopi and museum of Kastriotis in Sina, and stimulate construction of other museums like the ethnographic and other local museums.

Anlaiza SWOT:

<p><u>Strengths:</u> Multiple natural sources, Thermal Bath waters; Korab (highest mountain in Albania) Lura range with 23 glacial lakes; 24 monuments of nature; Rich historic values Scanderbeg's birthplace; Archaeological discoveries in the castle Grezhdan Churches of Peshkopi, Cetushit Castle, archaeological discoveries in Çidhën, Museums of Peshkopi and of Sina, Rich ancient traditions and rituals, Oda Dibrane (folk festival and tradition)</p>	<p><u>Weaknesses:</u> Poor road infrastructure for tourism and distant metropolitan centers, Lack of tourism services, Lack of tour operators, Low human capacity for tourism services, Poor quality of services, Lack of investment in the tourism sector (modest investment) Damage to natural resources, lack of care for protected areas and monuments of nature, Damage to monuments of culture, lack of care for historical areas and monuments of culture,</p>
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<p>Allegory of Dibra Kanun of 9 Mountains (of Skanderbeg) Dances and folk songs, (Diber castle/ kala dibrance) Hospitality and culinary delights of Dibra, "Guest is the ruler of the host house" Rich cuisine (jufka/ local pasta with chicken, chicken with walnuts, llallangia, sheqerpare-local sweet cake, halva with nuts, etc.)</p>	<p>Lack of tourism promotion of the area,</p>
<p><u>Opportunities:</u> Tourism, a priority for government policy, Presence of donors focused of tourism sector, Regional successful experience (Albanian Alps, Korça, Macedonia, Kosovo), Market orientation towards tourism, Immigrants coming back to visit Diber</p>	<p><u>Threats:</u> Regional competition and neighboring territories having a better infrastructure, wrong and spontaneous policies not based on solving the real problems of tourism (great steps without going into small steps) Unclear ownership on forests, nature, and natural monuments, Corruption</p>

Recommendations:

- Support and promote mountainous tourism development by stimulating opening of guest houses in the area of Diber, where there is a capacity of 400-500 guesthouses.
- Encourage preparation of tourism packages, making the area a tourism destination, part of tour packages at national and international level.
- Increase capacity on tourism service, by opening vocational training courses (formal and informal) for guides, cooks, waitresses and guesthouse owners.
- Promotion of Diber tourism values through creation and promotion of programme of celebrations and events such as Oda Dibrane, Summer Day, Saint George, Saint-Nikol, Crops Feast, etc.

5. Chart of Services in Functional Area of Diber

Overall Description:

Local public services are the most important element that directly affects the life quality of local communities and the possibilities of socio-economic development of the area. Most of services are provided by local authorities (one municipality and 14 communes) and from the central government through its regional structures of Diber. Basic services that are most vital to the citizens of Diber, and that we are analyzing in this research are: Drinking Water and Waste Water Systems, Roads, Waste Management, Urban Planning and Land Management.

5.1 Drinking Water and Sanitation

The Water Supply and Sanitation Sector in Functional Area of Diber is a very important sector which supplies drinking water and deals with disposal and treatment of wastewater.

Water Resources: Currently, the produced quantity of drinking water is only **12-15 m³/ sec** or 80 m³ per person a year at national level, stored also in Diber area. The water is mainly supplied through use of superficial water resources, without any special treatment, because their quality is within the hygiene conditions, as per the quality standards of drinking water, with allowed physic and chemical characteristics. The main sources of drinking water used in the area of Dibra are: source of *Presh* and of *Shehi* highlands in *Korab*, *Sopanika* in *Arras*, *Lashkiza* in *Zall-Pear*, *Gura e Muhurit*, *Gura e Meres* in *Luzni*, *Selishtë* sources, *Hinoska* in *Melan*, *Kërcini* sources in *Maqellarë*.

Management structure: Local Government Units are key actors in the sector of water supply and disposal and treatment of wastewater. The functional obligations are in compliance with Law No. 8652 “On organization and functions of local government”. This service is offered by municipalities and communes, through the UK operator, which is located in the services offices of the LGU and by the Water and Sewerage Enterprise of Peshkopi, which is a joint stock (SHA) that is administered by the Supervisory Board which consists of 6 local units; (Peshkopi, Kala e Dodes, Sllövë, Fushë Cidhen, Kastriot and Tomin). They provide drinking water services to approximately 48,000 residents of these LGUs. The UK enterprise of Peshkopi has a staff of 28 people: of production, billing / sales and administration technical staff. The company assets are worth 53,454,000 ALL, including 25 km of the main pipeline, offices, machineries and equipment, and an annual turnover of 25 million ALL as annual budget, etc.

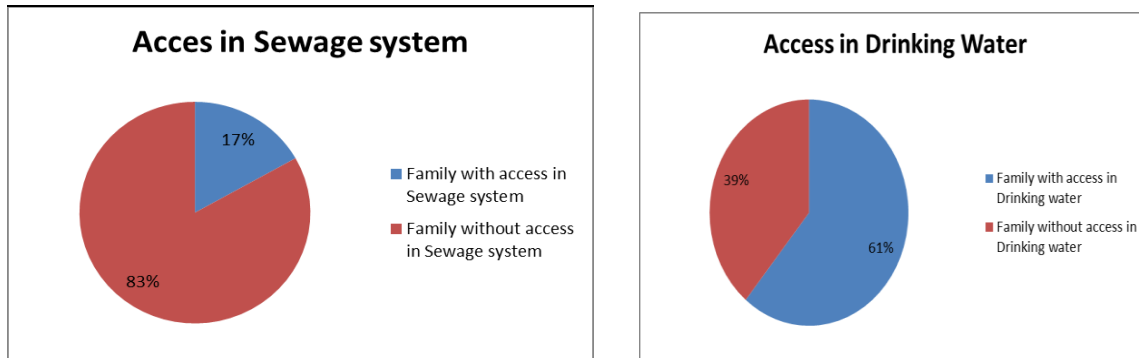
General Data:

The below table provides basic data related to managment and water supply for each commune, i.e. number of residents receiving this service, kind of line, invoicing, % collected and coverage hours a day of service per inhabitant.

Local Unit	Water supply to residents	Lack of water supply to residents	Type of line	Fee	% e collected	Hours of supplied water	Type of KUZ	% of coverage	% of non-coverage
Peshkopi	100%	0	UK of Korabit UK of Luzninsë	27/85/65 ALL/m ³	80%	4-8	KZ	97	3
Maqëllarë	52%	48%	UK of Kërcinit Line at village level Public water taps	35 ALL/m ³	0	12	KZ + GS	46	54
Melan	100%	0	UK of Hinoskës. Line at village level Public water taps	27 ALL/m ³	70%	16 24	KZ + GS	56	44
Tomin	51%	49%	UK of Korab UK of Luzni Village line	27 ALL/m ³	60%	4-8 0 8-16	KZ + GS	30	70
Kastriot	78%	22%	UK of Sopanikë UK of Korab Village Lines Public water taps	27 ALL/m ³	60%	12	GS	0	100
F.Cidhen	100	0	UK of Sopanikë UK of Korab	300 ALL/family/ month	0	16	GS	0	100
Sillove	87%	13%	UK of Korab Village Lines	27 ALL/m ³	0	4-8	GS	0	100
Kala e Dodës	70%	30%	UK of Kalasë Village Lines		0	24	GS	0	100
Rec	0	100%	Village Lines Public Water Taps		0		GS	0	100
Lurë	0	100%	Village Lines Public Water Taps		0		GS	0	100
Arras	77%	13%	UK of Sopanikë Village Lines	28 ALL/m ³	15%	18	GS	19	81
Zall-Dardhe	30%	70%	Village Lines	300 ALL/family/ month	0	24	GS	0	100
Muhurr	70%	30%	UK of Muhurri Village Lines Public Water Taps	300 ALL/family/ month	50%	18	GS	0	100
Selishte	100%	0	Village Lines	27 ALL/m ³	60%	24	GS	0	100
Luzni	0	100%	UK of Luzni		0		GS	0	100
	61%	39%						16.5 %	83.5 %

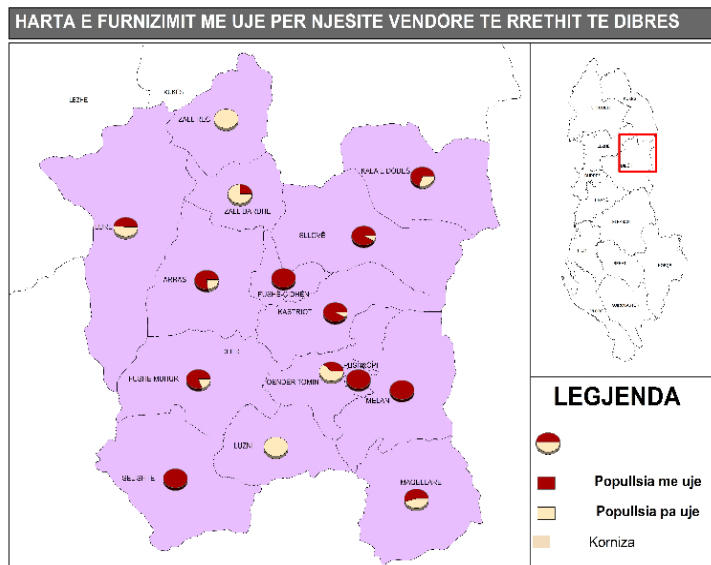
Table of data on drinkable water supply to LGU (data sources: Council of Qark)

As shown in the chart, the main water pipelines in the area of Diber are UK of Korab, UK of Sopanikë, UK of Kërçin, UK of Hinoskë, UKs of Muhurr and Luzni, the rest is supplied by separate lines (community-based village, neighborhood family) who use the nearby wells and public taps. UK of Korab and of Sopanikë provides water to for more than two LGUs, while the UK of Muhurr, of Hinoska and Kërçin cover several villages of one commune. The UK of Luzni, which covers several communes, is out of order due to property disputes. As for KZ only the communes of Tomin, Arras, Melan, and Maqellare have partial access while the municipality of Peshkopi has more than 97%. As indicated in the chart, not the entire territory is supplied by potable water and sewage pipelines, respectively 39% of the population has no access to potable water and 83.5% of the population does not have access to the KZ service system.



Problematic: Drinking water system in Diber area is facing a complex situation. The main issues related to: i) Lack of water supply service throughout the territory of Diber; ii) Low quality of water supply service to consumers; iii) high losses of water; iv) poor performance in the administration and management of drinking water; v) social conflicts ownership

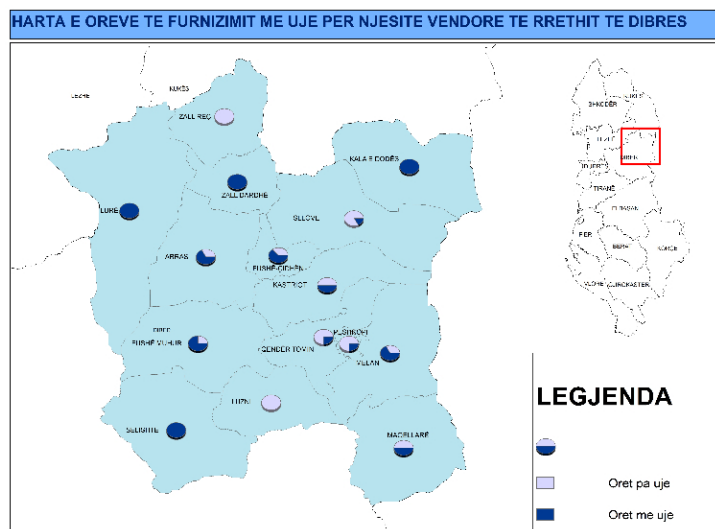
Lack of water supply services throughout the territory of Diber; the situation of drinking water is



problematic in the area of Diber, as this service does not cover a substantial part of the population; specifically 83.5% lack sewage service and 39% drinking water. The situation is more problematic in the communes of Luzni, Tomin, Maqellare, Rec and Lura where a large part of the villages do not have access to drinking water service. A considerable percentage of the communes of Zall-Dardhe, Kalse, Muhurr, Arras do not have water supply system.

	Peshkopi	Tomin	Maqëllarë	Melan	Kastriot	F. Cidhen	Sillove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
% of water supply territory coverage	100	51	52	100	78	100	87	70	0	30	0	77	70	100	0

Low quality of water supply service to consumers:



The quality of water supply service to consumers continues to be low. The problem is the lack of continuous supply of drinking water to consumers, insufficient water pressure, and delay in repairs of defects in the system, etc. Very few water supply lines provide continuous water to consumers. Such are Selishta, Melanie, Maqëllarë, some small lines in neighborhoods or village, which provide water to their residents 16-24 hours a round day. The water supply system of Peshkopi is the worst one. It

currently supplies water less than 4-8 hours per day. After investment made to the source of Shehi highlands in Korab and the German KfW investment, which has recently started, it is expected that that within 2 years, there will be running water 18-24 hours a day.

	Peshkopi	Tomin	Maqëllarë	Melan	Kastriot	F. Cidhen	Sillove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Time of Water supply	4	4	12	18	12	16	8	24	0	24	0	18	18	24	0

Bad performance in management of drinkable water: A series of economic, technical, social and managerial factors are the causes of this situation. Some of them relate to management performance; *the lack of management planning for water supply and sewerage systems* has led to poor performance of enterprises and sectors in inappropriate management, without respecting technical & financial standards and managerial structures profitability. The lack of control on

water resources and *the lack of chlorinating system* is a potential health risk for residents of Diber, where only 20% of the water undergoes the test at source on bacteria-chemical conditions and after chlorination. *Low level of receivables* is due to inappropriate invoicing system on consumed water, and lack of modern and reliable collection and invoicing system. In all LGUs there is lack of water meters or they are damaged and out of order. The *high cost of potable water production and service*; because of lack of efficiency in the management and administration of this service, as a result of expenses and debts of customers to water utility enterprise, mainly State institutions. The cost of personnel, power and depreciation has the highest specific weight of expenses. It means that the management of this service is inefficient. The water supply enterprise of Peshkopi has 28 employees in charge of 4000 water connections, i.e. approximately 7 employees per 1,000 connections. Even depreciation cost is high, especially for water supply enterprise of Peshkopi that uses old pipelines of the years '80. This has made the service become high cost. The high cost has led the enterprise of water supply into economic difficulties; this situation needs subsidy from central government or other donors. *The lack of Investment, or wrong investments* are the reasons why some areas do not have water supply system, or have solutions through water supply lines on neighborhood and village base, without using technical criteria. There were cases of wrong investments as a result of wrong technical and managerial solutions, such as the case of Peshkopi water supply system, supplied from Drini River and the water supply pumping system of Maqellara also from Drini River, which were failed investments.

Social conflicts on property issues, are an obstacle for investment and building of water suppliers; the largest non-functioning water supply system is the one of Luzni (built in 1997-1998), which is 15km long and serves residents of 3 LGUs. The lack of ability to resolve social conflicts, the legal and ownership problems caused many projects or investments to fail or not to start, as the cases in Maqellare, Rabdisht, Erebare, Kala e Dodës, etc.

Findings:

- Drinking water and sewerage system is problematic in Diber as it does not cover a considerable part of the population: 83.5% in sewerage system and 39% with drinking water.
- Poor quality of service, i.e. short time of water supply and poor customer service. The average time of water supply in Diber is no more than 4-8 hours a day.
- Highest losses in the system, because of depreciation of pipes, poor maintenance quality, wrong distribution management system, and illegal interference in the network, especially in the summer.
- Low level of receivables, due to inappropriate invoicing for consumed water, and lack of a modern and reliable invoicing and collection system.
- Lack of water meters in most connections and damaged of the existing ones, shows a mishandling of this process by the LGU structures and water supply enterprise of Peshkopi.
- The high cost of potable water production and service; because of lack of efficiency in the management and administration of this service, as a result of expenses and debts of customers to water supply enterprise, mostly State institutions.

- The lack of Investment, or wrong investments are the reasons why some areas do not have water supply system, or have solutions through water supply lines on neighborhood and village base, without using technical criteria. There were cases of wrong investments as a result of wrong technical and managerial solutions, such as the case of Peshkopi water supply system, supplied from Drini River and the water supply pumping system of Maqellara also from Drini River, which were failed investments.
- Social conflicts and disputes on property issues, are obstacles for investment and building of some water suppliers; the largest non-functioning water supply system is the one of Luzni (built in 1997-1998), which is 15km long and serves residents of 3 LGUs. The lack of ability to resolve social conflicts, legal and ownership problems, caused many projects or investments to fail or not to start, as the cases in Maqellare, Rabdisht, Erebare, Kala e Dodës,
- The lack of control on water resources and the lack of chlorinating system is a potential health risk for residents of Diber, where only 20% of the water undergoes the test at source on bacteria-chemical conditions and after chlorination
- The lack of management planning for water supply and sewerage systems has led to poor performance of enterprises and sectors in inappropriate management, without respecting technical & financial standards and managerial structures profitability.

Recommendations: The new LGUs included in the Functional Area of Diber should take the following necessary measures:

- Conduct a feasibility study on drinking water system and sewage for the entire territory of Diber,
- Develop short-term, mid-term and long-term investment plans;
- Intervene urgently by chlorinating drinking water and making permanent control of its biochemical conditions for each water supply, water lines and public taps; make additional investment in building water supply and sewerage lines in all areas lacking this service, and other investments for rehabilitation and maintenance of existing water supply. Investments should be made first in the area of Luzni, Rec, Lura which are uncovered, and in Tomin, Maqellara and Sllövë that have a shortage of drinking water; Establishment of a mediating committee with representatives from local authorities (LGU, Prosecutor, Police, Community, etc.) to resolve drinking water conflicts and in particular the problem of water supply of Luzni;
- Utilize efficiently and efficacy the investment of KFW in water supply of Peshkopi, at technical aspect, but also in terms of strengthening the management structure with business plans, operation- maintenance manuals, modern invoicing and collection system etc., a model for the management of drinking water and sewerage system of Diber area, as a near future unit of local government;
- Register and digitalize water supply system for the entire functional area of Diber;
- Conduct public awareness campaigns to raise awareness on efficient management of water and payment of water bills..

