



Newsletter

SEPTEMBER 2014 - JANUARY 2015



ADMINISTRATIVE AND TERRITORIAL REFORM

ADMINISTRATIVE AND FINANCIAL
CONSOLIDATION OF THE 61 NEW MUNICIPALITIES

FOREWORD
BY MINISTER
BLEDI ÇUÇI
PAGE 2

REFORM
OF THE
YEAR
PAGE 3

STRONGER
INTERNATIONAL
SUPPORT
PAGE 5

PILOT
PROGRAM
PAGE 6

SUPPORT
GROUPS
PAGE 7

BRIEFING
SESSIONS
PAGE 8



Dear reader,

A year ago, we engaged in the preparation and implementation of one of the most important structural reforms of public institutions in Albania, the administrative and territorial reform. A historic step was taken towards its realization on 31 July 2014, when the Parliament approved the Law “On the administrative and territorial division of local government units in the Republic of Albania”.

The approval of this law puts an end to the fragmentation of the territory, by organising the local government into only 61 municipalities. Under the new division, these units will be able to provide better and modern public services to the citizens across the country. The new territorial organisation aims to increase public investments with a view to revitalizing cities and villages and providing greater opportunities for sustainable economic development.

Allow me to extend my gratitude, on behalf also of the Albanian Government, to our international partners of “STAR” project, to the Governments of the United States, Sweden, Switzerland and Italy, as well as to UNDP, OSCE and the Council of Europe for all our achievements during the year of the administrative and territorial reform.

I feel proud that together we managed to develop a process, which may now serve as a model in the preparation and approval of legislation of this kind in Albania. During its preparation phase, this reform complied with the highest standards of inclusiveness and transparency.

The development of the new map is only the beginning towards a more complex and comprehensive work that will take place to consolidate the new municipalities, with a view to transforming the local government into a democratic instrument that will serve to the final goal: the provision of more qualitative and efficient services to the communities.

Through this newsletter, we would like to put forward our common achievements, challenges we overcame and to inform you on the latest events and developments on this reform. This newsletter will continue to accompany you along the territorial reform implementation phase, reporting on the activities of “STAR” project and the reform overall.

Bledi Çuçi
Minister of State for Local Issues

A handwritten signature in blue ink that reads "Bledi Çuçi".



Law 115/2014 "On the administrative and territorial division of local government units in the Republic of Albania" being approved by the Parliament

Reform of the year

For the first time in more than two decades, the Albanian Government is implementing the territorial and administrative reform, a strategic priority of the Albanian Government. The Albanian Parliament approved on July 31, 2014 Law 115/2014, "On the administrative and territorial division of local government units in the Republic of Albania" and the new map with 61 municipalities, certified also in December 2014 by the Constitutional Court. The new administrative and territorial division was preceded by a complex consultation process with the engagement of different stakeholders as well as detailed analysis and studies on the situation of the local government in Albania.

Relying for the first time on the modern methodology of "functional areas", technical criteria were developed and served as the main basis of the preparation of the new administrative and territorial map. These criteria, adopted by the Ad-Hoc Parliamentary Commission on the reform, underwent an extensive public consultation process with representatives of local government, local elected associations and interest groups in all regions.

After the approval of the draft maps with 39 and 47 local units by the Parliamentary Commission, another intensive public consultation process was launched across the country. The draft maps were discussed and consulted with the community and local government representatives through open meetings in each city, region, municipality and commune, written and online petitions, consultations with stakeholders and entrepreneurs.

In total 20,341 citizens, representatives of public institutions, civil society, development organizations, etc. participated and were involved in every step: the drafting, discussion and approval of the reform. The process was assessed as comprehensive and transparent, in accordance with the Albanian Constitution and laws. The whole process was led by the Minister of State for Local Issues who had been appointed to lead the design, development and implementation of the administrative-territorial reform.

International partners with experience in local governance issues in Albania, such as the Swedish, Swiss, Italian and American Governments and UNDP were involved in this initiative through the "STAR" (Support to Territorial and Administrative Reform) project. "STAR" has continuously provided technical and financial support to the reform process and structures, along with other international partners such as the Council of Europe, OSCE, Embassy of the Netherlands, Austria etc.



20,341

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participated in every
step of the reform





Italian Ambassador, Mr. Massimo Gaiani and UN Resident Coordinator, Ms. Zineb Touimi-Benjelloun signing the agreement

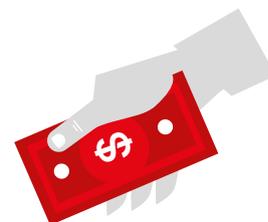
IMPLEMENTATION OF THE REFORM

The administrative and territorial reform has undergone constructive developments during the period September 2014 – January 2015, with a focus on its implementation before and after the elections of 21 June, including all its constituent elements. During this period, a number of new stakeholders, experts and partners have joined the key reform of the Albanian Government, with a focus on paving the way and determining the necessary instruments for the administrative and financial consolidation of the 373 existing units into 61 municipalities according to the new map.

Stronger international support

The Italian Government formalised its contribution to the “STAR” project, by providing USD 996,264 for the implementation phase of the administrative and territorial reform. The Italian Ambassador, Mr. Massimo Gaiani and the United Nations Resident Coordinator and UNDP Resident Representative in Albania, Ms. Zineb Touimi-Benjelloun signed the agreement in the presence of the other international partners. During this event, the Minister of State for Local Issues, Mr. Bledi Çuçi expressed his appreciation for the continuous donor support to this major initiative undertaken by the Government and highlighted “Our goal is to have within a short time, Local Government Units focused on their primarily mission: the provision of efficient and qualitative services to the community.”

