Implementation Progress Report
July –December 2015
Support to Territorial and Administrative Reform (STAR)
TABLE OF CONTENT

ACRONYMS .......................................................................................................................................................... 3
1. EXECUTIVE SUMMARY ............................................................................................................................... 4
2. CURRENT IMPLEMENTATION PROGRESS AND RESULTS ACHIEVED ......................................................... 6
   2.1 Current implementation progress .................................................................................................................. 6
       (i) Technical and institutional capacity support to the MSLI to manage the reform process .......................................................... 6
       (ii) Facilitation of information sharing and public consultations ............................................................................. 7
       (iii) Provision of technical services in support of the transitional phase ................................................................. 8
       (iv) Provision of timely logistical inputs at all stages of the process ........................................................................... 13
   2.2 Progress towards the achievements of the outputs ..................................................................................... 14
3. CHALLENGES ENCOUNTERED, MITIGATING MEASURES ENACTED AND LESSONS LEARNED .......... 16
4. PLANS FOR THE FUTURE .................................................................................................................................... 16
   ✓ ENSURE FINALISATION OF THE CONSOLIDATED REPORTS FOR 61 MUNICIPALITIES BY END OF DECEMBER 2015 ........................................................................................................................................ 16
   ✓ 26 LOCAL DEVELOPMENT OPERATIONAL PLANS ARE IN PLACE BY END OF DECEMBER 2015 ....... 16
   ✓ SUPPORT FINANCIAL AND OPERATIONAL CONSOLIDATION OF THE 61 MUNICIPALITIES BY END OF MARCH 2016 ........................................................................................................................................ 16
5. PROJECT EXPENDITURES .................................................................................................................................. 17
ANNEX I (PHOTOS FROM DIFFERENT ACTIVITIES DURING REPORTING PERIOD) ................................................. 20
ANNEX II - MINUTES OF MEETING BETWEEN SDC, COE AND UNDP ON COORDINATION OF SUPPORT PROVIDED TO STRENGTHENING LOCAL GOVERNMENTS’ HR DEPARTMENTS AND SYSTEMS ................................................................................. 26
ANNEX III - ONE STOP SHOP - MANAGEMENT INFORMATION SYSTEM CONCLUSIONS AND RECOMMENDATIONS
ANNEX IV - REPORT ON PILOT PROJECT FOR DIGITALISATION OF ARCHIVES OF AU IN RRASHBULL
ANNEX V - REPORT ON SECOND INSTALLMENT ON TERRITORIAL BOUNDARIES
ANNEX VI - REPORT ON EMILIA ROMAGNA EXPERTS’ VISIT
ACRONYMS

AT     Amalgamation Team
EU     European Union
GT     Grant Thornton
LGU    Local Government Unit
MSLI   Minister of State for Local Issues
NAITR  National Agency for Implementation of Territorial Reform
SDCO   Swiss Development Cooperation Office
SIDA   Swedish International Development Agency
STAR   Support Territorial Administrative Reform
TAR    Territorial and Administrative Reform
UNDP   United Nation Development Programme
1. EXECUTIVE SUMMARY

This report covers the period July-December 2015 and summarizes progress on activities implemented in four major inter-connected directions most of which were carried out during the transitional phase. They are: (i) technical and institutional capacity support to the MSLI to manage the reform process, (ii) facilitation of information sharing and public consultations (iii) provision of technical services in support of the transitional phase (iv) provision of logistical support at all stages of the process.

At the current stage of implementation, that is the amalgamation of local government units following the June 2015 local elections, the territorial reform has entered into its most interesting and complex phase. Consistent with the pace of its activities, the support provided to the reform in the framework of STAR (Support to Territorial and Administrative Reform project) has focused primarily on the replication of the due diligence model in the 61 newly established municipalities and their constituting administrative units.

The specialized technical assistance for the replication of LGUs' due diligence was tendered out in July and was mainly devoted to coaching, supporting and monitoring of the local working groups in the countrywide implementation of the amalgamation sub-tasks. Grant Thornton, the company selected to conduct this assignment, commenced work at the beginning of September. Part of work is a dedicated team of consultants devoting administrative resources and providing support to a Central Coordination Team as well as to Regional-level (Qark) Teams. In particular, through a Help Desk set up in the initial stages of the project, GT is providing assistance to local working groups in carrying out the due diligence exercise comprising of financial and operational aspects.