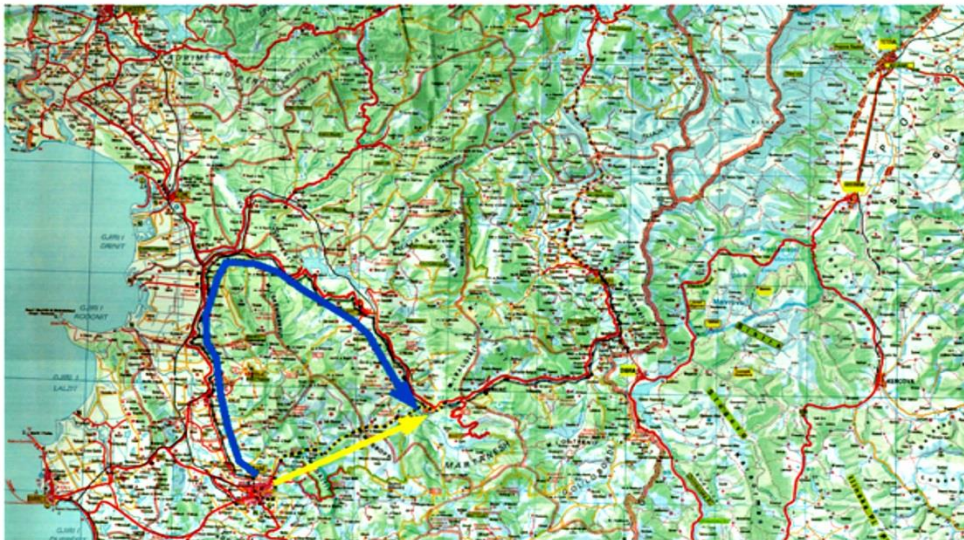
5.2 Infrastructure and Public Transport

The road system for Dibra's functional area is based on three main road categories such as: National Roads, Regional Roads and local roads.

5.2.1 Access to Dibra's Functional Area

National Roads are the key axes that link Dibra's functional area to the national road system. These roads are as follows:

Tiranë-Peshkopi Road or the itinerary of 186 kilometers that crosses from Tirana, Milot, Burrel, Bulqizë, Maqellarë and Peshkopi, is the main road that connects Peshkopia with the capital, "Mother Teresa" Airport, Durrës Port and border point of Bllata with Macedonia (20 kilometers). This is a paved road with worse technical conditions and built in 1950. Its technical standards are outdated, the terrain is bend, difficult slippery and dangerous. The road is badly-maintained and crossed by heavy haul trucks whose weight exceeds the road capacity, hence causing more damage. This Albania's worst road itinerary lasts for more five hours. Furthermore, access to the area is difficult and makes it harder to exploit potentials of the area and its development in general due to higher transport costs.



Në foto:
Me vizë të verdhë dhe pika të zeza (sipas shigjetës së verdhë) është aksi i Rrugës së Arbërit, sipas një posteri fillestar të shoqatës "Nisma Dibrane", 1996.
Shigjeta blu tregon rrugën aktuale.

The construction of Arbër's Highway is an ongoing project by the Albanian Government and it reduces the roads's length and as a result travel costs from the Functional Area to the Capital, Airport, Durrës Port. In addition, the shorter itinerary will be more adequate and intensify connections to Macedonia by setting an international transports corridor with an impact in the development of this area.

Peshkopi – Kukës Road is a 72 km route, which crosses Peshkopia, Kastriot, Kala e Dodës, Kukës and connects to the "Nation's Highway" axis as well as the border point of Morina in

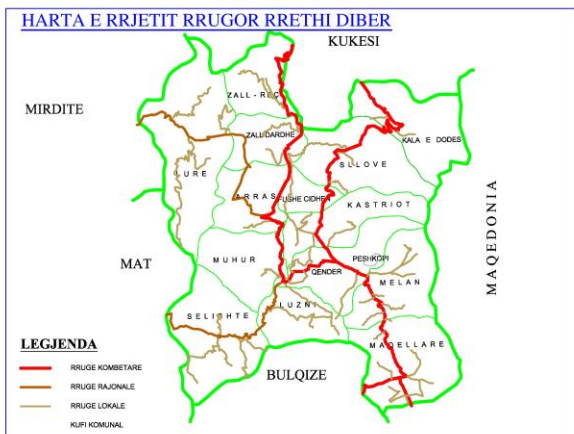
Kosovo. 36 km of the road in Dibra territory is paved and in good technical conditions despite the mountain terrain, turns and difficulties faced during winter times.

Peshkopi –Kukës Road is a 67 km route (49 km in Dibra territory) that crosses Peshkopia, Muhurr, Rec, Kukës. The road is unpaved, in bad technical conditions, badly maintained, difficult to cross, especially with small vehicles.

These roads are included in the inventory of the Regional Roads Enterprise (RRE), which is responsible for investments, maintenance, clean up from soil, snow etc. The enterprise has its own personnel of 30 civil servants and 100 workers as well as machinery. The RRE has contracted three companies (one for each road) for maintenance and clean up.

Regional roads are those routes that connect more than two communes or several villages. These roads are included in the inventory of the Regional Roads Enterprise that is administered by the District Council of Dibër.

5.2.2. Transport within Functional Area.



According to an earlier study of DLDP, the Functional Area of Dibra is an area with stronger concentrated settlement patterns which means that interactions in general occur between existing communes and Peshkopia and less between themselves and intensively with the inner border area of Macedonia. Peshkopia has an intensive communication with rural areas with high population density such as Tomin, Melan, Kastriot and Maqëllarë.

Access to National Roads: The majority of inhabited areas are connected to the main axis of national roads Peshkopi- Tirane that include communes of Maqëllarë and Melan. This is a 23 km paved road. The Peshkopi-Kukës route that accesses communes Tomin, Kastriot, Fushë-Cidhën, Slllove and Kala e Dodës, is 36 km, paved and in good technical conditions. The Peshkopi – Kukës road axis is 49 km not paved and difficult to cross. The route is accessed by Tomin, Muhurr, Arras, ZLek-Dardhë, and Rec communes.

	Tomn	Maqëllarë	Melan	Kastriot	F. Cidhen	Sllove	Kala e Dodes	Rec	Dardhe	Arras	Muhurr	Road Type	Situation
Peshkopi – Tirane Road		24 km										Paved	OK
Peshkopi - Kukes Road				36 km								Paved	Good
Peshkopi – Kukes Road								49 km				Unpaved	Bad

Access to regional roads in the area of Dibra occurs via routes that connect inhabited areas in more than two communes, but this criterion is rarely implemented. These roads are passable but their situation is not good. They are unpaved surfaced with gravel and are difficult to pass during winter. Regional roads in the Functional Area of Dibra as follows:

Road Axis	Length / Km	Road types	Situation
Urre e Muhurrit-Urre Varoshit	29	Gravel	Passable
Arras - Lurë	25	Gravel	Bad
Lure – Merkur/Perlat	12	Gravel	Passable
Arras – Sete	3	Gravel	Passable
Rashnapoje - Brezhdan	3	Paved	Good
Total	72 km		

Data provided by District Council of Dibër.

The most important road is Arras – Lurë axis that connects Peshkopia with national park of Lura and is important to the development of mountain tourism. Nevertheless, the road is in bad condition.

These roads are under the management of Regional Roads Enterprise of District of Dibra which has a personnel of 30 civil servants and various machineries. The enterprise contracts licensed companies for investments and road maintenance.

Access to Local Roads. These are routes that connect neighborhoods, villages and boulevards within the territory of Local Government Unit. A part of these roads are paved while some others are unpaved. Details are provided in the table below although they are included at large at the inventory of the commune. They are mostly connected to the center of communes, but in reality, these connections are limited.

	Peshkopi	Tomin	Maqëllarë	Melan	Kastriot	F.Cidhen	Silove	Kala e Dodes	Rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni	Total
Paved Road	17	14	18	10	20	3										82
Unpaved Road	5	12	29	32	40	25	37	26	32	32	59	37	51	35	34	486
Road Inventory	22	59	69	77	65	10	51	42	69	37	35	65	33	59	37	730

Data provided by District Council of Dibër

Investments in the system of local roads: In several Local Government Units roads were paved mainly due to interventions by the Albanian Development Fund, foreign donors and funds provided by the Ministry of Interior Affairs (local government was a part of it). The area of Dibra counts 568 kilometers of roads 82 km of which are paved and the remaining 486 km of roads are unpaved. Investments in the pavement system of the roads in Peshkopia are expected to be approved by KFW as the institution is already investing in the town's water supply and in the domestic network. Furthermore, the company aims to rehabilitate Lek roads and Lekeys paving them with asphalt. In addition, Islamic Bank will invest for the town's main boulevard and for the town ring road. There are some other road paving projects in communes but planned for a later period. Road maintenance remains a problem because Local Government Units have limited budget funds for maintenance even though they are responsible for this task.

5.2.3 Organization of public transport

Commune centers are mainly far away from Peshkopia's town center as detailed below:

LGU	Maqëllar	Melan	Tomin	Kastriot	F.Cidhen	Silov	Kala	Rec	Dardh	Lur	Arras	Muhurr	Selishë	Luzni
KM	15.9	2.6	1.6	7	15.1	25.3	33.8	32	20	44	21	12.5	26.3	7.1

Data provided by District Council of Dibër

As you can see from the table, we have some suburb centers at a distance of 25-44 kilometers from Peshkopia and road access is difficult due to unpaved and badly maintained roads. Even other suburban centers such as Kala e Dodës and Silovë are located far away but the road is paved and in good condition. These suburban centers include villages that are located much further away making their access to the urban center of Peshkopia much difficult.

Public transport is private and mostly done via vans. The entire area of Dibra lacks bus, train or airplane transport. Local transport that links centers of communes and villages to Peshkopia is mostly done with vans that have no license. Data shows that there are 282 vans that carry public transport at a local level. The most difficult route is that of Lura that lacks a connection with

Peshkopia as well as the areas of Reç, Dardha, Selishta, Arrasi, Slllovë, and Kalaja e Dodës. Vans run twice a day (morning and afternoon). In other areas van facilities are offered Lek the time.

Public transport with Tirana recently has become more disciplined as vans with a capacity of 11+1 are fully licensed and operate within technical conditions and standards set by the Ministry of Public Works and Transports. There are about 284 vans that depart daily from Peshkopia and Tirana in fixed schedules. In every twenty minutes there is a van departing to the destination as the schedule lasts from 05:30 AM to 15:00 PM.

5.2.4 Management and financing of roads/transport

National roads are included in the inventory and are under the responsibility of Regional Roads Enterprise. The institution has contracted three different companies for the maintenance of the three road axis. There are 109 kilometers of regional national roads in the area of Dibra. 60 kilometers are paved roads and 49 kilometers are unpaved roads. These roads are part of the inventory of the Regional Roads Enterprise that deals with investments, maintenance, clean up etc.

Regional roads are included in the inventory of Regional Roads Enterprise that is under the administration of the District Council of Dibra. The institution covers 72 kilometers of road (3 kilometers are paved and 69 kilometers are unpaved). The Roads Enterprise for the area of Dibra has a 7.2 million Lek budget fund (approx. 100.000 Lek/km) and employs 36 people (1 employee for two kilometers). A supervisor monitors employees. Road maintenance is usually done to guarantee that roads are opened and passable. Generally, officials offer periodical maintenance (pavement of road layers, repairing artwork or cleanup of canals, turbines or laying coarse gravel).

	Paved/Km	Unpaved/Km	Annual Budget
National Roads	60	49	40,000,000
Regional Roads	3	69	7,200,000
Local Roads	82	486	12,000,000

Local roads are under the management of local government responsible for their maintenance. Usually, authorities set a budget for road maintenance, but they also use emergency funds such as expenditures for cleanup during winter. These expenses are under the investment column in the LGU budget and also used for road maintenance.

LGU	Peshkopi	Maqëllar	Melan	Tomin	Kastriot	FCidhen	Slllov	Kala	Rec	Dardh	Lur	Aras	Muhurr	Selishtë	Luzni	Total
Budget	2	1.4	750	1.4	1.4	680	600	400	600	580	780	1	900	1	500	12

Data provided by LGU (figures account for millions and thousands)

As you can see from the table, there is a distribution of investments for road maintenance to all LGU's. It depends on the funds at their disposal rather than a calculation according to technical norms. About 11,900,000 Lek is spent for local road maintenance from Local Government Units in the area of Dibra. An average of 19,368 Lek/km is spent for the whole 568 km of local roads.

Findings:

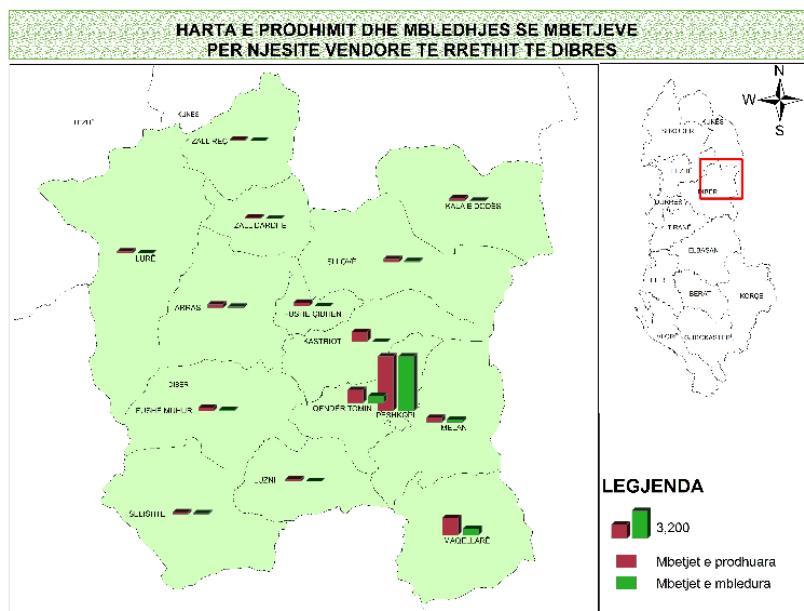
- The area of Dibra has a difficult and limited access in the country's main infrastructure network including the capital, Ports and Airports. Despite the few kilometers in distance from Dibra, it takes a five-hour journey to reach Peshkopia. There is a shortage of serious investments in this road axis while road segments that are being reconstructed or have concluded are not properly projected and lack technical standards. The upcoming project of the Arber Road creates important opportunities for the development of the area in terms of a rapid access to national and regional markets.
- The central part of Functional Area of Dibër (Peshkopia and its surrounding communes) are linked via a newly paved infrastructure network that is relatively in a good condition. The network serves to agricultural production and transport of products. Paving the road towards Kukës also opens the perspective of developing mountain tourism in Mountain of Korab.
- Regional and local rural roads (from 25-40 km) are not at the desired level, particularly those roads that connect Peshkopia to the touristic area of Lura, Rec, Selishtë , ZLek-Dardhë and Arras, hence creating remote suburb areas that are undeveloped, and difficult to reach in terms of services but also unmonitored regarding their forests, flora and fauna in general.
- Financial and technical capacities for maintenance and investments in the local roads system are weak and not affordable by the LGU budgets. This has an impact in the deteriorated state of these roads.
- Public transport in the area of Dibra to Tirana is done only by vans. The system is based on regulated standards, conditions and procedures set by the respective Ministry. The itinerary is accessible starting from 05.30 AM till 15:00 PM
- Public Transport conditions are acceptable however transport within the functional area of Dibra faces hardships, while the area of Lura lacks transport entirely (the itinerary Lurë-Tiranë follows the road via Kurbnesh) and in other areas such as Rec, Zall Dardhë, Kala e Dodës, Sillovë, Selishtë and Arras transport is offered twice a day.

Recommendations:

- Construction of Arbër's Road would enable the only national road axis that would regulate infrastructure in the area of Dibra..
- At the new functional area of Durres, there is need for a special sector to deal with road maintenance in the whole territory, with pre-defined standards and maintenance norms.
- Paving the Lurë-Arras-Kastriot-Peshkopi road would boost development of mountain and historical tourism because the road passes by the birthplace of Skënderbeg and Lura's National Park.
- Drafting projects and finding investments for the paving of roads that connect villages/inhabited areas to main roads.
- Encouraging private transport sector to increase transport times in the afternoons in suburb areas as well.

5.3 Waste Management

Waste management is a service offered by Local Government Units that according to law number 8652 on “Organization and Functions of Local Government” are responsible to provide such a service. Methods of managing waste in the area of Dibra differs between rural areas managed by 14 communes and Peshkopia’s urban center that is managed by Peshkopia’s Municipality.



In rural areas that are under the administrative jurisdiction of communes, this service is almost never offered, while only some communes such as Maqëllara, Melani, Tomini, Selishta and Muhurri have undertaken several elementary measures for waste management. Nevertheless, these communes lack a system of waste management but are equipped with only some instruments of waste collection. The majority of

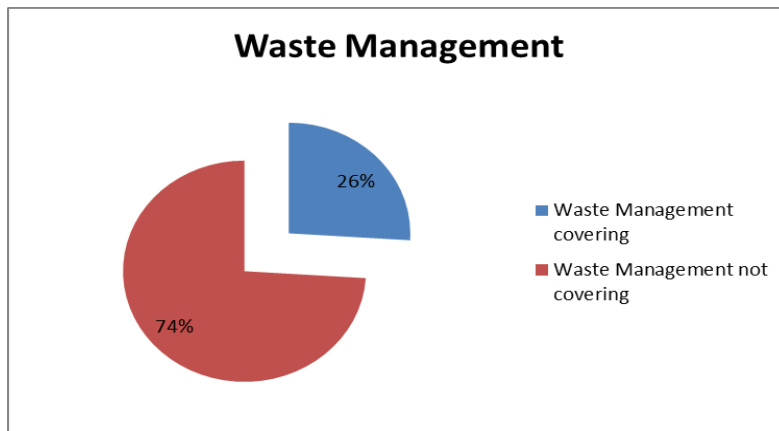
waste in rural areas is deposited by residents by the embankment of rivers, hence polluting the environment and increasing dangers deriving from polluted environment, waters and air.