The international partners that have directly promoted the territorial reform in every step and have granted their technical support through the project, extended their financial contribution after the approval of the Law on the new administrative and territorial division. The Swedish International Development Cooperation Agency (SIDA) contributed USD 648,999 to the multi-donor fund of “STAR” project. In addition, the Swiss Government granted USD 402,738 to the same fund. Following their financial contribution the administrative and territorial reform budget now amounts to a total of USD 3,594,838.



3,494,838 USD

is the contribution of international partners to “STAR” project until January 2015

Pilot program for the development of successful models

Practical steps were taken towards the implementation of the territorial reform in November 2014. Under the supervision of the Minister of State for Local Issues, Mr. Bledi Çuçi, a pilot program is underway in the municipalities of Ura Vajgurore and Pogradec. These units were selected based on their administrative nature, their specificities and similarities with the majority of the new municipalities to be established after the local elections.

The pilot program will enable the establishment of an amalgamation model to be used, for the successful merger of the existing units into 61 municipalities. The pilot program is assisted by KPMG, one of the leading companies in the field of tax, audit and advisory services. Contracted by “STAR”, this company will compile the methodology that is to constitute the basis for merging local units into similar new municipalities.

A well-structured working group, composed of experts of “STAR” project and KPMG, in cooperation with the local units’ staff are working on the inventory of the LGUs to be merged; Poshnjë, Kutalli and Cukalat which will be merged into the new municipality of Ura Vajgurore and the communes of Udenisht, Buçimas,

Cerrave, Dardhas, Trebinjë, Proptisht and Velçan, which will be merged into the new municipality of Pogradec. This step will precede the establishment of a consolidated financial model, the organisational restructuring and the development of an information and communication technology platform.

The methodology will also include suggestions on the review of administrative functions, in order to eliminate overlapping of job positions and strengthen the necessary departments. Consequently, the municipalities will be managed in a better way, thus enabling the allocation of more funds to allow investments and improve service delivery for the citizen.

Another goal to be accomplished during this phase is the critical evaluation of ICT systems that are currently being used, and the recommendations for new systems to be adopted.

The methodology prepared in the pilot phase aims at providing a clear guide for the mayors of the 61 new municipalities not only during the merger but also afterwards, during the process of consolidation into a modern, efficient and transparent local government.



KPMG experts and local staff working in one of the pilot municipalities, Pogradec



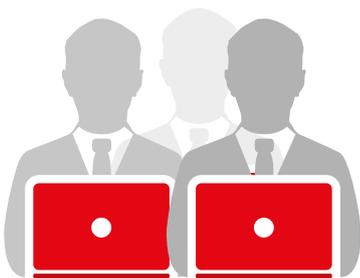
Working group meeting
in one of the pilot municipalities, Ura Vajgurore

Support groups

Alongside the administrative and territorial reform, work has started for the establishment of working groups at central and regional levels. The first group is composed of representatives of the line ministries, technical experts of “STAR” project, and representatives of international organisations and development programs operating in Albania, which have been invited to join the group. The regional working groups, in 12 regions, composed of local government representatives, the regional treasury office, regional directorates chaired by the Prefect will be functional at the same time.

The main objective of the working groups is to provide technical support and counselling to the Minister of State for Local Issues, through reports, analyses and studies to be delivered during the administrative and financial consolidation of the 61 new local units.

Each municipality shall include a technical group composed of legal, financial, human resources and IT experts who will assist during the administrative and financial consolidation process. Several meetings were organized all over the country during January, with a view to identifying the respective experts to work in each future municipality and create the 61 technical working groups. Under the support of “STAR” project, they will acquire the relevant training and knowledge, based on the prepared methodology in order to perform the local units’ merger in a timely and successful manner.



61 WORKING

groups to be trained on the administrative and financial consolidation process of the new municipalities

Briefing sessions



15 CONSULTATION
meetings of the
technical group in the
new municipalities with
representatives of the
local government

Minister of State for Local Issues,
Bledi Çuçi visiting one of the pilot
municipalities, Pogradec

The Minister of State for Local Issues, Mr. Bledi Çuçi conducted various meetings in December in Pogradec and Korçë with local government representatives where he informed on the implementation phase of the territorial reform until and after the local elections. The Minister expressed the determination of the Government to accomplish its responsibilities towards the local government and to successfully conclude the territorial reform.

Furthermore, during September – October 2014, the technical group of “STAR” project organized a series of meetings with the heads of departments in the line ministries, representatives of the local government and directors of the treasury office in Tirana and the pilot municipalities.

Meetings of the technical group of “STAR” project were also held in Lezhë, Berat, Pogradec, Lushnje, Divjakë, Fier as well as the surrounding communes, where local elected officials expressed their full commitment to cooperate during the administrative and financial consolidation phase. The focus of these meetings was to provide information on the further steps of the territorial reform, and clarify issues related to the budget planning, assets specification and property registration, as well as LGUs obligations.

A series of important meetings were also held with heads of the Treasury Office focused on key the issues to be considered during the amalgamation process, such as: financial documentation, service agreements, liabilities of each LGU, inventory of assets under their jurisdiction and the use of local revenues.



PARTNERS