In this framework, in order to improve coordination and synergy with other initiatives contributing to strengthening local governments’ HR management and avoid confusion among LGUs and duplication between STAR project outputs on HR (part of GT contract) and the ongoing work of the Council of Europe in the local human resources management area in the framework of the project Strengthening Local Government Structures and Cooperation of Local Elected Representatives in Albania, several technical discussions have taken place to identify the role and complementarity of both initiatives. The discussions helped reach the understanding that there is sufficient ground for complimentary actions from both projects, and to facilitate this understanding to local counterparts, it was agreed to develop a joint explanatory note explaining the specific roles of each of the projects in the process and the support that will be provided by each help desk respectively.

During the due diligence piloting in Pogradec and Ura Vajgurore documentation management and archiving were identified to be amongst the most pressing issues. For this reason, a pilot model of digitalization of archives was developed in cooperation with the General Directorate of Archives. To prepare for scaling up the model across all LGUs, a number of archiving
specialists was engaged on a regional basis to thoroughly assessing the current business processes involving these tasks at LGU levels. The outcome of this assessment is aimed at informing more accurate contexts and budget estimations for the replication of the model at a national level.

The support for the definition of the administrative borders of 61 of the new local government units is ongoing. In this regard, four training sessions were organised during the reporting period and full guidance was provided to all 61 LGUs on the use of GIS system and its population with the necessary data. Information about training can be found in this link: https://youtu.be/rCeZ5TYALTm

The support provided through STAR has been instrumental in facilitating the transfer/exchange of relevant know-how to the benefit of national counterparts. During the reporting period, the project organised a two-stage exchange visit with Emilia Romagna region in Italy. During the first stage taking place by the end of June, three experts from Emilia Romagna Region visited Albania and became acquainted with recent developments regarding TAR implementation through meetings with key stakeholders. Following field visits and based on collected information, they came up with recommendations for the MSLI related to the management of social services and public utilities at local level. During the second stage, taking place in early September, a group of 10 professionals from the MSLI, the NAITR and the municipality of Tirana, visited Emilia Romagna where they were exposed to relevant recent experiences of this region in relation to territorial and administrative reform.

Assisting the new LGUs to effectively plan and manage their jurisdictions is part of STAR implementation. In this framework, a particular focus has been given to providing technical assistance to the new municipalities to prepare short-term (three years) Local Development Operational Plans including specific projects fiches for capital investments. In order to carry out such assistance, UNDP selected, through competitive bidding procedures, seven local organisations, providing for a total of 26 municipalities organised in seven clusters. Furthermore, two gender experts were contracted to ensure the mainstreaming of gender issues throughout the entire exercise. This includes collection and analysis of gender-disaggregated data and gender based considerations in the prioritization at local level.

A National Conference on Local Government was organized on 30th October in close collaboration and partnership with the Council of Europe, Swiss Development Cooperation and USAID. The participants, representing national and local government, civil society and media, were informed about the achievements related to local governance in the country. Discussions about current and upcoming challenges were part of the conference fora and different models and experiences on how to tackle them were presented and shared with participants.
2. CURRENT IMPLEMENTATION PROGRESS AND RESULTS ACHIEVED

2.1 Current implementation progress

During the reporting period, corresponding to a post-local elections context, the territorial and administrative reform focused largely on the constitution of new municipal councils and preparation for the amalgamation and consolidation of municipalities. Same as throughout other phases, the activities of STAR were also aligned to address the needs of these processes. The implementation was organised in four major concurrent directions which are presented as follows:

(i) Technical and institutional capacity support to the MSLI to manage the reform process

This direction was clearly identified, since the outset, as one of the major objectives of STAR. In order to achieve it, STAR has regularly organised its activities using knowledge transfer and sharing platforms where best practices are discussed and experiential learning is constantly generated. The key platforms consist of:

   a. Study visits:

A contract was signed with ANCICOM for provision of technical assistance in support to TAR and organisation of a study visit to Emilia–Romagna region. The exchange happened in two stages:

1. the first stage took place by the end of June. During this stage, three local governance experts from the Italian region of Emilia Romagna visited Albania, met with the major stakeholders of TAR and became acquainted with recent developments its implementation. Based on the field visits and information collected, they provided MSLI with several relevant recommendations related to provision and management of social services and public utilities at local level.