The table below provides basic data of the waste management cycle in the area of Dibra.

Local Government Unit	Urban Waste (T)	Solid Waste	Quantity of composted waste/year	% of houses that receive service.	Number of businesses that receive service.	Number of bins	Number of machineri es, trucks	Deposit place
Peshkopi	6300	2000	8300	100%	430	160	5 trucks 1 tractor	Deposit Field
Maqëllarë	2000	650	750	52%	80	No	1	Maqëllarë Stream
Melan	530	60	325	70%	10	0	1	Landfill Peshkopi
Tomin	1500	220	820	36%	34	0	1	Landfill Peshkopi
Kastriot	1200	MI	0	0%	0	0	0	NA
F.Cidhen	400	MI	0	0%	0	0	0	NA
Sillove	350	MI	0	0%	6	0	1 tractor	Designated site
Kala e Dodës	290	MI	0	0	0	0	0	Designated site

Rec	110	MI	0	0	0	0	0	NA
Lurë	210	MI	0		0	0	0	NA
Arras	420	6	0	0	5	35	1 wagon	Landfill Peshkopi
ZLek-Dardhe	150	MI	0	0	0	0	0	NA
Muhurr	380	MI	0	80%	6	2	1	Designated site
Selishte	210	MI	0	57%	3	0	1	NA
Luzni	220	40	0	0	0	0	0	NA
	14160	2976	10195	26.3	574	197	8	

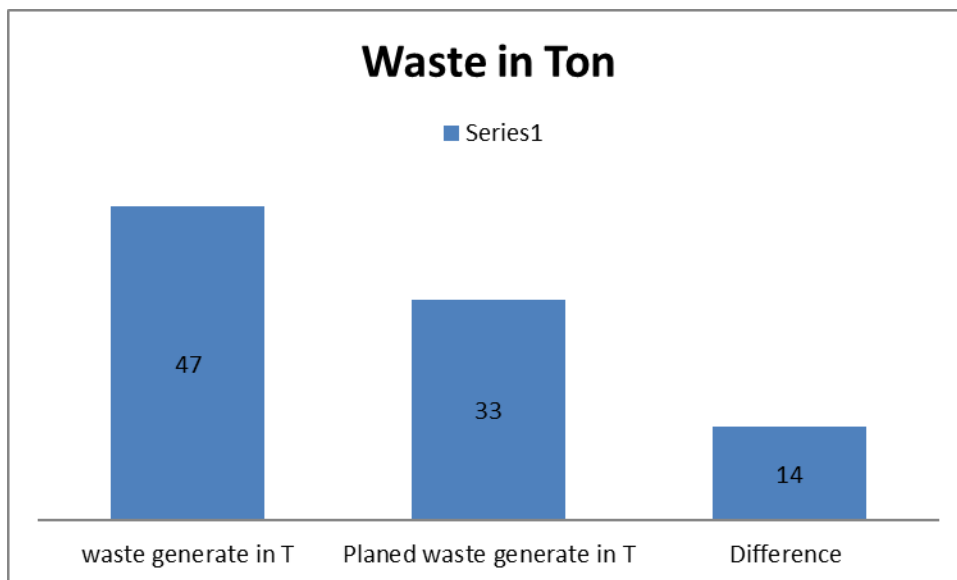
Table for the waste management cycle (Data source : Regional Council of Diber)



Waste Management service coverage. As you can see from the table, only 26.3% of households at functional area level has waste management coverage. Peshkopia Municipality is the only one to cover all households whereas it is not certain for other communes that have a higher percentage of service coverage such as

communes of Muhurr and Selishtë.

Waste quantity in the functional area of Diber amounts to 17, 136 ton of waste per year. Only Peshkopia Municipality covers 8300 tons/year or 49% of the entire quantity at an area level. Furthermore, at an area level there are 47 tons of waste generated daily or 60 kg of waste generated by each person per day or 215 kg of waste generated by an individual per year. At a municipality level, this figure is much higher and varies at 415 kg of waste per year for every resident. If you take into account the fact that Peshkopia is visited by many other inhabitants of outskirts and suburbs and waste produced by businesses and institutions, than the amount of waste in Peshkopia increases by 30% daily which means that the levels of pollution in the city is high. See figures below.



Waste disposal site. As you can see from the figures, the majority of local government units do not have disposal sites. Eight out of fifteen LGUs do not offer this service and three other units use the disposal site in Peshkopia such as Tomin, Melan and Arras commune. Nevertheless, there is not an institutional agreement for this arrangement. Other communes such as Maqëllarë, Selishtë, Slllova and Muhurr have a disposal site close to the rivers and stream that do not meet technical standards and conditions. The disposal field in Peshkopia was built in 2003 and is two kilometers away from the town. It is scheduled to operate for twenty-five years and has a capacity of 1000 tons of waste/month or 33 tons of waste/day. The site however does not meet the conditions of a landfill and its capacity is 40% less than what is needed in reality. Filtering and burnout of underground liquids is a great source of pollution for residents living close to the site and the stream of Dohoshisht..

Waste collection and transport: In the rural areas of Maqëllarë, Tomin, Melan, Arras, Selishtë, Muhurr and Slllovë communes, the waste collection process is not clearly defined while these areas lack bins and collection sites. Waste collection is handled door to door on a particular day. These LGUs own a truck used for transport of waste (Slllovë commune is the only one to own a tractor) and there is only one person hired for the service.

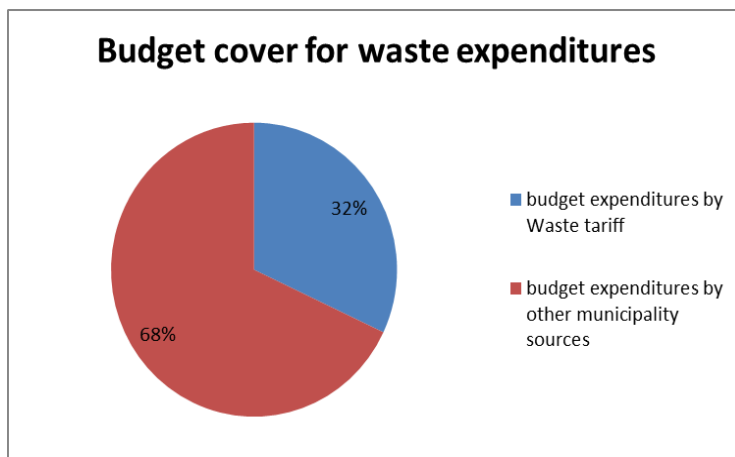
Peshkopia Municipality has its own cleanup team that deals with cleaning services located near the service office. Waste disposal sites are distributed near buildings in 160 bins where businesses and households dispose of their waste. Hospital waste is deposited in bins close to the regional hospital of Peshkopia. Waste transport is carried through five vehicles owned by the municipality (four of them are in good condition while the other does not work) and a tractor with mower tires located at the disposal site. Data provided by the Peshkopia municipality staff show that the service of waste collection is offered to all of its citizens. Therefore, the municipality offers the basic service of collecting and removing urban waste at 100% from the city of 5000 households or 20.000 residents and 430 businesses (although in reality the figures are much higher). The service is offered daily in early morning.

Roads clean up and greenery: This service is only offered by the municipality in the town of Peshkopia. This service process includes cleanup of roads and sidewalk, collection of garbage in the public spaces, cleanup of manholes, collection of solid waste, and care for green areas in the city such as planting, sowing, cropping and rearranging. Furthermore, this service is assigned to the brigade of clean up and greenery, a team of 23 people that takes care of the town's décor.

Recycling: The area of Dibra does not have a formalized waste recycling process for organic and non-organic waste. In the functional area of Dibra, collection of recyclable waste (cans, plastics, iron, cardboards and glass) is done in an informal manner by Roma and Egyptian communities.

Management in terms of administration, planning and finances: The table below provides a detailed picture of the human and financial management process of this service in Dibra.

LGU	Budget in Lek	Collection Capacities	Tariff	Collection %	Personnel	Management Plan	Collaboration
Peshkopi	19,128,000.00	6,200,000.00	1200/8000/ 10000/200 00/50000	92%	51	No	Yes (Melan, Tomin, Arras)
Maqëllarë	1,800,000.00	1,000,000.00	800/5000/7 500/10000/ 12000	35%	2	No	No
Melan	1,500,000	260,000.00	700/3000	70%	1	No	Yes
Tomin	900,000.00	-	-	0	1	No	Yes
Kastriot	0	-	-	0		No	NO
Lurë	0	-	-	0		No	NO
Luzni	0	-	-	0		No	NO
Muhurr	820,000.00	588,240.00	1200 /year	60%	1	No	NO
Selishtë	360,000.00	157,800.00	200.00	0	1	No	NO
Sillovë	144,000.00	-	-	0	1	No	NO
Kala e Dodës	-	-	-	0		No	NO
ZLek Dardhë	-	-	-	0		No	NO
ZLek Reç	-	-	-	0		No	NO
Fushe Cidhen	-	-	-	0		No	NO
Arras	720,000.00		1200Lek/y ear/househ old	0		No	Yes
	25,392,000	8,206,040			58		



Budget, at disposal set by LGUs is 25,392,000 Lek and collections from cleaning fee amount to 8,206,040 Lek or 32.3 % of the budget spent for the services of clean up and waste collection. This income is usually collected by LGUs through their own revenues that means that more than 67.7% is covered by their budget, money that could have been used for other services in their territories.

Peshkopia Municipality spends 956 Lek/resident for this service, while the area of Dibra spends 317 Lek for residents annually.

Fees and collection: Cleanup fees were set through decisions by local councils. Municipality of Peshkopia applies different tariffs for categories such as households, businesses, companies etc and for communes of Maqellara and Melani. Other local government units apply tariffs for households only that vary at 1200 Lek/year/family. Collection rates are higher in Peshkopia reaching at 92% because authorities use offices and other municipality services to collect fees. Lower rates are noted in Arras which does not collect this fee and in Maqellara t(35%) because the communes administration does not use other methods and ways to collect the tariff. 32.3% of budget spent for this service is collected by authorities.

Personnel and administration: In almost all LGU's, waste management is done by service offices assigned the task to offer such service. There is only one employee responsible for collection and transport of waste. In Municipality of Peshkopi there is a special team that deals with this process. There are 61 employees including 10 civil servants, 6 employees deal with waste collection and transport, 4 with waste disposal, 22 with roads clean up, 14 with greenery and décor. Therefore, in total there are 51 people employed for 20.000 residents.

Planning and inter-local collaboration. All of LGU's lack waste management plans in the area of Dibra. Peshkopia's Municipality does not have a plan as well, but it follows based on a regulation set by Ministry of Transports and Public Works in order to guarantee some norms and standards in the process of budget planning and organization of work. There are no proper plans and regulations for waste management. Inter-local collaboration between units is existent only between Peshkopia's Municipality and communes of Melan, Tomin and Arras regarding disposal of their waste in the sites used by Municipality. Nonetheless, this agreement is not drafted and approved in an institutional framework, but it is only Mayors willingness. This collaboration is more or less a consequence of the good will of LGU directors rather than an institutional approach. Activities to raise community awareness and boost collaboration for improving such service are inexistent.

Findings:

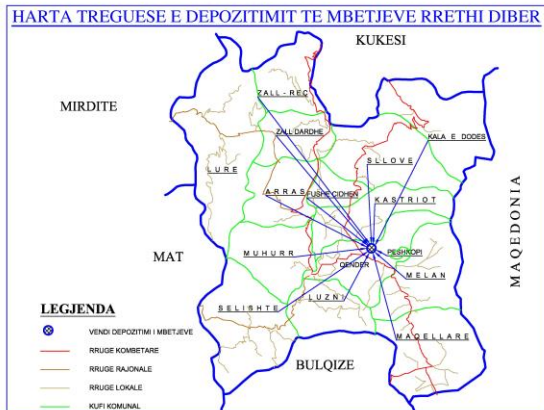
- Waste management in the area of Dibra is done in 8 LGUs but proper management is carried through only by Peshkopia's Municipality. A considerable number of households in Diber do not benefit from this service and only 23.6% of households have access in waste collection.
- Waste quantity in Diber area totals to 14160 tons of urban waste and 2976 tons of solid waste, equal to 2.4 kg of waste/day for each household.
- Weak quality of cleanup service in Diber is due to the lack of garbage bins while few of these bins are in a bad condition. Machines used for waste transport are not suitable. There are 197 garbage bins/disposal units (1 m³), 8 trucks and 2 tractors used for waste transport.
- Waste disposal is a huge problem because there are no proper sites to dispose waste. Municipality of Peshkopia uses a field to dispose of waste however this site lacks basic technical criterion and is used by three other units as well. Waste is burned by polluting air and water as well as the stream of Dohoshisht. In other communes, waste is thrown on rivers and streams. The disposal field in Peshkopia was built in 2003 and had a planned monthly capacity of thirty-three ton of waste however more than fifty tons of waste is disposed (45 tons only by Peshkopia) on a monthly basis.
- Waste management is carried through by LGUs which have engaged teams and staff part of their structure that totals to 58 employees.
- Costs collected by the cleanup fee covers only 32.3% of the budget spent by LGUs for this service. All LGUs spend the majority of their revenues to cover the costs. Spent budget amounts to 25,392,000 Lek while collections total to 8,206,040 Lek.
- Expenditure costs is 1587 Lek for every household while authorities collect 513 Lek/household/year. Meanwhile, Peshkopia's Municipality that covers 100% of households has a cost of 3925 Lek.
- Waste management plans are missing in Lek LGUs. These units measure costs and set standards referring to models applied by other LGUs and regulations provided by the Ministry.
- Collaboration between LGUs is existent but not institutionalized on a legal framework and with detailed technical standards.
- Public awareness and collaboration with the people is very low, and concrete steps to boost awareness and collaboration are required.

Recommendations:

- A detailed waste management plan for the functional area must be draft and must include proper technical standards. The plan should also underline real coverage costs for this service.
- More investments required for purchase of bins and transport vehicles that have acceptable technical standards.
- Increased efforts to raise community awareness to contribute in keeping the area cleaner and collect waste in a differentiated manner.
- Increased efforts to separate and recycle waste starting from the citizen up to the disposal site.
- A new landfill must be constructed with technical acceptable standards for the entire area of Dibra.

- Waste management in the existing disposal site must improve, as workers must burn waste more carefully, taking care of the waters underground the field and not allowing cattle to feed in the area.
- Small, medium and large technical projects for these sectors must be drafted, to pave the way to an extensive study campaign on the current situation and mobilization of donor funds for their implementation.

Possible scenario:



Scenario 1: Construction of a waste collection site in the area of Dibra, in Kabe stream next to Kuben and it should be at a distance of 6 kilometers from the town of Peshkopia. This site will have technical conditions and serve to the Municipality of Peshkopia and twelve other existing Units. The plan does not include communes of Lura and Selishta that are far away in a distanced territory. Stationary sites must be set for these two locations.

5.4 Urban planning; Land management

After the 1990, the area of Dibra as in Lek areas of Albania faced a huge demographic shift due to free movement regime to travel abroad and in other domestic areas. This caused a massive migration and emigration from Dibra that at 1989 had a population of 99,368 inhabitants which dropped to 82,000 people in 2013, registering a decrease by at least 20.7%.

The migration wave seemed to be chaotic and spontaneous has reflected a natural and practical counter-action of the population towards a new geography of opportunities. People moved from rural areas towards urban and metropolitan centers where economic possibilities (jobs, trade exchanges, markets) were higher and quality of basic services (education, health, transport, information) was better. The majority of people in Dibra moved to Tirana and Durres, but a larger part also choose the urban center of Peshkopia that in 1989 had a population of 10,000 people while today counts 20,000 residents.

Besides the abovementioned advantages, the movement was accompanied by various usual economic disadvantages that mostly occur in highly concentrated urban areas such as: road traffic, high land prices, polluted environment, crime, less green spaces (a vital feature of Peshkopia) that have not been considered inevitable due to a negligence in policies and investments. In our judgment, this movement could not have gone through based on a program because it would have been delayed and therefore fail.

The expansion in economic opportunities following the epic process of urbanization caused a full economic and structured transformation, because people withdrew from traditional economical and industrial relations, and were oriented towards sectors that are more productive. As a result, trade activities and services flourished due to urban gatherings in the Town of Peshkopia and areas closer to national roads (area of Maqëllara, Melani and Tomini). This was accompanied by various constructions in the town's free areas and its outskirts. New constructions and housing buildings emerged in previous industrial, military and agriculture areas, including the curative spa complex that became operational in terms of tourism. Lack of housing spaces 5m² for residents or 42m² for an apartment-increased demand to expand existing apartment spaces. This construction method was not planned but had a positive impact in developing the construction sector, increase in new buildings, increasing property value and improving living conditions.

Since the communism period, the process of urbanization in Diber went through three different phases. The first phase was dominated by the informal sector. The second phase was characterized by the consolidation of the informal sector and appearance of the formal sector. The third and existing phase consists in strengthening the formal sector and regulating informal establishments. The government's main objective during the third phase is to legalize and integrate the real estate market.

Local governments have been the responsible authority for regulation of territory and urban planning. Many legal amendments of the Urban Law have created some uncertainties in the implementation of the bill and competencies. The fifteen LGUs in the area of Dibra do not have

drafted and approved urban plans. There were some partial studies for some of the areas but none of the LGUs had a proper urban plan. In addition, there were some efforts founded by SNV in 2001 to draft an urban plan for Municipality of Peshkopia, but efforts were not realized and the plan was not approved due to legal amendments that made approval by the National Territory Council mandatory.

Urban Offices in LGUs are the responsible for urban planning. In many of the local government units due to lack of capacities, these competencies were delegated to the Regional Council that has its own Urban Office tasked to follow on the implementation of the approved construction permits in accordance to legal and technical standards approved by law. Thirteen LGUs have delegated their competencies to the Region council, only Kala e Dodës commune had its own Territory Council. Municipality of Peshkopia has its own department of urban planning and Territory Council. The Municipality is working to draft its own urban planning.

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There are thirteen LGUs that have delegated their competencies to the District while Kala e Dodës had its own Territory Council. Municipality of Peshkopia has its own department of urban planning and Territory Council. The Municipality is working to draft its own urban planning.

The legalization process continued in the area of Dibra as well. We do not possess correct figures however there are 2932 requests only in the Municipality of Peshkopia and ALUIZNI (Agency for Legalization of Urban Informal Zones and Buildings) has approved 122 permits in Dibër. Furthermore, ALUIZNI has the map in GIS for Dibra's urban territory and is working to include informal buildings and the process of their legalization in an inventory.

Land management is another important matter in the area of Dibër. There are 141 villages and urban centers in the town of Peshkopia located within the yellow line called land banks. The remaining territory consists of hills, fields and lands, forests, pastures and plants. In Dibër we have two main parks: National Park of Lura that covers 1200 hectares and falls under the second category according to IUCN; and Natural Park of Korab-Korritnik that covers 20663 hectares and is in the V category according to IUCN. The latter is called a protected natural landscape and

is divided in three subareas. I) *Central Subarea*, in the area of Dibër is 1 621.0 (one thousand, six hundred and one) hectares, includes key forest habitats. The area is described by its high values for natural heritage and biodiversity. First scale protection is implemented here to ensure an undisturbed territory. Scientific research is allowed in the area along with eco-tourism activities in nature and seasonal graze. Ii) *Sub-area of traditional use* in the area of Dibra is 17,734.5 (seventeen thousand and seven hundred and thirty four point five) hectares. It consists of agricultural lands, forests and pastures. Traditional activities such as agriculture, graze, collection of medical and aromatic herbs for a balanced use are allowed while constructions and other activities that can change the eco system are prohibited. Iii) *Sub-area of sustainable development* is 1572.0 (one thousand, five hundred and seventy two point zero) hectares, 1307,9 (one thousand three hundred and seven point nine) are located in the area of Dibra that include urban territories and land banks mixed with agricultural and forest lands closer to inhabited centers, rivers and thermal waters. This sub-area enables the continuation of sustainable economic social and agro-business related activities but also a balanced usage of natural resources and plantation of nut and hazelnut trees, and aromatic and medical herbs.

The territory of Dibra is popular for various *natural monuments* (48 monuments) such as geo-monuments, hydro-monuments or bio-monuments. There are many objects and landscapes that have particular historical, esthetic, touristic and biological values acknowledged as natural monuments. Despite these preserved areas, special structures needed for their management and administration are not established and the role of local governance is not clear and has no influence. These preserved areas are still dependent on forestry directories that are unable to manage and administer them properly.

Energy is another matter of influence in Dibër. Electricity is the main source of lighting and cooking for seven months in a year. For the remaining five months, they use wood from forests for heating and cooking. Inefficient and inappropriate use of heating electricity means that profits are limited and energy is highly used. Therefore, every household spends 8-12 m³ of fire wood per year to heat a house of 60m³, when the capacitance of a house is 240m³. This means that for the same unit, expenditures are fourfold. In addition, the construction technology has not been technically favorable to energy saving.

Findings:

- Lack of urban plans in all LGUs in the area of Dibra and lack of regional urban plans.
- Process of legalization is slow and citizens are not clear and do not have faith in the process, because title certificates are still on hold.
- Local government has no clear and continuous means to monitor property prices (land, land banks and houses) and the necessary power over control, intervention and management of territory.
- Human and technical capacities are not at the right level to meet citizen demand and allowed technical standards.

- Areas are preserved only on paper and there is a shortage of structures, competencies, procedures and coordinative measures for preservation and administration. Local government has the key role in this mission.
- There are no existing programs, projects and awareness campaigns for efficient energy use.

Recommendations:

- Legalization process must speed up to formalize new constructions and to award property titles to owners.
- A regulatory plan (land usage plan) must be drafted and should include the plan of division of areas. This plan must be a simple document prepared via broad public discussions; should include technical standards and be simple to understand and implementable as well.
- The regulatory plan must be simple and implementable but should not be based in the model of demolishing constructions. The process must be stimulating towards the dynamics of constructions by meeting citizen needs.
- Future Local Government Units must regularly control and monitor land and house prices by setting a clear process of registration, sales and purchases of assets and wealth.
- More work is required for qualifications of experts in public administration regarding urban issues. Training and expertise with technical and professional courses for urban planning.
- New structures of management for preserved areas must be established. Representatives of LGUs must be active and collaborate with expert offices for preserved areas.
- Programs, projects and initiatives that promote renewable energy and techniques for efficient use of energy should be supported. Officials must collaborate with private sector and civil society.

6. Organization of local government services in the area

6.1 Main services offered by LGU and their distribution

Law nr 8652 “on organization and functions of Local Government in Albania”, underlines that LGUs have key functions in their areas related to: i) Infrastructure and public services; ii) Social, sports and culture related services; iii) Local economic developments; and, iv) Preservation of civil safety.

In the field of infrastructure and public services: LGUs are responsible to: a) offer water supply; b) provide a functioning system of sanitation for water, waste water in inhabited areas; c) construction, rehabilitation and maintenance of local roads, sidewalks and public squares; ç) lighting of public spaces; d) functional urban public transport; dh) management of cemeteries and guaranteeing funeral services.; e) décor service; ë) administration of parks, gardens and public green areas ;g) urban planning, land management, and shelter based on law provisions.

	Peshkopi	Tomina	Maçellarië	Melan	Kastriot	F.Cidhen	Sllove	Kalaja e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Water	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
KUZ	x	x	x	x											
Roads & Squares	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Road lighting	x		x												
Public Transport	x														
Cemetery maintenance	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dekor	x														
Parks & gardens	x														
Waste management	x	x	x	x			x					x	x		
Urban planning and shelter	x														

The table shows that LGUs mostly cover services linked to drinking water, road maintenance, sidewalks, parks, and cemeteries (the latter is mostly delegated to village councils at a commune level.) LGUs in rural areas do not cover services such as parks and gardens, road lighting, décor,

urban planning and shelter that are mostly delegated to Municipality of Peshkopia. Municipality officials take care of green spaces in parks however many gardens close to buildings have been damaged. Peshkopia lacks parks and playgrounds but gas park locations in the Spa areas.

Social, culture and sport services, that deal with a) preservation and development of local cultural and historical values, organization of activities and administration of respective institutions ; b) organization of sport, entertaining and recreational activities and administration of respective institutions; c) social service and administration of institutions such as nurseries, asylums, orphanages, etc.

Table below describes coverage of these services from LGUs:

LGUs	Peshkopi	Tomina	Maqëllarë	Melan	Kastriot	F.Cidhen	Sillove	Kalaja e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Cultural & Historical Institutions	x											x			
Recreational and sports environments	x														
Nurseries, asylum & orphanages	x														

Data shows that Municipality of Peshkopia is the only one to have such institutions and personnel to offer these services. In Peshkopia, there is the “Haki Stërmilli” Palace of Culture, Museum, and “Korabi” Sports Club that has a football stadium, Hand Games Center and a network of nurseries (4) in every neighborhood. In Arras commune in the Sine village that is the birthplace of Skenderbeg you can find the Museum of Kastriots.

Local economic development. This service is related to: a) preparing local development programs; b) setting functional public markets and trade chains; c) developing small businesses and encouraging activities such as fairs and advertisements in public spaces; d) organization of services in support of local economic development such as information, structure and infrastructure; e) veterinary service; h) preservation and development of forests, pastures and local natural resources

	Peshkopi	Tomina	Maqëllarë	Melan	Kastriot	F. Cidhen	Sillove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Programs and plans	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Public markets	x														
Fairs and advertisement	x														
Support services	x														
Veterinary services	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Communal forests and pastures	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

The table shows that drafting plans and local economic development programs is present in almost all LGUs but these plans are not specifically oriented towards economic development. These plans are part of strategic development plans. Furthermore veterinary services, pastures and forests at a commune level were transferred to LGUs. All of these units have a person in charge for these services.

Other services related to public markets, small business development and promotion activities such as fairs, information, structures and infrastructure are offered only by the Municipality of Peshkopia, where you can find premises of agriculture, industrial and weekly markets. In Peshkopia there is a Tourism Information Desk and office of programming and development that deals with information and events. Municipality has also opened a webpage and holds the festival of “Oda Dibrane” event and the Fair with seasonal products to promote values and typical products of Dibra.

Order and civil safety: a) maintenance of public order to prevent administrative violations and enforce the implementation of municipality or commune acts; b) civil protection.

	Peshkopi	Tomina	Maqëllarë	Melan	Kastriot	F. Cidhen	Sillove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Public order	x	x	x	x											
Civil protection.	x														

This is a service offered by municipal/commune police established by LGUs. Municipality of Peshkopia has an organized structure that employs five people whereas communes of Maqëllarë,

Melani and Tomini count two employees that also deal with collection of local tax. Other LGUs do not offer this service.

LGUs in the area of Dibra apply a similar model in offering these services. Communes in rural areas apply the same range of service delivery. Hence, in some communes, the responsible structure in providing service is the services office that employs citizens that deal with various tasks.

Situation is a bit different in the municipality because there are many departments in terms of services and the services office is the main responsible for infrastructure and public services. Special teams deal with cleanup, greenery and décor. The Vet office deals with food control and slaughterhouses (public and private). In addition, other offices deal with sports, culture, kindergartens and nurseries. Markets, tourism, NRC and local taxes have their respective departments. In addition, municipality also has municipal police that deals with public order and civil safety.

Findings:

- Many LGUs in rural areas do not provide more than 70% of services underlined in the Local Government Bill. Social services, sports, culture, gardens, parks and squares at a commune level are not provided
- Services related to local economic development are almost not provided. In Peshkopia there are public markets but nothing more regarding support to small and medium businesses.
- Parks, gardens and green areas are inexistent or mostly damaged.
- Public transport is chaotic. Parking spaces and stations in special places do not exist.
- Sport premises in rural areas are lacking. Environments and services regarding tradition, and culture are lacking as well.

Recommendations:

- Studies and projects needed to revitalize Peshkopia's urban center and other rural centers by preserving features of the areas.
- Rehabilitation of gardens in the town and investments for the park in Spa area.
- Establishment of recreational and sport centers in main rural centers.
- Encouragement of programs and projects for the construction of community and rural centers to boost community development regarding social, culture and economy aspects.

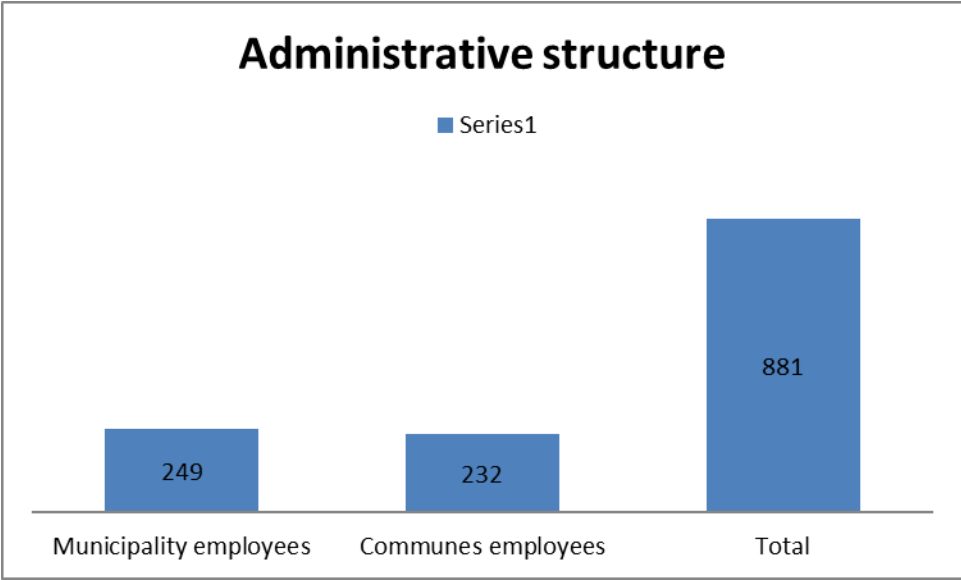
6.2 Local organization and personnel structure

Almost all of LGUs deliver their administration organization structure at Local Council. Administrations are organized based on offices or sections that have different tasks. Staff responds to the functional objective of that post. The table below provides details about local organization in area of Dibra.

	Peshkopi	Tomin	Magëllarë	Melan	Kasriot	F.Cidhen	Silove	Kalae Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selshite	Luzni
Chairman cabinet	7	3	3	2	2	2	2	2	2	2	2	2	2	2	2
Human resources	3	1	1	1	1										
Culture, education, communication	3	1	1	1	1	1	1					1	1		
Finances and budget	5	3	3	2	2	2	2	2	2	2	2	2	2	2	2
Programing, Development	3														
Urban planning	3														
Services and environment	3	5	5	3	3	3	3	3	3	3	3	3	3	3	3
Construction Inspectorate	2														
Property administration	3														
Local income	3		2	1									1		
Health/ Agriculture and food control.	3	1	3	1	1	1	1	1	1	1	1	1	1	1	1
Financial Aid	5	3	3	2	2	2	2	2	2	2	2	2	2	2	2
Internal Audit	2														
Local Police	8	2	2	1											
Supportive and Assistant sectors	25	2	1	1	2	2	2	2	2	2	2	2	2	2	2
Communal services, clean up and greenery.	61														
Nurseries, dormitories	68														
Directorate of Sports	13														
Directorate of Culture	25														
Civil Status Office	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1
NRC	2														
Total	249	22	22	16	16	16	18	15	15	15	15	16	16	15	15

The table shows that there are 481 employees working in the administration of LGU in area of Diber covering 15 LGUs. Sections and directorates in Peshkopia Municipality were taken into consideration. There are many municipal departments that provide public service such as nurseries, dormitories, sports, culture, museum, library etc that employ 249 people or 51.7% of local administration at a functional area level.

In rural areas, in the section of food control and veterinary located at the municipality, the responsible staff for agriculture consists of 232 employees or 38.2% at a functional area level. See the table below.



LGU offices and buildings are placed in inhabited areas. Generally, offices have optimal conditions required for the administrative work in LGUs. Offices of the municipality are the most modern. In Maqellare commune for example authorities use rental offices.

LGUs in Diber were committed and willing to support capacity development for their staff. They were active and supportive towards collaborations with NGO and projects dealing with capacity development. World Vision, Agritra Vizion, CNVP, ANTARC, USAID and other organizations and European Commission projects using cross border funds as well as SIDA for rural development and environment funds are listed as some of the most successful projects in the area of Diber.

6.3 Budgets of Local Government Units

LGU budgets are generally set through self-collected revenues, transfers from Ministry of Finances and Investment Fund obtained for special projects by donors, programs and local government.

Budgets allocated accordingly to LGUs for the Functional Area of Dibër are below:

	Peshkopi	Tomim	Maqëllarë	Melan	Kastriot	F.Cidhen	Sillove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhur	Selishte	Luzni	Total
2013	100	23	32	15	19	10	13	12	6	6	13	13	12	11	10	302
2014	102	23	33	16	19	10	13	12	6	6	13	13	12	12	10	306
2015	107	10	15	7	8	4	6	5	2	3	6	6	5	5	4	200
Income 2014	55.8	4.5	3.7	2.5	4.7	3.1	0.5	2.1	2.9	1.8	0.4	3	0.8	1.9	0.4	88.7

Table on LGU budgets (source: Treasury Department in Dibër)

The table shows that LGUs 2015 budgets were cut short due to the local elections that will be held this year. However, in the first two years (2013-2014) the trend was similar for all budgets despite being funded by different central governments. The table shows that communes Rec, Dardhë, Luzni, F.Cidhën, Selishtë have smaller budgets while Municipality of Peshkopia has the biggest budget. It is safe to say that budget per capita in the functional area of Dibër is 4000 Lek/person

The majority of LGUs fall into the first category (over 10,000 residents) second category (over 5000 residents) and third category (less than 5000 residents)

By law, annual and midterm budgets must be drafted by LGUs. These units have these budget plans but they are not institutionalized. Normal annual budget are taken as a reference.

6.4 Local development strategies

Local Government Units in the Diber area have implemented processes of drafting local development plans for period 2008-2013, in the framework of a program supported by the Embassy of Netherlands and SNV for “Strengthening Local Governance in District of Dibra”. All LGUs benefited from the process of drafting these strategic plans. Municipality of Peshkopia applies a revised plan for 2013-2018 supported by the Foreign Ministry of Netherlands and implemented by FLAG.

	Peshkopi	Tomin	Magëllarë	Melan	Kastriot	F.Cidhen	Sllove	Kalae Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Strategic plans 2008-2013	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Plan review 20013-2018	x														
Inter-local collaboration															

Table of strategic plans for LGUs (source: District Council of Diber)

The table shows that all LGUs have strategic plans but some of them are being concluded. These plans were drafted with the support of the Strengthening Local Governance Program in district of Diber financed by Netherland’s Foreign Ministry. Plans in between local government units are inexistent.

7. Vision of Diber Functional Area

The moto drafted by Dibra's FA is: ***“We will transform Dibra into a prosperous area to live, work and visit”***.

“Friendly Dibra” is the slogan for the FA. Why “friendly”? Because the definition of “friendly” in Dibra culture is: to be wealthy, to be knowledgeable, to host and serve. Dibra and its residents do meet these conditions.

The vision is that by 2030, Dibra and its people will benefit from a sustainable prosperous, safe, healthy and tangible development. Residents of Dibra from all areas and categories will have ensured access to public services, higher employment opportunities and qualitative housing conditions. Many of the area's natural and historical attractions will be exploited fully and efficiently hence blooming the economy, businesses and tourism centers.

Development of Dibra will be based on key issues related to:

- ***Economic*** development
- Reconstruction of ***urban area (town of Peshkopia)***,
- Revitalization of ***Rural area (villages of Dibra)***,
- A ***sustainable community*** ,and,
- Improve of ***environment***.

Dibra will have to work to keep unemployment rates to lower levels, by increasing the number of job openings in various sectors of economy, by stimulating domestic and foreign investments particularly in the natural resources and energy sector and by increasing economical and reciprocal interaction between two regional and inter-border regions.