2. the second stage took place in the beginning of September. During this stage, a group of 10 professional from the MSLI, the National Agency of Reform Implementation and the municipality of Tirana visited Emilia Romagna and became acquainted with relevant experiences of this region as regards the territorial and administrative reform. The participants focused in and we able to identify useful experience and modalities serving the consolidation of services.

   b. Strengthening of the Amalgamation team:

The four experts contracted as part of the Amalgamation Team continued to provide technical assistance and regular support to MSLI. Their engagement has been crucial for guiding a series of functional assignment including, inter alia:
The monitoring and quality assurance of the results delivered by various engaged commercial service providers, especially the piloting and replication of the due diligence and the development of a new One-Stop-Shop prototype,

The constant communication with all LGUs and their respective local working groups across Albania, as a follow up of the training provided to all 61 municipal local working groups in anticipation of the due diligence replication. Such contacts have also facilitated cooperation between LGUs and TA service provider engaged entities as well as helped provide solutions on various issues emerging at the local level concerning the amalgamation exercise.

The development of a prototype of digitalization of archives in cooperation with the General Directorate of Archives, the piloting LGUs and their personnel, as well as the initial assessment of the archiving situation in the remaining LGUs and the ways for addressing such situation.

Support to the MSLI in a number of additional tasks involving the formulation of various legal documents and financial templates related to local financial management and reporting.

Synergy and support to the activities carried out by the NAITR, etc.

c. Contracting of archiving specialists:
Another important activity related to enhancing the capacities of MSLI to better manage and implement the reform process has been the engagement and contracting in September of a national coordinator and 12 archiving specialists. While their contracts are running until the end of December, their main task has been one of scoping and further analysing the current situation of archiving practices and documentation management for all LGUs. Their engagement by UNDP was done in close consultation with the MSLI and the amalgamation team, and followed competitive recruitment procedures.

(ii) Facilitation of information sharing and public consultations

a. Consultative meetings with new mayors
In order to facilitate the sharing of important and relevant information and procedures useful to the new local administrations, consultative meetings were organised with the newly elected mayors and the municipality councils. Three general meetings were organised during July-August, for discussing in detail the LGU functions in the new context. To this aim, another important activity carried out was that of preparing of personalized practical guidebooks, which were delivered to each of the new 61 municipalities. These tailor-made guidebooks, besides general headers and common instructions, contain information pertinent only to the municipality and mayor they were specifically prepared for. The instructions comprise guidelines on a variety of issues that are necessary for the mayors and municipality councils to immediately commence their work. They include:
• relevant decisions of the Council of Ministers,
• forms of request to be equipped with original municipality and administrative unit stamps,
• the order of appointment of new administrators,
• transitory municipality structures, etc.

The guidebooks were drawn as an instrument contributing to a smooth transfer of functions and responsibilities to the newly amalgamated 61 ones.

b. National Conference
A National Conference on Local Government was organized on 30th October in close collaboration and partnership with the Council of Europe, the Swiss Development Cooperation and USAID. About 250 participants present in the conference were informed about the work done for the implementation of TAR, on the decentralization process and about the drafting of a new organic law on Local Government which expands responsibilities and competences to local governments starting from January next year. The national conference coincided with the 30th Anniversary of the opening for signature of the European Charter of Local Self-Government, the 20th Anniversary of Albania’s membership in the Council of Europe and the 15th Anniversary of the ratification of the European Charter of Local Self-Government.

c. Newsletter
In the course of information sharing activities, STAR supported the preparation and production of the third edition of the TAR newsletter. This issue, together with other major project and TAR activities are fed into TAR’s dedicated website www.reformatterritoriale.al and its Facebook page. Media reviews and crosslinking of information from all relevant sources have been prepared for all major stakeholders through periodic media reviews.

(iii) Provision of technical services in support of the transitional phase

a. Contracting of GT
UNDP carried out a major competitive bidding procedure for the selection of an experienced entity that would replicate in all municipalities the due diligence exercise that was previously piloted only in two LGUs. UNDP, through STAR cooperated closely with the MSLI in designing detailed Terms of Reference for this assignment which then followed the respective tendering procedures. The bid resulted in the awarding of Grant Thornton for the provision of TA for the due diligence replication. Grant Thornton started the implementation in September.
The said procurement was contested. UNDP followed the due corporate process of (1) escalating the matter to its HQ units (2) debriefing the contest; and, (3) informing partners of the developments. Following internal review, UNDP concludes that the evaluation process was fair and transparent and that there were no grounds to suspend the award.

b. Due Diligence replication

The due diligence replication consist of a process of reviewing the financial and operational aspects of the functioning of the LGUs. The financial review focused primarily on assessing the financial statements whereas the operational review focuses on all other paperwork including relevant document annexes, the identification of the description of current and inherited responsibilities and practices, the availability of public services, the availability of administrative functions, executive roles and the organizational structure. A key activity in the entire replication exercise is the establishment of a Help Desk by GT, which provides support to local working group experts in the field and the administrations of the LGUs.

The team of GT consultants engaged with financial reporting has gathered financial statements and other financial information from each LGU and has already provided 384 reports corresponding to the former 384 LGUs.

The team of consultants engaged with operational reporting has gathered information regarding the existing organizational structure and business processes protocols and instructions.

The finalized reports contain information on other operational aspects too. Similar to financial reports, the operational reports have been completed for all 384 LGUs and have been shared for further comments and certification with the Amalgamation Team and finalized.

In order to improve coordination and synergy with other initiatives contributing to local governments and avoid confusion among LGUs, UNDP and the STAR staff has been engaged in detailed technical discussions with SDC and the Council of Europe to clarify and define the complementarities in supporting LGUs. STAR project through a pooled funding (part of the contract with GT) and the Strengthening Local Government Structures and Cooperation of Local Elected Representatives in Albania project through SDC funding and CoE implementation are both addressing issues of HR at the municipal level.

The subject of discussions related to the timeline, depth and aspects of assistance in developing and strengthening the municipal human assets and the establishment of HR systems in the short-, mid and long-term reorganization and strengthening of the HR departments, aiming to identify complementarities and differences between the approaches taken.

Conclusions of such discussions informed that there is sufficient ground for complimentary actions from both projects, where STAR project field work support the immediate needs of the due diligence requirements at the local level through providing the initial HR snapshot and possible re-arrangement/organization of the HR in the new LGU, while the support provided by
the project under CoE implementation has a longer term objective and has to deal with the rules and regulations to be adopted by HR managers in leading their respective local offices and assisting their top local officials in resourcing the local administration adequately and in compliance with the legislation. In order to avoid confusion at the local level, it was agreed to develop a joint explanatory note explaining the specific roles of each of the projects in the process and the support that will be provided by each help desk respectively. Minutes and conclusions of such discussions are attached as annex to this report

c. The definition of new territorial boundaries
Another important activity in the focus of implementation has been the follow up of the commenced work for the accurate definition of the territorial boundaries of the 61 new municipalities. The work is being carried out by GeoConsulting in partnership with Invent and GjeoAlba companies. The results achieved so far include:

- a thorough analysis and identification of the boundary overlaps for 61 new municipalities;
- the virtual definition of territorial boundaries of 61 newly established municipalities using GIS systems, and
- the designing of a manual for municipalities’ specialists on the use and definition of the borders of their territory using information they possess at local level.
- in addition, four training sessions of Urban and Property Registration Office specialists from the 61 municipalities (approx. 120 people) have been carried out. The sessions provided with detailed instruction on how to input the required data in the system as per the (pre-developed) manual above.

More information about the training provided can be found in the video https://youtu.be/rCeZ5TYALTMy. To date, almost 70% of the municipalities have entered data and the remaining LGUs are still working to finalize the exercise. At the end of the process, the defined and agreed administrative borders will be acknowledged through a decision of the Council of Ministers.

d. One Stop Shops
Two One-Stop-Shop service delivery offices are under implementation since mid-May. Work has regularly continued and the end of September marked he finalisation of the two pilots in Durres/Ishem and Elbasan/Bradasheh. To date, the contracted company in cooperation with STAR experts has accomplished the following:

- An analysis of workflows for each of the nine services currently being piloted in the administrative units of Durres-Ishem and Elbasan-Bradashesh
- The development of a detailed description of the workflow for each service. This includes the outlining of thorough and detailed descriptions of the service implemented modalities by the different sectors of the Municipality
- The inputting of the service workflows into a dedicated software platform
- The analysis of the current infrastructure needs in order for the municipalities to use the platform.
- The coordination with the National Agency of Information Society to connect the OSS-MIS system with national databases such as QKR and DPGJC. The connection has been successfully achieved.
- The coordination of work with third parties to integrate the OSS-MIS system with tax systems existing in the piloting municipalities.
- The integration of the OSS-MIS system with the protocols and archiving system developed by STAR.