Priority sectors for Dibra's economic development are Agriculture and Tourism. In agriculture, priority remains to increase plants of trees, farming and cattle breed by raising the numbers of market products. An increase in production requires the development of the entire market chain value by stimulating agro-processing, collection and promotion of “Made in Dibra” brand in domestic and foreign markets; boosting cooperation between farmers in establishing cooperatives and production teams as efficient structures for agro-economic development including investments by LGUs and central government for agriculture infrastructure (irrigation, roads, agriculture machinery) food control (collection and control points) and other facilities.

Tourism is the second priority sector that currently brings considerable profits in the area of Dibra through Wellness Tourism. The extension of the season and improve in service will increase the number of tourists in the area. Efforts to boost rural tourism will have to increase as well by exploiting the area's many natural assets. Other issues are also important, but these two were the main ones identified in this study.

8. Priority Projects

The priority projects for Diber Functional Area are developed in the Forum of FA, in three groups such as: economic development, public sector and quick start projects.

8.1 Local Economic Development Projects

Project Title	<i>Certification of products with brand name 'Made in Dibra'.</i>
Project Type	<i>Economic Development</i>
Project Location	<i>Dibra Functional Area</i>
Total Pre-Estimated Budget	<i>765,000 Euro</i>

1. Project Background and Analysis

Dibra is well known in Albania for its typical products, such as fruit, farm products, jufka (handmade pasta prepared with only flour, eggs and milk), potatoes, nut forests areas, and characteristic Dibra culinary products. Despite the positive image of Dibra products, their access to markets is difficult. This happens for a number of reasons, such as poor infrastructure, long distance from the main markets, fragmentation of production leading to small quantity of products, lack of full chain of products, lack of original brand names and certificates, which leads to market speculations, and competition with other false products as being Dibra made products, harming the reputation of real Dibra products.

Increase of investments in Dibra by Dibra citizens themselves has led to a broader variety and quantity of products, but the need for markets is really urgent, and access to main local and national markets (Tirana, Durrës, etc) certainly requires a better marketing and a higher quality standard regarding the real origin of products. This can be made through promotion of original brand names and certifications. It is also necessary the establishment of product collection centres, in order to facilitate the access of products to the markets and assist the producers with bringing the collection centres closer to the areas of their production.

The fragmentation of land and production increases the need for a better cooperation among the farmers, but the spirit of cooperation to build groups of producers and united agricultural associations (UAA) is still hard to be achieved, because this requires greater capacities, facilitation of the process, and more information.

Some positive experiences are present regarding the certification of Dibra products, both individually and for groups of producers, which have led to good results. This experience must be further extended to a higher standard, by providing marking and certification of products of all Dibra areas. None could handle this aspect better than the Local Government Unit (LGU), which will cover the entire Dibra territorial area. This Dibra LGU has the institutional responsibility to apply to the related institution at central level to be granted the logo and brand name of local productions as "Made in Dibra", together with the institutional capacity, in order

to provide the applicant producers of Dibra Municipality with the standard certification, which promotes local production, control of standards of original products, and quality of products.

2. Specific Objectives of the Project

General Objective: Increase of income of Dibra families through promotion of the quantity of production and better access to markets with original and promoted brand names.

Specific Objective 1: By 2016, to achieve the target of certification of the brand name “Made in Dibra” by the local government unit of Dibra functional area according to rules and legal procedures. **Specific Objective 2:** By 2019, to promote the increase of production through cooperative forms of production and creation of supporting units, such as collection points, groups of producers and united agricultural associations.

3. Expected Results and Project Indicators

Expected Result 1: Dibra Municipality has agreed with Dibra producers to have their own common logo and brand name “Made in Dibra”.

Expected Result 2: Municipality of Dibra has achieved the ownership of “Made in Dibra” products, established the practice for granting this brand name to the producers, and built appropriate relevant unit at the Municipality.

Expected Result 3: Some 4 collection centres are made operational for agricultural and livestock products in Dibra area.

Expected Result 4: 3 united agricultural associations and 4 groups of producers are established in Dibra area.

4. Project Activities

No	Activities	Time Schedule								
		Year I			Year II			Year III		
	Brand name “Made in Dibra”									
1	Discuss and agree with producers.									
2	Prepare the application file, and apply for the brand name.									
3	“Made in Dibra” brand name granted									
4	Formalize the application process for the producers in municipality. Establish the structure of agriculture in municipality.									
	Establish collection centres and groups of producers									
1	Identify the stakeholders and preferential areas to set up collection centres									
2	Support the creation of 4									

	collection points (2 in Peshkopi, 1 in Maqellarë, and 1 in Kastriot).									
3	Establish 4 groups of producers connected with dairy products/ dry fruit conservation/ handicraft works/ and poultry.									
5	Support pilot groups of producers with equipment/ heads, etc.									
	Establish United Agricultural Associations (UAA)									
1	Awareness campaign with farmers on the law on UAA.									
2	Cycle of training lectures on organization, functioning and management of UAA.									
3	Establish 3 pilot models of UAA in Dibra area.									

5. Project Maturity

There are a number of positive experiences in Dibra area regarding the formation of groups of producers and on certification and marking process. There is a good work previously done in this regard by AgritraVizion, IDM, ADAD with EU projects and other donors. Additionally, the Agriculture Directorate has supported with proper funds the establishment of some collection points, especially fridge warehouses. Establishment of the brand name and collection centres is also a priority of District strategy as a recommendation by FAP study. There are some partial and normative studies, but still at the concept paper level, NGO projects, or specific business projects.

6. Financial Resources and Implementation Partners

The main partner of the project is the Municipality of Dibra, as the responsible and institutional stakeholder. This project requires the cooperation of 1 NGO, which can handle process management and provide related expertise, as well as the Agriculture Directorate, Danish program for the Agriculture through GIZ, IPARD, and subvention schemes of the Ministry of Agriculture.

7. Project Cost

The project cost is 765,000 Euro, consisting of:

- Cost of all procedural actions of the brand name “Made in Dibra”: 5,000 Euro
- Cost of collection points: 240,000 Euro
- Cost of groups of producers: 80,000 Euro
- Cost of united agricultural associations (UAA): 240,000 Euro
- Cost for capacity development and project management: 200,000 Euro

Project title	<i>Dibra Celebration Events</i>
Project type	<i>Economic Development</i>
Project location	<i>Dibra functional area</i>
Pre-estimated total budget	<i>200,000 Euro</i>

1. Project Background and Analysis.

The area of Dibra is rich with natural, historical and traditional resources for the tourism development. To date, inadequate efforts are made for the promotion of tourism, because little is done for the stimulation of celebration events and festive activities encouraging and promoting cultural, historic, natural beauties, and tourism in general.

In fact, Dibra has several celebration days and important traditional events which may support touristic development but they are periodic, spontaneous, unorganized, non-professional, and left to the discretion of some individuals or organizations, as part of their passion or programs. In this context, it is worth mentioning the “*Oda Dibrane/ Dibra Characteristic Room*” festival, which is the greatest folk celebration event with participation from all Albanian territories. Another one is “*Festa e të Vjelave/Harvest Celebrations*”, where all Dibra productions are exhibited in a show manifestation. There are also folk celebration events, such as “*Dita e Verës/Spring Day*”, “*Shën Gjergji/Saint George*”, “*Shën Kolli/Saint Nichols*” (celebrated in Lurë and Selishtë), and celebrations in respect of river Drin named “*Festa e Drinit/Drin Celebration*” etc.

Even though these celebration events are improperly organized, with no festivity decoration, with little public promotion, with no real structured program of activities, we see movements of people and enthusiasm during these celebration activities because they are typical for Dibra community area and they preserve the traditional values from the pagan times up to now. FAP study has also identified the organisation of celebration events and festive activities in Dibra area among first priorities to be followed in support of tourism. This has also resulted from the discussions with the Forum stakeholders.

2. Specific Objectives of the Project

General Objective: Increased income of Dibra families from tourism activities.

Specific Objective: Promotion and encouragement of the development of touristic activities in Dibra, through support of the organization of traditional Dibra celebration events, based on development of the annual festivity program, starting from 2015 to present.

3. Expected Results and Project Indicators

Expected Result 1: Dibra Municipality has an existing institutional structure for the organization of celebration events and festive activities.

Expected Result 2: Every year at least 8000 visitors participate the traditional celebration events in Dibra, organised by Municipality, which make available related human resources, appropriate logistic support, required marketing and well-organized program with rich activities.

4. Project Activities

No	Activities	Time Schedule (months)											
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1	Establishment of proper organization structure												
2	Organization of Spring Day celebration event												
3	Organization of Saint George's celebrations all over Dibra, with central activities in Arras-Sinë.												
4	Organization of Saint Nichols celebrations in Lurë and Selishtë												
5	Organization of river Drin Celebrations in all river area, with central activities in Muhurr.												
6	Organization of the Mountain celebrations, in all mountainous territories, with central activities in Kala e Dodës/Doda's Castle.												
8	Organization of Harvest Celebration Day in Peshkopi.												
9	Festival of Dibra Characteristic Room/Oda Dibrane.												

5. Project Maturity

The project is in the initial phase of inception. Organization of celebration events is part of the structure and traditions of a number of local units. For instance, Oda Dibrane is part of the Cultural Center "Haki Stërmilli" (Municipality of Peshkopi). Drin celebration event has continuously been organized by Muhurr commune and Harvest Celebration Event is an initiative

of associations and Directorate of Agriculture. Municipality is responsible for the organization of all these celebration events in close cooperation with NGOs and private sector.

6. Financial Sources and Implementation Partners

Funds for this project will be generated from the municipal budget. A number of stakeholders and sponsors may be involved in various celebrations, such as NGOs operating with their programs in Dibra, Agricultural Directorate and banks or businesses interested in sponsoring festive activities.

7. Project Cost

5000 Euro are needed for the arrangements of each individual celebration event, more specifically:

- 7 celebrations x 5000 Euro = 35,000 Euro.
- Costs for ‘Oda Dibrane’ Festival are estimated at an approximate amount of 15,000 Euro,

The total cost is about 50,000 Euro for organization of all celebration events in Dibra.

Project Title	Vocational Center “Dibran Masters”.
Project Type	Economic Development
Project Location	Peshkopi, all local government units of the functional area are project beneficiaries
Total Pre-Estimated Budget	1,400,000 Euro

1. Project Background and Analysis

Main Problems: Low access to the labor market and unskilled workforce in the Functional Area of Dibra.

The functional area of Dibra is one of the poorest areas together with the highest rate of unemployment in Albania. Most of the population, especially in rural areas, is supported with economic assistance. The capable work force is 53% of total population in the area.

The employment unit in Dibra area is mainly based on agriculture, which together with the private sector are key sectors bearing the burden of employment in recent years. Data show that the highest number of employees is in the agricultural sector (56%) and in private non-agricultural sector (45%), while public sector employment has declined by 24% in the period 2002-2012. The employment is mostly concentrated in the area of Peshkopi, where there is a presence of trade, services, and construction activities, but also in the area of Maqellara and Tomin, where there are a range of services and some investments in agro-processing activities.

On one hand, diversification and economic growth tend to create new employment opportunities. On the other hand, labor force in Dibra lacks the necessary skills and knowledge to be able to benefit from the advantages of these opportunities. The most significant challenge is related to the promotion of an effective intermediary role between labor market and labor force. Vocational/professional schools can play a key role in this regard.

There is currently a vocational high school which is training students of several main professions, such as mechanic, electric, textile, education, economic branches etc .. Although about 417 students are attending secondary vocational school, there are growing demands for other branches to respond to labor market and the most urgent are those related to agriculture, mountain tourism, construction, culinary professions etc .. Demands are also related to vocational training centers and short-term and long-term courses, in order to increase skills of free-lance professions.

In Dibra area, about 1200 pupils attend 9-year secondary school and only 1000 students attend high school each year. Thus, there is a strong need for professional training courses, since at least 17% of young people are not attending school.

2. Specific Objectives of the Project

General Objective: Contributing to economic and social development of DibraFunctional Area, providing employment for the population through vocational training.

Specific Objective: Strengthening of institutional capacities for vocational training and education, in order to increase access of people to the labor market using innovative tools and approaches.

3. Expected Results and Project Indicators

Dibra area residents are distinguished for their hardworking character and professional skills in management, construction, agriculture etc .. There have been a number of professional schools in Dibra education system, such as agricultural school, art school, construction school and some vocational training centers .

About 30% of the population of the functional area will benefit from training at the vocational school. Expected results are the following:

1. Building an operational professional school called " Dibra Masters " with capacity of 300 students;
2. Strengthening institutional and managerial capacities of the professional school " Dibra Masters";
3. Providing quality services in a teaching environment based on market demands of about 300 people each year;
4. Promoting innovative approaches to increase access of people to the labor markets;
5. Increasing the visibility and sharing of experience as a multiplier effect, attracting also students from other functional areas (about 100 students per year).

4. Project Activities

The project is planned to be implemented within about 24 months, until the school construction is completed, and in 2 years after construction, the school will be fully operational to provide services under the mission for which it is established. The main activities are listed as follows:

- Assessment of needs and requirements for the organization and operation of the vocational school "Dibra Masters";
- Preparation of legal documents, operation manuals, internal rules (employment, financial, operational management, curricula, courses etc.);
- Development of the required capacities for teachers and professional school staff on organization management, curricula management (through training, advice and assistance);
- Preparation of a strategic plan, including a marketing plan for the vocational school " Dibra Masters";
- Curricula preparation in accordance with the needs linked with the area development;

- Training of instructors / teachers training to be employed at the professional center;
- Provision of the teaching/learning facilities, buying infrastructure / equipment / machinery for special courses;
- Create at least 10 teaching/ working/practice laboratories for each courses;
- Organization of fairs / exhibitions of main works and products.

5. Project Maturity

The project concept was long discussed during the meetings of forums. The need for specialization in professions such as cooking, construction, mechanic, livestock breeding and farming is clearly elaborated. Local government unit may use one of the buildings under its ownership for the new professional school. The experience of other professional schools can be used as examples for building a functional unit.

The local government unit, in cooperation with the Department of Education, should decide on the building facility to serve this purpose. An important activity is related to the careful assessment of training needs in accordance with labor market demands.

Based on these real needs, related courses and laboratories will be specified for activation and organization for each type of profession, following the development of required curricula and the selection of instructors / masters.

6. Financial Resources and Implementation Partners

This project may be financed by the Ministry of Labour and Social Affairs, as well as other donors, such as IADSA, EU. All these stakeholders have a special focus and interest in education and training of the new generation and beyond, as well as providing skilled labor force leading to economic development.

The project will be implemented by the local unit of the functional area, in cooperation with the Department of Education and relevant ministries.

7. Project Cost

Infrastructure building (reconstruction) - 200,000 Euro

Establishment of 10 practice and training laboratories 10x 100,000 = 1,000,000 Euro

Capacity building for employees - 100,000 Euro

Promotion (strategy, marketing plan, feasibility studies, works exhibition & fair) - 100,000 Euro

TOTAL: 1,400,000 Euro

Project Title	<i>New Land Areas with Fruit Trees in Dibra.</i>
Project Type	<i>Economic Development</i>
Project Location	<i>Dibra Functional Area</i>
Total Pre-Estimated Budget	<i>350,000 Euro</i>

1. Project Background and Analysis.

Dibra area is an agricultural area, where agriculture and livestock breeding have the main role for the employment of population. 58.6% of the employed people belong to these sectors. Dibra is also a champion for quality fruit production in Albania due to its favourable geographic position, land composition, and traditions of area inhabitants.

Currently, although about 67-75% of the market consists of apple, cherry, plums, and nuts, the surface area planted with fruits is small: it is about 10% of the total planted land area. Turnover rates of fruit planted lands is high, some 1,600,000 ALL/hectare, however the inhabitants mostly cultivate their lands with cereals and fodder which have a turnover rate of 40,000 ALL/hectare. These last agriculture plants consist of about 82% of the planted area (50% of fodder and 32% of cereals). The area planted with fruit trees should be expanded because the fodder, which is the basic food for livestock breeding, can be a complimentary variety of fruit cultivation.

Although there has recently been a subvention scheme for the support of farmers cultivating fruit trees, the concept of giving a key role to cultivation of fruit trees in Dibra has not yet changed in the area. Farmers in Dibra have not had the financial capacity for the establishment of fruit plantations sites and they have also not relied on the quality of seeds and saplings sold in the market. Together with the high price, the seeds and saplings are suspicious in regard to their true origin and variety. There are many cases when the saplings have proven problematic and the investment has gone for nothing. Another problem is also the lack of knowledge and awareness of other new vegetation variety, regarding their planting methods, cultivation, maintenance, care cycle, and the quality of land for each variety.

Lack of spirit of cooperation among the farmers has been an obstacle for sharing knowledge and expertise, introduction of innovative methods, technology, and non-aggregation of turnover rates from the productions and supporting schemes (subventions or donations).

2. Specific Objectives of the Project

General Objective: Increasing income of farmer families of Dibra through a developed agriculture and strongly based on the fruit tree cultivation sector.

Specific Objective: Extension of the area cultivated with fruit trees and plants with 25% more than the existing one by 2019, by means of an appropriate supporting infrastructure with good quality, controlled and certified seeds and saplings.

3. Expected Results and Project Indicators

Expected Result 1: Dibra area has its sectorial strategy for the agricultural development, which has clear targets and development priorities and has clearly defined the regionalization of agricultural lands.

Expected Result 2: Dibra farmers and specialists of fruit culture have the adequate professional skills on new fruit varieties and new technologies of fruit tree cultivation.

Expected Result 3: At least 4 fruit tree cultivation sites are established in Dibra related to apple, plum, cherry and nut trees, by Dibra specialists, based on the standards of advanced European countries.

Expected Result 4: 500 hectares of new fruit tree site areas are open for the cultivation of apple, plum, cherry, and nut trees in Dibra area.