In addition, the necessary IT equipment has been purchased and provided to the pilot LGUs. The equipment will enable a full functioning of the pilot and software platforms for the concerned LGUs.

e. Digitalization of local archives

Document management and archiving has been one of the weak issues identified when piloting the due diligence in LGUs of Pogradec and Ura Vajgurore. In this context, STAR worked to design a model on how to address this issue which was piloted during June–July 2015. In order to further replicate this model (in an eventual upcoming phase) a thorough analysis of the situation was undertaken at national level which was expected to feed the MSLI with accurate evidence on the volumes of work and materials needed as well as the technical assistance required for implementation. In this regard 12 archiving specialists and one national coordinator were contracted since the beginning of September. To date, the regional specialists have visited all the administrative units and finalized the assessment of the situation with documentation management. The following table summarises information on the quantities of documents that are not systemized and properly archived and which conclusively need assistance to bring it to national standards.
<table>
<thead>
<tr>
<th>No</th>
<th>Region</th>
<th>Amount of documents in total (in ML)</th>
<th>Amount of systemized doc (in ML)</th>
<th>Amount of un systemized doc (in ML)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Elbasan</td>
<td>760.54</td>
<td>116.41</td>
<td>644.13</td>
</tr>
<tr>
<td>2</td>
<td>Durres</td>
<td>237.12</td>
<td>63.58</td>
<td>173.55</td>
</tr>
<tr>
<td>3</td>
<td>Korce</td>
<td>556</td>
<td>20</td>
<td>536.7</td>
</tr>
<tr>
<td>4</td>
<td>Fier</td>
<td>180.9</td>
<td>36.3</td>
<td>118.6</td>
</tr>
<tr>
<td>5</td>
<td>Diber</td>
<td>327</td>
<td>55</td>
<td>233</td>
</tr>
<tr>
<td>6</td>
<td>Kukes</td>
<td>373.7</td>
<td>71.6</td>
<td>304.8</td>
</tr>
<tr>
<td>7</td>
<td>Vlore</td>
<td>159.5</td>
<td>1.7</td>
<td>157</td>
</tr>
<tr>
<td>8</td>
<td>Lezhe</td>
<td>370.59</td>
<td>66.22</td>
<td>304.37</td>
</tr>
<tr>
<td>9</td>
<td>Gjirokaster</td>
<td>217.43</td>
<td>3.31</td>
<td>214.12</td>
</tr>
<tr>
<td>10</td>
<td>Berat</td>
<td>198.5</td>
<td>48.24</td>
<td>150.26</td>
</tr>
<tr>
<td>11</td>
<td>Tirane</td>
<td>678.6</td>
<td>15.12</td>
<td>678.6</td>
</tr>
<tr>
<td>12</td>
<td>Shkoder</td>
<td>980</td>
<td>17</td>
<td>963</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>5039.88</strong></td>
<td><strong>514.48</strong></td>
<td><strong>4512.13</strong></td>
</tr>
</tbody>
</table>

Local development operational plans:

Compliant to plans, STAR initiated its support in designing the short term Local Development Operational Plans. These plans will serve as blueprints for the municipalities and are expected to be particularly useful during their first 2-3 years of existence. In order to guarantee a harmonized approach, the LDOPs will be compiled in accordance with a common and unified structure, prepared by the MSLI.

As part of this assignment, 26 new municipalities are assisted in developing LDOPs. The benefiting municipalities are grouped in clusters according to their geographical characteristics and similar development typologies.

Implementation work has already started and an informative workshop is organized with the selected organizations to discuss on methodological and procedural issues in order to guarantee a common understanding of the planning structure and process. In addition, UNDP has contracted two experts that are focusing in integrating gender mainstreaming during the entire phases including data collection, analyses and prioritization. They are closely cooperating with the selected organizations under the overall coordination of UNDP/STAR.

The first drafts of these plans have been completed and by the beginning of December they started to be discussed and consulted with members of respective councils, civil society and other interested stakeholders. The aim is for the plans be approved by the end of December.
(iv) Provision of timely logistical inputs at all stages of the process

STAR is implemented by the Minister of State for Local Issues under UNDP’s National Implementation Modality. UNDP provides its management and operational support upon formal request from the MLI/his delegate, in accordance with UNDP’s rules and procedures and based on a Standard Letter of Agreement with the MLI (signed on 8 November 2013) for the provision of project support services.

In this context, UNDP, as per the agreed implementation modality, has guaranteed the timely provision of logistical support at the request of the implementing partner in the project due course.

- **Human Resources**
  UNDP has completed successfully the recruitment processes for 13 new staff (one national coordinator and 12 regional specialists) under Digitalization of Archives, and managed the actual contracts’ modalities for 27 staff under STAR project (Technical Secretariat, Regional coordinators, UNDP staff).

- **Procurement of services and goods**
  During the reporting period, based on the requests from MSLI, there are 11 procurement process initiated and concluded in signing contracts for professional services with 9 companies/organizations and 2 institutional contracts for purchase of IT equipment (for pilot OSSH and Regional Coordinators)

- **Equipment**
  There are 3 vehicles made available (2 free of charge from UNDP, one purchased) for MSLI to secure the mobility for operations of TS and the coordination needs of MOLI.