4. Project Activities

Nr	Activities	Time Schedule											
		Year I			Year II			Year III			Year IV		
	Sectorial Strategy on Agriculture/regionalization.												
1	Establish the working group with agriculture experts.												
2	Discuss with the groups of interest.												
3	Approval by Municipality and inclusion in the action plan.												
4	Promotion and implementation												
	Capacity development												
5	Practical training sessions for farmers and new experts.												
6	Study tours in Italy or France of the fruit tree cultivation experts.												
7	Instructions for fruit tree cultivation experts by foreign experts.												
	Establish 4 apple, plum, cherry, and nut trees cultivation sites												
8	Contracting of 4 experts for cultivation sites according to varieties.												
9	Timely quality control of the work process.												
10	Sapling certification												
	Establish fruit tree												

	plantation sites												
11	Define the regional areas for the plantation sites based on their types.												
12	Provide the farmers with saplings.												
13	Establish apple, plum, cherry, and nut trees plantation sites.												
14	Share the experience.												

5. Project Maturity

There are several projects and experiences by other various agriculture-focused organizations in Dibra, such as ADAD, supported by FERD (French Association) and the Ministry of Agriculture, which is finalising the regionalization of agriculture map in Albania. To date, the projects have been more on the delivery of technical assistance to farmers and there are several success models in the area regarding all varieties of all fruit tree cultivation. The project is based on this experience and further needs a wider and more sustainable dimension. It will start with the initial value of the chain consisting of fruit tree cultivation and plantation sites. This is the basis for the promotion of a higher quantity of production with a better quality.

6. Financial Sources and Implementation Partners

The main stakeholder for the implementation of this project is the Municipality of Peshkopi, which is the beneficiary and guaranteeing stakeholder. Other non-profit organizations can be identified as supporting partners for the project implementation, focused on rural and agricultural development. Also, the Agriculture Directorate in Dibra Municipality is another partner. Funds can be found from various donors, while the Municipality can be a co-funder and guarantor of the project.

7. Project Cost

Total cost of the project: 350,000 Euro.

Cost of fruit tree cultivation sites: 200,000 Euro (4 cultivation sites with 50,000 Euro each).

Cost of other activities: 150,000 Euro.

Project Title	Development of rural tourism in the functional area through establishment and promotion of guest houses
Project Type	Economic Development
Project Location	15 Local Units of the Functional Area
Total Pre-Estimated Budget	180,000 Euro

1. Project Background and Analysis

Dibra area has a great potential for the agro-tourism development. Dibra valley is surrounded by the two sides by Deshat-Korab mountain range, which is the highest mountain in Albania and Lure-Selishtë mountains, where 21 glacial lakes are located. The entire territory is well-known for the numerous natural monuments, whether geo-monuments, hydro-monuments or bio-monuments (41 natural monuments), which are part of the Natural Park of Korab-Korritnik and Lura National Park for their particular historical, landscape, tourism and biological values. This area has a rich flora and fauna, where more than 138 species of rare plants grow (a rare native plant is Korab Tulip) and other rare animals such as the Balkan Tiger, chamois, wild rooster and many other wild birds, where the most famous is Korab eagle.

Rural tourism in Dibra has many chances to be developed. In a short time, some 500 guesthouses can be opened in the entire territory of Dibra. Several mountain villages can be transformed into tourist villages, such as Maqellarë, Melan, Tomin, Kastriot, Sllovë, Doda Castle, Lurë, Reç, Dardhë, Arras, Muhurr and Selishtë. Only Lura has 2 hotels which are properly managed, while other communes have only a few guesthouses, with some basic conditions but lacking service quality.

Few visitors of the area are foreign tourists mainly coming from the Western and Central Europe, and North America, for short periods of 1-5 days. A large number of visitors, especially 1-day visitors, come from Tirana and Durrës.

2. Specific Objectives of the Project

General objective: Building a supporting business environment, promoting tourism values of the Functional Area.

Specific objectives of the project are as follows:

- Consolidation of activities of a Local Action Group "Touristic Dibra" for the promotion and development of rural tourism through strategic planning, coordination and management of activities, in line with the sustainable use of natural and cultural resources;
- Reconstruction and full operation of at least 10 guesthouses (out of 500 potential guesthouses), in order to have the first successful pilot models for the development of rural tourism, both for the variety of touristic packages and the quality of services provided;

- Enhancement of skills and capacities of host families of guesthouses (50 persons) with basic knowledge and skills to provide services (cuisine, basic English, communication skills);
- Development of a marketing system for rural tourism through design, maintenance and update of related internet websites, promotional offers, fairs, festivals and other special events.

4. Expected Results and Project Indicators

This project is focused to produce the following results and expectations:

- Development of a clear intervention strategy for rural tourism, focused on the promotion and development of this sector, which will create employment opportunities and generate income for over 500 families (about 2,000 people), directly and indirectly for more than 50% of the population of the functional area.
- Construction / reconstruction of facilities and providing all necessary services for 10 guesthouses in Deshat mountain range, given that there is already an existing tourism strategy and an active Local Action Group in the area. These guesthouses will become the model for other potential 490 guesthouses.
- Increasing the income of these families by 20%.
- Increasing the number of tourists by 1000 visitors per year (1000 visitors x 300 Euro each)

This project will generate benefits for 15 local unit of the functional area.

5. Project Activities

- Establishment of 10 guesthouses as a successful model for other host families;
- Provision of training packages to improve the quality of services for guesthouse families;
- Creation of local unit tourist packages and their active promotion on the website of local unit;
- Participation in a tourist exhibition (international fair);
- Introduction of continuous information on the website of local unit to promote touristic packages and guesthouses, in order to develop rural tourism.

6. Project Maturity

A tourism strategy for Deshat mountain range is already formulated. Few signs are displayed for touristic promotions. There are some personal initiatives for the establishment of guesthouses, but they lack coordination of actions and quality of services.

Also, examples of experience can be taken from the cross-border area (the Macedonian side) or from Theth in Shkodra.

The first activity to be undertaken is the identification of the first houses to be transformed into guesthouses and serve as models for other future guesthouses.

The project will be implemented in two years, provided they will further continue in the years ahead, coordinated by the local unit and "Touristic Dibra" association.

7. Financial Resources and Implementation Partners

There are a number of stakeholders interested to intervene in the tourism sector. Local unit may start with its own funds. Potential donors are GIZ, ADA, EU.

Local unit is the project implementation stakeholder, in partnership with the Local Action Group "Touristic Dibra" and other local organizations.

8. Project Cost

The project cost for related works (investments) and capacity building is as follows:

- Reconstruction and furnishing of guesthouses - 10 houses x 10,000 Euro each = 100,000 Euro
- Capacity building for host families = 50,000 Euro
- Participation in international fairs = 10,000 Euro
- Promotional materials, marketing plan = 20,000 Euro

8.2 Public sector priority projects

There are five projects, selected as priorities for Diber Functional Area. There are:

Project Title	<i>Clean Dibra</i>
Project Type	<i>Public Services</i>
Project Location	<i>Dibra Functional Area, (Peshkopi, Maqëllarë, Melan, Tomin, Kastriot, Sllovë, Kala, Reç, Dardhë, Arras, Muhurr, Fushë Cidhën, Luzni, Lurë and Selishtë)</i>
Total Pre-Estimated Budget	<i>420,000 Euro</i>

1. Project Background and Analysis.

Dibra Area has under its administration 141 inhabited centres in villages and one town, which is Peshkopi. This area is inhabited by 16000 families, respectively 11500 in rural areas and 4500 in urban areas. Waste management is a concerning issue since 76.4% of families have no access to this service (only 23.6% of families have access to this service and they are mainly situated in the town of Peshkopi).

There is a strong need for waste collection points (about 400 new waste-bins are needed). There are currently in place a total of 197 collection points (waste-bins), which cannot handle the real waste collection created in the area. Also, the waste transportation is made by trucks and tractors in two areas. There are in total 6 trucks (only 3 of them are operational) and 3 tractors (only 2 under operation), but they are not sufficient to cover all area needs. 2 other trucks are needed for the waste process. The existing landfill is only one in Peshkopi, built in 2003. It is 2 km from the town and it is planned for a period of 25 years with a waste capacity up to 1000 ton per month (33 tons per day). This area does not comply with the standard requirements of a landfill having a planned capacity of 40% lower than the real capacity. Also, this area is poorly maintained, not fenced and with no drainage canals. The collected wastes are mostly burned which causes pollution to inhabitants and children of inhabited centres all around. The rest of population throws waste far away along the rivers and streams, causing environmental pollution and creating an unpleasant view of the landscape.

No existing waste management plans are in place and only 8 existing local government units have related budget for waste management, which is 25,392,000 ALL. Cash deposits collected from taxes are 8,206,040 ALL, which means that 1587 ALL is spent for each family and cash deposits from each family is 513 ALL per year. This means that citizens will pay more and that waste cleaning taxes will be collected. To date, the local government units have their own waste cleaning unit, which has employed 26 people to carry out all this process.

The need for change of the waste management system is urgent. The implementation of this project will produce positive effects to the life quality of local population and promote touristic attraction of the area.

2. Specific Objectives of the Project

General Objective: Improvement of life quality for Dibra inhabitants through a better waste management system across the area, making a clean and beautiful Dibra for the life of its citizens, and attractive to the visitors for natural beauties and clean environment.

Specific Objective: Improvement of the waste management system in Dibra area, ensuring that the entire territory under administration of 141 villages and the town of Peshkopi are covered in this effort, within the period 2015-2017.

3. Expected Results and Project Indicators

Expected Result 1: Dibra functional area has its own waste management plan, formulated with external expertise and based on technical standards.

Expected Result 2: Increased capacities of Dibra Municipality staff regarding the waste management process. The staff has actively participated in the process of waste management formulation plan and has been provided with training/instruction activities, in order to maintain appropriate skills in its daily work.

Expected Result 3: 80% of families from Dibra area are provided proper access to the waste management service, consisting of waste collection, transport and deposit to landfills, with the appropriate means, infrastructure and facilities.

Expected Result 4: Dibra community is aware of the culture for maintenance of clean territory, their rights and obligations to provide waste in the right time and place, and pay the relevant community cleaning tariffs.

4. Project Activities

No	Activities	Time Schedule																
		1-st Semester				2-nd Semester				3-rd Semester								
1	Development of management plan	■	■	■														
2	Increase of staff capacities of local government units (training sessions and instructions)		■	■	■			■	■					■	■			
3	Formulation of technical specifications for procurement of waste-bins and trucks + procurement practices.			■														
4	Procurement of 400 waste-bins and 2 container trucks.				■													
5	Making waste-bins available for use.					■	■											
6	Awareness community campaign for waste collection and sorting.				■	■				■	■					■	■	

7	Formulation and community awareness with the waste collection program.																		
8	Landfill rehabilitation.																		

5. Project Maturity

Dibra functional area has neither a real feasibility study, nor a waste management plan. This draft-proposal has considered the need and information collected by the current local government unit, based on the main available database, as well as making use of the available technical and financial sources of these units in recent years. These data are gathered by dldp for FAP-Dibra, based on the dldp methodology and the questionnaires and discussions of target groups of 15 local government units of this functional area. As regards a number of technical standards, we are based on instructions of the Ministry of Environment. This Ministry has provided instructions for the local government unit and this is used by the Municipality of Peshkopi.

6. Financial Sources and Implementation Partners

Municipality of Peshkopi is responsible for the waste management. This unit employs appropriate financial and human resources for the accomplishment of this service. The responsible department is the department of public services and waste management unit. Municipality of Peshkopi offers partnership to various donors for the adequate finance support. The total cost of the project is 420,000 Euro, of which 50% are covered by Municipality of Peshkopi with its own income from taxes collected for waste cleaning, and the other 50% of the total cost is required as a donation.

7. Project Cost

Total Cost of the project is 420,000 Euro, consisting of:

- Operational cost: 200,000 Euro;
- Investment cost: 150,000 Euro: (waste bins: 80,000 Euro (400 pieces x 200 Euro/piece). Trucks: 40,000 Euro (2x20, 000). Landfill rehabilitation: 30,000 Euro.)
- Cost to increase staff capacity: 70,000 Euro. (Management plan: 20,000 Euro; training events and instruction: 10,000 Euro; awareness campaign: 40,000 Euro).

Project Title	<i>Recreation Park of ‘Lugina e Shërimit’ (‘Healing Valley’).</i>
Project Type	<i>Public Services</i>
Project Location	<i>Municipality of Peshkopi, Commune of Melan, Commune of Tomin</i>
Total Pre-Estimated Budget	<i>150,000 Euro</i>

1. Project Background and Analysis

The town of Peshkopi with 20,000 inhabitants is short of green public spaces and recreation parks, although it is situated in a favourable geographic position near the Valley of ‘Përroi i Llixhave’ (‘Spa Stream’-famous for thermal waters of curative values), surrounded by hills of natural monumental beauties, bearing the ruins of old churches and monasteries (from which the name Peshkopi derives).

Numerous visitors and patients of Spa Thermal Facilities (some 12,000 visitors and patients every year), together with citizens of Peshkopi, young boys and girls passionate of hobbies of walking, running, playing, and spending their free time in green parks, have no such real opportunities in Peshkopi.

The Valley of ‘Përroi i Peshkopisë’ is suitable to be transformed in a recreation park, because it is close to the town and has the necessary spaces together with natural and historic attractions. The extension of this area within the natural park Korab-Korritnik and the benefits of all citizen of local government units of Melan, Tomin and Peshkopi, are a very good legal and institutional opportunity to establish such a recreation park in this area.

2. Specific Objectives of the Project

General Objective: Improvement of life quality of Peshkopi inhabitants through the establishment of cultural and recreation facilities.

Specific Objective: Establishment by the end of 2019, of a recreation park of ‘Lugina e Shërimit’ in Peshkopi surroundings, with a surface area of 50 hectares, with benches and green parks, related paths for walking and running, together with the archaeological park of the ruins of churches, with sport fields and facilities, as well as other service facilities.

3. Expected Results and Project Indicators

Expected Result 1: 300 families from Llixha (Spa) neighbourhood area are aware of and engaged for the removal of walls of their houses along the main road and their replacement with green fences of trees and plants.

Expected Result 2: Creation of a natural recreation environment properly arranged and suitable with benches, 10 hectares of forest, and 8 km of paths for walking and running.

Expected Result 3: Establishment of sport facilities with football, basketball, volleyball tracks and other mountain climbing facilities.

Expected Result 4: Restoration and making available for visitors the archaeological park of ruins of Peshkopi churches.

4. Project Activities

No	Activities	Time Schedule																		
		1-st Semester				2-nd Semester				3-rd Semester				4-th Semester						
1	Meetings with citizens of Lixha (Spa) neighbourhood	■	■	■	■															
2	Removal of yards and walls and building green fences with trees and plants					■	■	■												
3	Path structure construction					■	■	■				■	■	■						
4	Forest cleaning and planting new trees and plants					■	■	■	■					■	■	■			■	■
5	Placement of benches and green areas								■	■	■	■	■	■				■	■	■
6	Construction of sports facilities						■	■	■	■	■	■	■	■	■	■	■	■		
7	Promotion of the project																	■	■	

5. Project Maturity

Municipality of Peshkopi has a feasibility study on the recreation park designed by an expert group. Also, during 2013-2014 the study plan is prepared for the park ‘Korab-Korritnik’, part of which is the recreation park of ‘Lugina e Shërimit’. However, the total technical project is not yet completed in detail. This means that a working group with experts of relevant areas has to be established.

6. Financial Sources and Implementation Partners

The future Municipality will be the main responsible stakeholder for this project. It will design and implement the plan for Recreation Park, to be part of municipality services. It will be also responsible for the park maintenance and management, which will be part of the municipality budget. For this project, the Municipality will cooperate with the community and NGO-s, with main focus on environmental issues.

7. Project Cost

Total cost of the project is 150,000 Euro.

Project/ Program Title	Revitalization of Villages
Project Type	Public Services
Project Location	Dibra Functional Area (15 LGUs)
Total Pre-Estimated Budget	2,300,000 Euro

1. Project Background and Analysis.

Dibra Functional Area has under its administration 141 villages, which have previously been part of 14 communes. During the last 20 years a population movement has occurred from villages to Peshkopi town and more developed areas of Tirana and Durrës. In 1990 the village had a population of 86,000 inhabitants and currently only some 60,000 inhabitants live in the area. Therefore, about 43% of the population has moved from that area.

One of the main reasons for this movement of population, in addition to the economic problems, is also linked with the lack of basic services in villages for a normal life, such as paved roads and squares. These shortcomings are also associated with other concerns of poor basic services, such as education, health, access to markets, employment etc. In recent years, families living in the area and many other families which have their own houses in the area but do not live there during all the time, have invested for their households and established regular businesses in these villages, and have balanced the further movement of population from the villages. Also, there is a trend for the return of previously moved families.

Upon the establishment of the local government unit of Dibra and the elimination of communes, a perception is created that villages will be excluded from basic services by the local government. That means the need to build a program for the revitalization of villages in close cooperation with the village community. In this framework, main squares of the previous communes will be rehabilitated, together with the main squares of big villages with 1500-2500 inhabitants. Also, the roads of villages which are 1-1,5 km far from the main roads will be paved. This action will revitalise the activity of villages in Dibra area. The project is part of the analysis of LGU sections related to transport and roads.

2. Specific Objectives of the Project

General Objective: A better life quality of the inhabitants of Dibra area villages through improvement of living conditions and infrastructure services in villages.

Specific Objective: Revitalization of Dibra villages by 2019 through improvement of infrastructure and architecture of villages with well-designed and arranged squares associated with art works, at least in former commune centres and other big villages, together with paved roads, at least in the villages which are 1-1.5 km far from the main national road.

3. Expected Results and Project Indications

Expected Result 1: Dibra villages (12 commune centres and 8 big villages) will be with well designed and arranged squares, with art works in cooperation with and active participation of the community.

Expected Result 2: 10 Dibra villages which are 1-1.5km far from the main national road will have paved and well organized roads.

4. Project Activities

No	Activities	Time Schedule			
		Year I	Year II	Year III	Year IV
1	Design technical projects				
2	Awareness campaign and dialog with the village communities.				
3	Square rehabilitation				
4	Road paving				

5. Project Maturity

The program is composed of several mini projects and is in its conceptual phase. As the road projects, several communes have their own full technical projects, which will be handed over to the inventory of the coming local government units, with the purpose of continuation in the next phase of application.