- **Transport costs**
  13 Regional Coordinators are supported in terms of local transports by covering the respective costs related to 3-4 trips per month at local governing units in their regions in order to coordinate and facilitate the amalgamation process. Additionally regional coordinators are reimbursed for the travelling costs from their regions to Tirana at an average of 1-2 missions per month for participating in meetings with Technical Secretariat and national conferences.

- **Travel / per diem**
  Per-diem are paid for out of duty station trips at an average of 2 days missions per week carried out from Technical Secretariat staff, especially for Amalgamation TL and experts to closely monitor the amalgamation process.

- **Maintenance & Ops costs**
  Maintenance costs are carried out for three vehicles including insurance and taxes costs. In addition support is provided for other operational costs such as printing, office supplies and communication costs.
### 2.2 Progress towards the achievements of the outputs

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Progress /achievement</th>
</tr>
</thead>
</table>
| Technical and institutional capacity developed at the MLI to manage and complete the reform process | ✓ 12 archiving specialists and one national coordinator have been hired to replicate the documentation management and digitalisation of archiving model  
✓ STAR supported a visit of three experts from Emilia Romagna region to Albania and facilitated a study visit of 10 professionals from MSLI, NAITR and municipalities to Emilia Romagna.  
✓ The Amalgamation Team has provided regular and various support to MSLI |
| Facilitation of information sharing and public consultations             | ✓ The quarterly newspaper is produced and distributed to members of the steering committee and other interested stakeholders  
✓ Three consultative meetings with new mayors are organised  
✓ A practical Guide produced and shared with the new mayors  
✓ A National conference on Local Governance is organised. 300 participants took part representing central and local government, civil society, media, donors, etc.  
✓ The Facebook and Twitter accounts regularly maintained and fed with information on all the activities organised during July-December 2015 |
| Provision of technical services in support to the reform                | ✓ An assessment and inventory (due diligence) of the entire municipalities and administrative units has been carried out  
✓ Part of the due diligence process is also the establishment of a central help desk to assist local working groups in carrying out of the due diligence with respect to financial and legal operations  
✓ 384 financial and operational reports are produced in the framework of due diligence  
✓ Analyses and identification of the boundary overlaps for 61 new municipalities is finalised |
<table>
<thead>
<tr>
<th>Outputs</th>
<th>Progress /achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ A technical manual on steps to define boundaries and input system data, targeting the specialists of the municipalities, is designed and distributed</td>
<td></td>
</tr>
<tr>
<td>✓ Four training sessions are organised with specialists of the municipalities, departments of Urban and Property Registration; 120 persons participating</td>
<td></td>
</tr>
<tr>
<td>✓ One Stop Shop delivery offices implemented in 2 municipalities Durres/Ishem and Elbasan /Bradashesh</td>
<td></td>
</tr>
<tr>
<td>✓ A thorough analyses of the situation with archiving and documentation at local level is undertaken</td>
<td></td>
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<tr>
<td>✓ LDOP for 26 municipalities are under preparation; 2 gender specialists attached to the process</td>
<td></td>
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<tr>
<td>Provision of timely logistical inputs at all stages of the process</td>
<td>✓ 2 Servers - CPU Intel E5-1600/2600, min 9000 points in benchmark, 16GB DDR4 ECC, Processor, 1TB RAID1 SATA, 1 VPN gateway, 1 MFP (A3) with DADF are purchased for OSSH assignment within STAR</td>
</tr>
<tr>
<td></td>
<td>✓ Maintenance and operational costs are allocated to cover Project vehicle maintenance (parking, washing, and repairs), Project vehicle operations/fuel, Office consumables, supplies, Printing costs, Communication costs, etc.</td>
</tr>
</tbody>
</table>
3. CHALLENGES ENCOUNTERED, MITIGATING MEASURES ENACTED AND LESSONS LEARNED

The following are some of the challenges encountered during the reporting period and some of the lessons drawn from the experiences with project implementation:

- Replacement of trained staff
The replacement of some of the already trained local working groups’ members after the elections continued to be a serious risk hampering the timely provision of data necessary for accomplishment of the due diligence process. The measures taken to offset this issue include the utilisation of the help–desk to efficiently respond to questions raised by the newcomers address their lack of information. In addition, on-the-job training and coaching is provided by the experts of Grant Thornton.

4. PLANS FOR THE FUTURE

- Ensure finalisation of the consolidated reports for 61 municipalities by end of December 2015
- 26 Local Development Operational Plans are in place by end of December 2015
- Support financial and operational consolidation of the 61 municipalities by end of March 2016
## 5. PROJECT EXPENDITURES

<table>
<thead>
<tr>
<th>EXPENDITURE CATEGORIES AND ITEMS</th>
<th>OVERALL BUDGET (in USD)</th>
<th>Expenditures as of 31 Dec 2013</th>
<th>Expenditures as of 31 Dec 2014</th>
<th>Expenditures as of 30 Nov 2015</th>
<th>Commitments as of 31 Dec 2015</th>
<th>BALANCE (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Human Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts Group</td>
<td>245,378</td>
<td>202,817</td>
<td>38,190</td>
<td>4,199</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>Technical Secretariat+ATL, RCs, Archives Digitalization Specialists</td>
<td>526,830</td>
<td>193,185</td>
<td>283,403</td>
<td>49,942</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Project management staff (UNDP)</td>
<td>104,959</td>
<td>35,415</td>
<td>43,421</td>
<td>16,170</td>
<td>9,953</td>
<td></td>
</tr>
<tr>
<td>Subtotal Human Resources</td>
<td><strong>877,167</strong></td>
<td><strong>431,417</strong></td>
<td><strong>365,014</strong></td>
<td><strong>70,311</strong></td>
<td><strong>10,425</strong></td>
<td></td>
</tr>
<tr>
<td>2. Per-diems / Travel</td>
<td>116,754</td>
<td>75,947</td>
<td>35,365</td>
<td>933</td>
<td>4,509</td>
<td></td>
</tr>
<tr>
<td>Subtotal Per-diems / Travel</td>
<td><strong>116,754</strong></td>
<td><strong>75,947</strong></td>
<td><strong>35,365</strong></td>
<td><strong>933</strong></td>
<td><strong>4,509</strong></td>
<td></td>
</tr>
<tr>
<td>3. Equipment</td>
<td>107,085</td>
<td>101,378</td>
<td>5,604</td>
<td>0</td>
<td>103</td>
<td></td>
</tr>
<tr>
<td>Subtotal Equipment</td>
<td><strong>107,085</strong></td>
<td><strong>101,378</strong></td>
<td><strong>5,604</strong></td>
<td><strong>0</strong></td>
<td><strong>103</strong></td>
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<tr>
<td>Subtotal Transport Costs</td>
<td><strong>40,220</strong></td>
<td><strong>10,013</strong></td>
<td><strong>23,080</strong></td>
<td><strong>3,398</strong></td>
<td><strong>3,729</strong></td>
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</tr>
<tr>
<td>5. Maintenance and Operational Costs</td>
<td>156,435</td>
<td>2,542</td>
<td>46,418</td>
<td>49,171</td>
<td>57,239</td>
<td><strong>1,065</strong></td>
</tr>
<tr>
<td>EXPENDITURE CATEGORIES AND ITEMS</td>
<td>OVERALL BUDGET (in USD)</td>
<td>Expenditures as of 31 Dec 2013</td>
<td>Expenditures as of 31 Dec 2014</td>
<td>Expenditures as of 30 Nov 2015</td>
<td>Commitments as of 31 Dec 2015</td>
<td>BALANCE (in USD)</td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>Subtotal Maintenance and Operational Costs</strong></td>
<td>156,435</td>
<td>2,542</td>
<td>46,418</td>
<td>49,171</td>
<td>57,239</td>
<td>1,065</td>
</tr>
<tr>
<td><strong>6. PR and Public Awareness</strong></td>
<td></td>
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<tr>
<td>PR Contract</td>
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<tr>
<td>TV spots production</td>
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<tr>
<td>TV spot broadcast</td>
<td>113,535</td>
<td></td>
<td>113,535</td>
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<tr>
<td>Radio Spot production</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Radio Spot broadcast</td>
<td></td>
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<td></td>
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<tr>
<td>Newspaper spot</td>
<td></td>
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<td></td>
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<tr>
<td>Leaflets/brochures</td>
<td>9,836</td>
<td>3,187</td>
<td>1,272</td>
<td>0</td>
<td>5,377</td>
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<td>Guidelines, manuals</td>
<td>10,500</td>
<td>4,294</td>
<td>5,271</td>
<td>0</td>
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<td>Posters</td>
<td>4,110</td>
<td>3,110</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
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<td>Social media</td>
<td>44,206</td>
<td>15,837</td>
<td>14,098</td>
<td>14,180</td>
<td>91</td>
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<td>TAR awareness campaign wristbands</td>
<td>3,265</td>
<td>3,265</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Printing legislative package (incl. new TAR maps)</td>
<td>17,245</td>