6. Financial Sources and Implementation Partners

Future local government unit is responsible for the design, management and maintenance of the infrastructure. Funds of square rehabilitation can also be generated mostly from the contribution of the community and the businesses, while the roads will be built by government funds, the Regional Development Fund, or Albanian Development Fund. The Municipality will provide close cooperation with the community and businesses which are ready and interested to contribute to support, especially regarding the rehabilitation of squares.

7. Cost of the Project

Total cost of the project is 2,300,000 Euro. Out of them, 1,500,000 Euro are for paving the roads and 800,000 Euro for square rehabilitation.

Project Title	Peshkopi, town of hydrangeas and roses. (Revitalization of squares, roads and parking lots in Peshkopi).
Project Type	Public Services
Project Location	Municipality of Peshkopi
Total Pre-Estimated Budget	500,000 Euro

1. Project Background and Analysis.

Peshkopi town is the urban administrative centre of Dibra area, the main economic, trade, and employment centre which provides main services for the entire area. Economic, social and political hostility of the years of transition have created chaos in town, characterised by a number of buildings without any urban criteria, occupied and non functional roads and squares, irregular road traffic and lack of parking lots, which have all created an unpleasant view of the town.

Poor quality of roads and boulevards, squares, and parking lots in Peshkopi is mostly attributed to the non-enforcement of rules, lack of institutional and civil engagement for the urbanization of public spaces, especially those along shops and service facilities belonging to citizens, and other spaces under municipality administration.

Last KfW investments for the water supply system and of ISLAMIC Bank for the arrangement of the main boulevard constitute a good initial opportunity to revitalize the Main Square, roads, sidewalks, and urban transport in the town, including also the parking lots and minibus stations.

2. Specific Objectives of the Project

General Objective: Improving the quality of urban life of citizens in Peshkopi.

Specific Objective: Revitalizing the urban view of Peshkopi by 2019, through reconstruction of squares, roads, sidewalks, green areas, parking lots and urban transport system.

3. Expected Results and Project Indicators

Expected Result 1: Business community of shops, bars, shopping centres along the sidewalks is already aware and engaged in building a green environment through planting and maintenance of hydrangeas, rose flower pots and other ornamental flowers, along the sidewalks around their shops. Business community is willing to contribute that Peshkopi is identified as the town of hydrangeas and roses.

Expected Result 2: Peshkopi with well designed and arranged boulevards. Main boulevard arranged with the investment funds of the Islamic Bank is extended up to ‘Ura e Pazarit’, where the monument of the Arc of the Town is built.

Expected Result 3: A town of Peshkopi with well arranged bus stations and parking lots.

4. Project Activities

No	Activities	Time Schedule			
		1-st semester	2-nd semester	3-rd semester	4-th semester

Project Title	<i>Kastriot-Lurë Road Rehabilitation and Paving.</i>
Project Type	<i>Public Services</i>
Project Location	<i>Local Government Units (Kastriot, Fushë-Cidhna, Arras, Lurë)</i>
Total Pre-Estimated Budget	<i>4,000,000 Euro</i>

1. Project Background and Analysis.

The road connecting the National Lura Park with Peshkopi (44km) is in very critical conditions. Only 10 kilometres are paved, while 34 other km are unpaved and classified as rural road. It is very difficult to cross that road under bad weather conditions (in winter it is for a long time blocked). This situation has a negative impact on the access of the inhabitants of Lura, Arras, Fushë-Cidhna and Kastriot to the markets and services of Peshkopi town. This isolation is also unfavourable for the promotion of development of the mountainous and historic tourism of the area.

The existing construction of Peshkopi-Kukës road passing through Kastriot village has enabled the connection between Kastriot-Lurë road and the main road of Peshkopi-Kukës, by creating a 13 km shortcut road line compared to the existing road passing through Muhurr. Some 10 km of this road are already paved and in good conditions. Rehabilitation of this road requires the construction of Lusha bridge over Drin river which is 78m long, together with paving of 21 km rural road. The impact of this road is significant for the entire area, because it goes through many inhabited centres and is important for the tourism development in one of the richest areas with natural resources, such as Lura Park, Seta canyons and areas of historical values connected with the Skanderbeg birthplace, castle of Kastriots, etc...

2. Specific Objectives of the Project

General Objective: Improving life quality of inhabitants of Lura, Arras, Fushë-Cidhna, Kastriot, through better conditions of road infrastructure linking this area with developed urban markets and centres of Peshkopi all over Albania and beyond in the region.

Specific Objective: Kastriot-Lura road rehabilitation and paving of 21 km, by the end of 2018.

3. Expected Results and Project Indicators

Expected Result 1: 21 km of rehabilitated and paved rural road of Kastriot-Lura.

Expected Result 2: Some 20,000 inhabitants of Lura, Arras, Fushë-Cidhna and Kastriot will have immediate and qualitative access to urban markets and services of Peshkopi, which will be only 31km paved road from Lura.

Expected Result 3: 40% of income of the area inhabitants will have access of their products to markets and services, and

Expected Result 4: Lura Park and Birthplace of Scanderbeg are expected to be visited by some 4000 visitors per year.

4. Project Activities

Nr	Activities	Time Schedule																				
		1-st Semester					2-nd Semester					3-rd Semester					4-th Semester					
1	Project approval	■																				
2	Contracting with the implementation company		■	■	■																	
3	Initiation of works					■																
4	Earth works and excavation					■	■	■	■	■												
5	Art works									■	■	■	■	■	■	■	■	■	■	■	■	
6	Gravel layer paving.																					
7	Stabilising layer paving																				■	■
8	First asphalt layer paving.																					■
9	Second asphalt layer paving																					■
10	Road signals installation																					■

5. Project Maturity

The project of Kastriot-Lurë road is one of the priority projects of the regional strategy for development of Dibra district. There is a technical project for the road and Lusha bridge over Drin river. The project of Lusha bridge over Drin river is in the contracting phase with the Albanian Development Fund. The road technical project has also been in the waiting list of priority regional roads for the development of tourism to be financed by Albanian Development Fund.

6. Financial Resources and Implementation Partners

The local government unit of Dibra is the responsible unit for the administration and maintenance of this road. Currently, funds for the rehabilitation and paving of this road are beyond the financial possibilities of this local government unit, so they will be required by other donors. The most potential one is the Albanian Development Fund or any foreign donor.

7. Project Cost

Total cost of the project is 4,000,000 Euro. This cost includes Lusha bridge over Drin river with a cost of about 500,000 Euro.

8.3 Quick start projects:

Project title	Twinning of Dibra Municipality with Merano Commune, Bolzano, Italy.		
Project type	<i>Quick start projects</i>		
Project location	<i>Functional Area of Dibër</i>		
Total pre-estimated budget	<i>15,000 Euro</i>		

1. Project background and analysis.

Local government twinning is an instrument promoting the development of functional areas or of a local government territory because it provides knowledge and exchange of the best and successful experiences that have produced tangible results in each individual unit or area. LGU representatives in the area of Dibra have realized a number of exchange and experience sharing activities from different European units but a real institutionalized and operational twinning process has been missing (there is a twinning agreement between Peshkopi Municipality and a commune in Denmark but only in letter, without a concrete activity).

Twinning, as an instrument promoting development not only from the perspective of the governmental officials but also in a broad socio-economic and governmental context, is absent in the area of Dibër. Dibra area has a very beautiful mountainous varied landscape, with the valley of Drin i Zi River and mountain ranges of Lurë-Selishtë and Deshat-Korab on both sides, comparatively similar to the territory of Merano Commune in Italy, which is one of the richest areas in Europe. Further, both the areas of Merano and Dibra are distinguished for the production of apples and fruit being champions at the European level. Many Dibra residents have immigrated and live in this commune with their families, thus being a key component to encourage the procedure and process of consolidated cooperation and twinning with Merano commune. This twinning process would urge Dibra area reproduce many development models of that commune in the area of Dibra.

2. Specific project objectives

General Objective: To upgrade good governance in the area of Dibër, promoting the cooperation with EU countries. **Specific objective:** To work in order to ensure by 2016 twinning between Dibra Municipality and Merano commune in Italy as a broad process of cooperation between the stakeholders of both units, such as the local government administration, civil society and especially the private sector, in particular the farmers and tourism businesses.

3. Expected results and project indicators

Expected result 1: Active and constructive dialogue between the representatives of two LGUs (Merano commune and Dibër Municipality) based on safe negotiation and institutional channels.

Expected result 2: Signed and effective twinning agreement.

4. Project activities

No.	Schedule of activities	Time Schedule		
		First quadrimester	Second quadrimester	Third quadrimester

	Supporting a position and negotiation with Merano Commune				
1	Contacts with the associations of immigrants. Delivery of their support.				
2	Contacts with the associations of Merano farmers.				
3	Contacts with the institutional representatives of Merano Commune				
4	Meeting with diplomatic authorities of the Albanian state in Italy				
5	Organized meeting of a group of Dibra stakeholders in Merano				
6	Organized meeting of a group from Mrano in Dibër				
7	Formulation of the draft and items of the twinning agreement in compliance with the professional and legal standards.				
8	Signing of the agreement				

5. Project maturity

Based on the law on operation of local government, concluding the agreement with local and foreign bodies in the form of twinning is a legal function of the LGU. There are some positive experiences in Albania regarding these agreements and a consolidated practice of Peshkopi municipality with a commune in Denmark, but it has not been very active for the implementation of joint activities. Geographical similarities, agricultural orientation to pomology, especially for apple trees and large community of Dibra living and working in Merano, make this agreement effective.

6. Financing sources and implementation partners

The future Dibra Municipality is the key stakeholder, which has the authority and responsibility for implementation of this agreement. Close associates will be the Association of Merano Dibra citizens and Albanian Consular Offices in Italy, as well as the representative of the Italian Embassy in Albania.

7. Project Cost:

Total project costs are estimated at a rough amount of 15,000 Euro to be covered by the Municipality funds.

Project title	<i>Digitalization of LGU services in the functional area.</i>
Project type	<i>Quick Start Project</i>
Project location	<i>LGU of the functional area</i>
Pre-estimated total budget	<i>100,000 Euro</i>

1. Project Background and Analysis

Based on the Law no. 8652 “On the organization and functioning of Local Government in Albania”, LGUs are accomplishing some main functions in their area related to: i) infrastructure and public services; ii) services of social, sports and cultural character; iii) development of local economic programs; and, iv) civil security protection.

Due to service coverage of the whole operational area, the responsibility of the local unit will be increased in order to provide specific and real time services for the citizens of the larger local government unit. Currently, there is a citizen information office, but access to information will become more difficult for inhabitants of the remote areas of current local government units. Digital information is totally missing in the Municipality of Peshkopi and other local government units. Therefore, the purpose of this project is to bring the local units closer to citizens and provide to the local unit staffs the opportunity to make fair and effective decisions.

Given the complexity of tasks, the local government unit needs a system to unify real time services provided in the area.

The goal of the project is to develop and implement a **GDi Localis** system, offering web-based GIS solution, with an appropriate configuration and adaptation for Cloud, specifically developed for the improvement and support of processes and operations of E-Government. This system overcomes many difficulties of the local governance activities, by maintaining the implementation costs at optimal levels. GDi LOCALIS solutions covers a broad area of intergovernmental activities and those between the Government and citizens, including licence management, urban planning, green area management, public lighting, public services, forum for citizens’ participation, road management and many others.

2. Specific Objectives of the Project

The objectives of this project are as follows:

- Improving time and quality of services provided by the local government of the functional area in the interest of citizens and meet their satisfaction level for the services provided.
- Increasing transparency of activities of the local unit administration, and decreasing the number of complaints and unsatisfactory events, and improving the quality and speed of services.
- Improving functional conditions of the local unit administration staff by giving more opportunities to work faster, easier, more efficiently, to be better organized, and promoting better staff motivation methods.

3. Expected Results and Project Indicators

The online system will be established and made operational to provide real time quality services for all the citizens of the functional area. Beneficial citizens will be 82,668 inhabitants of the functional area. The project will be implemented by the larger local unit and beneficiaries of the project are 15 existing local units. Establishment and implementation of this project will offer:

- Speeding up the legalization process of illegally constructed buildings;
- More efficient public service for the citizens;
- Facilitated identification of benefits and income of businesses;
- A transparent and open interaction with citizens;
- Increase of efficiency of operational aspects of local government public infrastructure;
- A more transparent expenditure method and a better maintenance planning of green areas and roads.
- Speeding up the process of corrections of weaknesses or malfunctions in infrastructure facilities.

4. Project Activities

The aim of the project activities is to:

- Identify the needs / features to be determined in the online system
- Focus on program implementation
- Train Local Unit administration personnel
- Update with relevant information and operation system, making it part of the operational practice for the local unit.

5. Project Maturity

The project is in its initial conceptual phase. It may be applied within a year with an additional of three-month time for the establishment and operation.

This system is applied in many other cities in other countries.

Gdi Localis is a product of ESRIT and may be tailored to specific needs of the Local Unit, based on its characteristics and specific requirements.

6. Financial Resources and Implementation Partners

This is a quick start project. The project will be implemented by the local units of the functional area. The local unit may purchase the system with its own resources.

EU is a potential donor.

7. Project Cost

- Purchase and operation of the system (30,000 Euro) and Licenses for Use (20,000 Euro)
- Building new features as per the LGU's characteristics (20,000 Euro)
- Purchase of computers (10,000 Euro)
- Training (10,000 Euro) and Maintenance (10,000 Euro).

Project Title	<i>CEC Re-organization (Center for Education and Communication).</i>
Project Type	<i>Quick Start Project</i>
Project Location	<i>Municipality of Peshkopi</i>
Total Pre-Estimated Budget	<i>15,000 Euro</i>

1. Project Background and Analysis.

The Centre for Education and Communication (CEC) is one of the most beautiful and interesting facilities and institutions in Peshkopi. This centre was established with DANIDA support as a centre in the interest of community for social development, providing the right environment for education, communication of different groups, local media development, promoting the dialogue between the local government and the community etc. The main target group of this centre are young people, women, intellectuals, civil society and community groups. The centre has managed to accomplish its mission not only during the period of DANIDA support, but also beyond that period, because it was used for generation of income, especially from renting its facilities for various activities.

Limited municipality budgets, legal obstacles especially those regarding to taxes and the growing competition by the private sector have lost the previous vitality of CEC functions, reducing the spaces for generation of incomes, especially for renting activities. CEC mission has also become difficult because of lack of functioning of its Steering Board, staff reductions, renting of several parts of facilities which did not generate any added value for the activation of the centre, and the wrong logic of keeping distance and isolation from the groups of interests, so reducing the number of activities and becoming a burden for the municipal budget, without generating any social or economic benefits.

A new CEC re-organization, with functional leading bodies, inspired by an open door policy to the groups of interest, open to introduction of new ideas and simple and innovative means, will transform CEC in an important Centre for Dibra functional area and Dibra community.

2. Specific Objectives of the Project

General Objective: Increase opportunities for democratization of Dibra society through promotion of open spaces and necessary facilities for Dibra community, young people, women, civil society, media, etc, to accomplish their mission.

Specific Objective: Re-organise by 2015 the new Centre (CEC) based on a clear platform, program, leading bodies, management system, and re-organization of facility spaces based on the initiatives of the groups of interest (youth, women, civil society, media, community groups) decided through an open dialog process among them, by 2015.

3. Expected Results and Project Indicators

Expected Result 1: CEC elects the leading bodies and formulates the annual activity program with active participation of interest groups.

Expected Result 2: Community groups, NGO/NPO, youth, women, media, etc, conduct their planned activities in CEC and have their necessary spaces.

4. Project Activities

No	Activities	Time Schedule		
		1/3 of year	1/3 of year	1/3 of year
1	<i>Election of leading bodies</i>			
2	<i>Formulation of annual plan with participation of interest groups;</i>			
3	<i>Provide facilities for NGO/NPO (which have no offices and have jobs available) and media in CEC facilities;</i>			
4	<i>Promotion of artistic courses in CEC;</i>			
5	<i>Youth activities (individual, small, medium, and big groups) are conducted every week in CEC;</i>			
6	<i>Activities of civil society, public debates, scientific conferences, and various studies, meeting with intellectuals, book promotions, historic events, distinguished persons, etc) are held in CEC facilities;</i>			
7	<i>Contests, competitions, fairs and exhibitions;</i>			
8	<i>Competing fund made available by the municipality for activities.</i>			

5. Project Maturity

The CEC Centre is a Danish experience from DANIDA. The centre has also worked with SNV and CARDS programs. Models and instructions are up to date, required spaces of facilities are appropriate, and staff members, previously worked and currently working, are ready to provide their experience for the Centre.

6. Financial Sources and Implementation Partners

Financing sources will be provided by the Municipality, as the CEC is a subordinate organization of the municipality and an organic part which personnel salaries and expenses for construction, maintenance and operation are covered by the municipality. For a number of activities and a project many donors can be identified, having in their focus the democratization, civic participation and social issues.

7. Project Cost

The project cost is around 15,000 Euro.

1. Analysis and recommendation for the organization of new Local Units

9.1 Local organization and personnel structure

Functional area of Dibra currently has 15 LGU (Local Government Units) that consists of 14 communes and 1 Municipality on a district level of Dibra. Organization and functions of the LGU structure are described by law nr.8652 for “ Organization and functions of Local Governance” that clearly defines decision making bodies such as local council and administrative councils appointed by the chairman elected by the people.

LGU	Peshkopi	Tomn	Maqellarë	Melan	Kastriot	F.Cidhen	Silove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni	Total
Local Councils	17	15	15	13	15	13	13	13	13	13	13	13	13	13	13	205

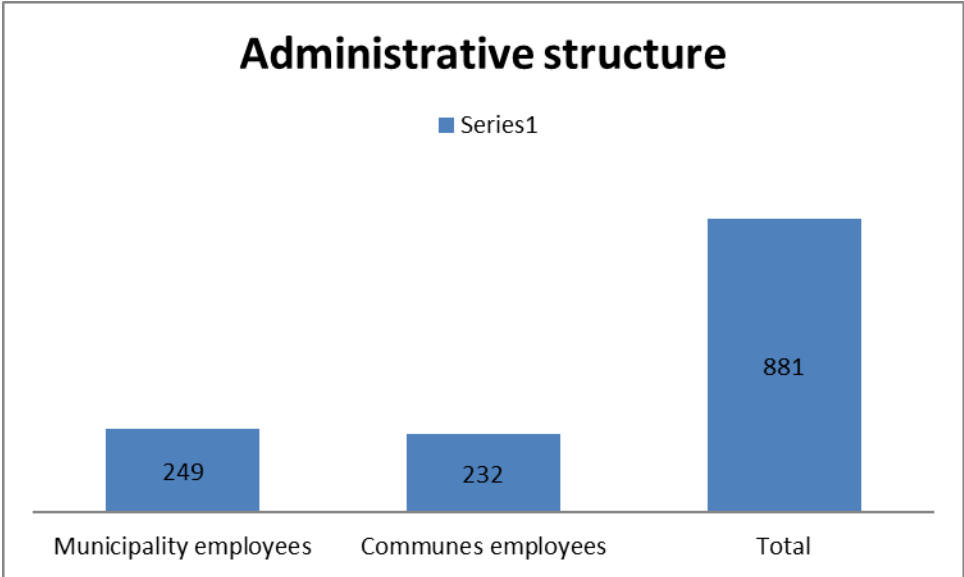
Almost all LGUs submit their organization structure to the local council. Administrations are organized on office or sections base as every office or section has different functions and its staff matches the functional duty of that position. The table below provides details about local organization in area of Dibra.

	Peshkopi	Tomn	Maqellarë	Melan	Kastriot	F.Cidhen	Silove	Kala e Dodes	rec	Dardhe	Lure	Arras	Muhurr	Selishte	Luzni
Chairman cabinet	7	3	3	2	2	2	2	2	2	2	2	2	2	2	2
Human resources	3	1	1	1	1										
Culture, education, communication	3	1	1	1	1	1	1					1	1		
Finances and budget	5	3	3	2	2	2	2	2	2	2	2	2	2	2	2
Programming, Development	3														
Urban planning	3														
Services and environment	3	5	5	3	3	3	3	3	3	3	3	3	3	3	3
Construction Inspectorate	2														
Property administration	3														
Local income	3		2	1									1		

Health/ Agriculture and food control.	3	1	3	1	1	1	1	1	1	1	1	1	1	1	1
Financial Aid	5	3	3	2	2	2	2	2	2	2	2	2	2	2	2
Internal Audit	2														
Local Police	8	2	2	1											
Supportive and Assistant sectors	25	2	1	1	2	2	2	2	2	2	2	2	2	2	2
Communal services, clean up and greenery.	61														
Nurseries, dormitories	68														
Directorate of Sports	13														
Directorate of Culture	25														
Civil Status Office	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1
NRC	2														
Total	249	22	22	16	16	16	18	15	15	15	15	16	16	15	15

The table shows that there are 481 employees working in the administration of LGU in area of Diber covering 15 LGUs. Sections and directorates in Peshkopia Municipality were taken into consideration. There are many municipal departments that provide public service such as nurseries, dormitories, sports, culture, museum, library etc that employ 249 people or 51.7% of local administration at a functional area level. In rural areas (at a commune level) structure is similar but the number of employees changes accordingly to the Unit and office data is presented in the table.

In rural areas, in the section of food control and veterinary located at the municipality, the responsible staff for agriculture consists of 232 employees or 38.2% at a functional area level. See the table below.



LGU offices and buildings are located in inhabited areas. Generally, offices have optimal conditions required for the administrative work in LGUs. Offices of the municipality are the most modern. In Maqellare commune, for example authorities use rental offices.

LGUs in Diber were committed and willing to support capacity development for their staff. They were active and supportive towards collaborations with NGO and projects dealing with capacity development. World Vision, Agritra Vizion, CNVP, ANTARC, USAID and other organizations and European Commission projects using cross border funds as well as SIDA for rural development and environment funds are listed as some of the most successful projects in the area of Diber.

9.2 Management of public services in current Local Units.

- Drinking water system:

Drinking water system and Suarage is problematic in Diber because the service does not cover a considerable part of the population, 83.5% for Suarage and 39% with drinkable water. There is a weak service quality in times of water supply and customer care. Average water supply in Diber is 4-8 hours a day. There are higher grid losses due to faulty supply equipment, weak maintenance quality, faulty management and distribution system and illegal interventions in the network during summer period. Lack of meters in most of water connections and damage of existing meters is a sign of bad administration of the process by LGU structures and Aqueduct offices in Peshkopia.

Lack of investments, or wrong investments made it possible for many areas to not have aqueduct service or to apply community solutions via water supply lines set in certain neighborhoods or villages without technical conditions. There were cases of wrong investments due to wrong technical and managerial solutions such as the case of Peshkopia's aqueduct that used water from Drin River or that of Maqellara that had a pump system on Drin River. These investments failed. High social conflicts on property ownership have become an obstacle to investments for aqueduct services. One example is the non-functioning aqueduct of Luznija (built in 1997-1998) 15 kilometers that serves to residents of three LGUs. Lack of capability to solve social, legal and property related conflicts pushed many projects and investments towards failure.

LGUs and Aqueduct Entity in Peshkopia provide management of drinkable water. Communes have either one or two people that deal with water management, mainly in technical aspect or supervising water supply schedules. In many cases, communes have delegated this service to village councils. The drinking Water Company in Peshkopia employs 28 people as civil servants and technical staff. Like all enterprises, even this one is a Limited liability company and is managed by an Assembly represented by officials from six LGUs. *The water supply sector employs a total of 48 people for functional area of Dibra.*

- **Roads and public transport:**

The area of Dibra has a difficult and limited access in the country's main infrastructure network including the capital, Ports and Airports. Despite the few kilometers in distance from Dibra, it takes a five-hour journey to reach Peshkopia. There is a shortage of serious investments in this road axis while road segments that are being reconstructed or have concluded are not properly projected and lack technical standards. The upcoming project of the Arber Road creates important opportunities for the development of the area in terms of a rapid access to national and regional markets

The central part of Functional Area of Dibër (Peshkopia and its surrounding communes) are linked via a newly paved infrastructure network that is relatively in a good condition. The network serves to agricultural production and transport of products. Paving the road towards Kukës also opens the perspective of developing mountain tourism in Mountain of Korab.

Regional and local rural roads (from 25-40 km) are not at the desired level, particularly those roads that connect Peshkopia to the touristic area of Lura, Rec, Selishtë , Zall-Dardhë and Arras, hence creating remote suburb areas that are undeveloped, and difficult to reach in terms of services but also unmonitored regarding their forests, flora and fauna in general.

Public transport in the area of Dibra to Tirana is done only by vans. The system is based on regulated standards, conditions and procedures set by the respective Ministry. The itinerary is accessible starting from 05.30 AM until 15:00 PM

Public Transport conditions are acceptable however transport within the functional area of Dibra faces hardships, while the area of Lura lacks transport entirely (the itinerary Lurë-Tiranë follows the road via Kurbnesh) and in other areas such as Rec, Zall Dardhë, Kala e Dodës, Sllövë, Selishtë and Arras transport is offered twice a day. Technical and financial capacity for maintenance and investment in local roads systems is weak and unaffordable for LGU budgets, which has an impact in the bad condition of these roads.

Regional roads are included in the inventory of Regional Roads Enterprise that is under the administration of the regional Council of Dibra. The institution covers 72 kilometers of road (3 kilometers are paved and 69 kilometers are unpaved). The Roads Enterprise for the area of Dibra has a 7.2 million Lek budget fund (approx. 100.000 Lek/km) and employs 36 people (1 employee for two kilometers). A supervisor monitors employees. Road maintenance is usually done to guarantee that roads are opened and passable. Generally, officials offer periodical maintenance (pavement of road layers, repairing artwork or cleanup of canals, turbines or laying coarse gravel) etc.

	Unpaved/Km	Unpaved/Km	Annual Budget in Lek
National Roads	60	49	40,000,000
Regional Roads	3	69	7,200,000
Local roads	82	486	12,000,000
Total	145	594	59,200,00

The table shows that there are 739 kilometers of roads in Dibra's LGU (145 kilometers are paved and 594 kilometers unpaved). Regarding road management for the three categories, coverage is provided by respective enterprises and service sectors in LGUs that are responsible for maintenance. About 59,200,000 Lek is spent for road maintenance in area of Dibra. 21,200,000 Lek is used for local and regional roads and 40,000,000 Lek for national roads that are under the administration of Regional Directorate of National Roads. Different companies specialized for cleanup and maintenance are contracted for regional and local roads. These companies have the necessary machines for the maintenance and rehabilitation job. Their personnel depends from the service sector in LGUs and Directorate of Rural roads that is under the management of District Council.

- **Waste management:**

Waste management in region of Dibra is done in 8 LGUs but proper management is done only in the Municipality of Peshkopia, and a considerable number of families in Diber don't get this service, as only 23.6% of families have access to waste collection. The total amount of waste in Diber region is 14160 tons of urban waste and 2976 tons inert waste, or 2.4 kg waste per day per family. Low quality of cleaning service in Diber is due to the fact that there are very few waste bins, the few existing bins are of low quality, and the machinery used for transport is not suitable for this service. There are 197 waste bins/collecting points (1 cubic meter) and eight trucks and two tractors for waste transportation.

Waste disposal is a huge problem because there are no proper sites to dispose waste. Municipality of Peshkopia uses a field to dispose of waste however, this site lacks basic technical criterion and is used by three other units as well. Waste gets burned by polluting air and water as well as the stream of Dohoshisht. In other communes, waste gets thrown on rivers and streams. The disposal field in Peshkopia was set in 2003 and had a planned monthly capacity of thirty-three ton of waste however more than fifty tons of waste is disposed (45 tons only by Peshkopia) on a monthly basis.

Waste management is done by LGUs that have recruited teams and personnel that fall under the LGU organizational chart, and there are 61 of them. In 8 municipalities that offer this service, only one person is employed, and he is responsible for collecting and transporting waste, In Municipality of Peshkopia, there is a special brigade that does this work. There are 61 persons employed, out of which 10 are employed for administrative work, 6 for collecting and transporting waste, 4 are in for the landfill, 22 for cleaning and sweeping streets, and 14 for greenery and gardening. Thus, there are 51 employees for 20,000 residents.

The total amount of cleaning service fee collected makes up only for 32.3% of the budget spent by LGU for this service. All LGUs spend most of their revenues to cover this service. The budget amount spent is 25,392,000 LEK whereas receivables from the fee are 8,206,040 LEK.

Expenditure cost per resident is around 1587 LEK per family and receivables from a family are 513 Lek per year. In the Municipality of Peshkopi that covers 100% of families, the cost is 3925 Lek.

9.3 The process of consultation/ discussions with administration of main Local Units

After conducting the two-abovementioned analysis (deskwork from information gathered until now) a workshop was organized with participants from:

- Administration of central Local Units and administrations of current main Units.
- Technical level representatives of Private and Public companies that do main services in the field

Discussion took place on findings from the analysis, unclear issues were clarified and there were discussion on possible recommendations regarding the organization of administration and services of local units.

9.4 Identification of recommendations for new Local Governmnet Structure

This analysis starts from the current local unit organizational chart center of Functional Area while taking under consideration proposed amendments for the New Unit organization.

Recommendations including founding, unifying and merging of departments of new units, that will match functions that will be covered by New Unit and in particular the need for implementations of Functional Area Program (FAP) (i.e.) a more active role in economic development issues).

The new FAP structure will support the existing LGU structures, taking Municipality of Peshkopi as the base and by adding to it the typical structure of communes, while integrating previous structures and responding to the functions.

Therefore, from a macro point of view, FAP will be organized in departments that will be linked to the key base functions and to managers that constitute the managerial structure of future FAP or LGU. The departments will be linked to financial management, services, urban planning, land management, economic development, social development and educations.

Each department has several sectors, that are linked to functions and a considerable number of specialized personnel and that fulfill the function of the sector and duties delegated for the post and the position they hold. Every sector is connected to existing sections of the Municipality of Peshkopi and has some additional functions for the sectors that were specific for communes and rural territory.

Future FAP or LGUs will have some additional departments that will respond to the integrations of a whole local unit function. Therefore, we propose the founding of an economic department that will deal with agriculture, food and veterinary control, and tourism. Many other departments will be structured so they can relate not only to issues but also to the existing functions, in order to harmonize a better coordination and administration of future local unit, within the structure and with other actors. In many departments, although in the same sector, the number of employees should increase because the amount of service varieties in a much bigger territory and the number of objects will increase.

Special attention will be given to social development, which integrates several directorates and existing services that pertain to social welfare, culture and sports, not only as social issues but also as development of social life vitality in the FAP zone of Diber.

Manager of Municipality will be a novelty to the administrative structure, who will be responsible for several important sector that relate to community life in the who region, but also for the whole work process of LGU administration, third party affairs, and fund raising. A special structure will also be the Project Unit that will deal with drafting projects and looking over project cycles and programs. This also includes the coordination unit of commune administrators. This structure will also have some sectors that deal with monitoring and audit, public and municipal safety, public relations office, IT, and statistics, all of which have independent functions and in service of all local governance. In addition, this structure will manage delegated functions such as NCR+NCL and Civil Status Office. Check the managerial scheme for more.

9.5 Integration of key public services in the new LGU as a key implementation field for FAP and their impact in the organization of new LGU structure.

Department of Services will be special. We suggest that his department has several sectors related to some basic public services such as the Waste Management sector, Drinkable Water sector, Communal Services sector and Infrastructure sector.

Every sector has its own duties and functions defined by the service nature, but also its own staff with predetermined duties and work profile. Managing structure will have its manager/supervisor, administrative staff, technical staff that consists of respective service experts.

In the Functional Area of Dibra, the sector of waste management will be responsible for the management of the complete waste management cycle starting by cleanup, collection, transport and disposal to the existing site. In the future, we suggest the construction of a new site in Kabe stream, close to Kuben and that the management cycle implements existing standards of Peshkopia's municipality and similar managerial structure by including assets of eight

communes that are partially involved in the service. A waste management plan should be drafted and the existing structure must start work by keeping the clean up brigade and tools owned by municipality. A preliminary program must be drafted to include service in rural areas as well, starting by drafting a weekly plan. The existing staff of 51 people should remain.

Drinking Water management should have Suarage sector structure as the responsible body that would integrate Drinking Water Enterprise of Peshkopia and other offices in respective communes. Existing personnel and practice must be integrated into a new one. The first step of this structure will be to inventory all existing aqueducts, assets and assess the current situation for every neighborhood, village and urban center. The structure must draft an action plan and program work management considering the current method of water management. We suggest that the work of the technical staff should be divided in two parts: aqueducts and village lines as two sub-sectors. Furthermore, an introduction of chemical water treatment is needed. The sector will have its managerial, administrative and technical staff. The sector must employ 48 people.

Roads sector that will be under the administration of the future LGU will continue to use the same practice applied by current LGU, engaging in local road maintenance and investments. We should wait to see what would happen with regional roads that are under the administration of the Regional but we suggest that they are transferred under the management of the future LGU because it is linked to the interest of its community. Therefore, current budget, assets and personnel should be as a whole for the sector. We suggest that this sector must cover the categories of paved roads and gravel roads separately so that the maintenance process is different. The sector must have a managerial, administrative and technical staff and should employ 100-150 workers (1 worker for 4 kilometers/road)

Communal services sector, will mainly deal with services for the sewage system, wells, road lighting, house maintenance etc. We suggest that this sector can merge with other sectors but should have additional functions such as waste management, aqueduct services, or the service of economic basis at schools.

The sector of forests, parks and green areas is a separate sector that will deal with environment issues, high forests and communal forests, administration of preserved areas, recreational parks and green areas. This sector will be based on existing functions of communes and municipality for forests and green areas. The sector will be coherent to changes that have occurred for the administration of parks and preserved areas. The sector will have its own managerial, administrative and technical staff that will include experts and the green team that is currently administered by Municipality of Peshkopia (14 people) although the sector will require twenty employees.

9.6 Recommendations regarding human resources/workers expertise that is needed to meet these functions.

Organization of local government in departments, sectors and offices: Organization of the future LGU should be at a department and sector level. This requires detailed profiles and functions at each department related to the case, and sectors related with a specific function. The duties of personnel must be clearly predefined based on each structure. The leading positions can be defined, example, Managers the departments, Directors for the sectors and Head of Office (at office level).

Human resources at different levels according to the job positions: Human resources needed for this function should be clearly defined based on the job. There should be a clear division of the managerial, administrative and technical part (high, medium and low level) as well as consultation part. The new organization must exploit the current experience but also note occurring changes, integrate these changes and work with external experts for the organizational and institutional development of the new administrative structure, based on existing norms, standards, existing practices and legal framework. This should be extended to drafting manuals and practical forms of work. Another important element is consultation services to the Mayor who should delegate managerial competences to the managers and also have a clear monitoring and control system, as well as a team of internal and external functional advisers.

Estimated number of employees of the future LGU will be in total 464 employees: The future LGU will have six Department Managers, and a Manager for the Municipality who will play the role of the administrator and has some specific sectors under its competency. The sectors under this the direct line management of the Manager will be Human Resource, IT, Projects' Unit, Archive, Internal Audit, Coordination Unit (with communes), Security / municipal police and Support Services / Logistics sector. The Managers of departments will supervise the Directors of Sectors that currently are sectors / offices according to the job profiles. The Directors of each sector will supervise / manage the technical personnel of each sector (being personnel dealing with logistics, maintenance, operation, security, and especially with services related to cleaning services, greening, maintenance and supply services for schools, maintenance of roads, drinking water supply, communal service, day care centres and kindergardens, dormitories and up to professional personnel dealing with culture, art, sport etc.) Based on the structure given in the figure, it is estimated that about 38 persons will work as Managers of Departments, Directors of Sectors, Administrators and Heads of offices. About 160 persons will work at high technical level, about 66 persons will be at the medium official level and other 200 persons will work in the supporting sectors of technical, professional and logistics. Therefore it is estimated that the new LGU will have an administration composed of 464 employees.