<td>17,245</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Editing and translation costs</td>
<td>9,172</td>
<td>7,451</td>
<td>1,721</td>
<td>0</td>
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<td>Public consultations through CSOs</td>
<td>215,710</td>
<td>215,710</td>
<td>0</td>
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<tr>
<td><strong>Subtotal PR and printing costs</strong></td>
<td>427,579</td>
<td>0</td>
<td>383,634</td>
<td>22,362</td>
<td>14,180</td>
<td>7,403</td>
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<tr>
<td><strong>7. Workshops/Meetings rental costs</strong></td>
<td>88,716</td>
<td>45,418</td>
<td>33,976</td>
<td>5,794</td>
<td>3,528</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Workshops/Meetings rental costs</strong></td>
<td>88,716</td>
<td>0</td>
<td>45,418</td>
<td>33,976</td>
<td>5,794</td>
<td>3,528</td>
</tr>
<tr>
<td>EXPENDITURE CATEGORIES AND ITEMS</td>
<td>OVERALL BUDGET (in USD)</td>
<td>Expenditures as of 31 Dec 2013</td>
<td>Expenditures as of 31 Dec 2014</td>
<td>Expenditures as of 30 Nov 2015</td>
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<td>BALANCE (in USD)</td>
</tr>
<tr>
<td>---------------------------------</td>
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<tr>
<td>8. Transitional support costs</td>
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<td></td>
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<tr>
<td>Preparation of amalgamation/due diligence</td>
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<td></td>
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<td></td>
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<tr>
<td>Assessment/Due diligence of 2 pilot LGUs</td>
<td>96,328</td>
<td>27,118</td>
<td>69,210</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Capacity building/training of new LGUs</td>
<td>63,394</td>
<td>0</td>
<td>63,394</td>
<td>0</td>
<td>0</td>
<td></td>
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<tr>
<td>Contract for replication of pilot models at other 59 new LGUs</td>
<td>780,450</td>
<td>0</td>
<td>76,500</td>
<td>700,671</td>
<td>3,279</td>
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<tr>
<td>Legal framework and definition of new LGUs borders</td>
<td>248,454</td>
<td>56,270</td>
<td>153,812</td>
<td>38,372</td>
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<td></td>
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<tr>
<td>Piloting OSSs for service delivery</td>
<td>127,730</td>
<td>0</td>
<td>106,511</td>
<td>21,148</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>Contracts-Development profiles of new LGUs</td>
<td>290,000</td>
<td>0</td>
<td>62,011</td>
<td>226,220</td>
<td>1,769</td>
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<tr>
<td><strong>Subtotal Other costs</strong></td>
<td>1,606,356</td>
<td>0</td>
<td>83,388</td>
<td>531,438</td>
<td>986,411</td>
<td><strong>5,119</strong></td>
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<tr>
<td>9. Subtotal direct costs (1-8)</td>
<td>3,420,312</td>
<td>2,542</td>
<td>1,177,613</td>
<td>1,066,010</td>
<td>1,138,266</td>
<td><strong>35,881</strong></td>
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<tr>
<td><strong>10. Administrative/Management Costs (up to 8%)</strong></td>
<td>252,147</td>
<td>0</td>
<td>72,960</td>
<td>67,893</td>
<td>108,424</td>
<td><strong>2,870</strong></td>
</tr>
<tr>
<td>11. Total costs (9+10)</td>
<td>3,672,459</td>
<td>2,542</td>
<td>1,250,573</td>
<td>1,133,903</td>
<td>1,246,690</td>
<td><strong>38,751</strong></td>
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</tbody>
</table>
ANNEX I (photos from different activities during reporting period)

Training of municipality specialists on entering data in the GIS system (territorial boundaries)
Maps and other documents part of the file provided to 61 LGUs in regard to their territorial definition
Signing of the contract with Grant Thornton

Meeting of GT and amalgamation team experts in Tirana Municipality
From the visit of Albanian delegation to Emilia Romagna Region, Italy
Situation of archiving in Vlora region
Meeting with general Directory of Archiving
United Nations Development Programme

Support to Administrative Territorial Reform (STAR) Project
Meeting on Due Diligence and Human Resources Management
Minutes of the Meeting dated 9 October 2015, UN House

Participants (in alphabetical order)

1. Elda Bagaviki, Swiss Embassy/Swiss Cooperation Office, National Programme officer,
2. Olsi Dekovi, Deputy Head, Council of Europe Office in Tirana
3. Enea Hoti, Advisor to the Minister of Local Issues (MoLI) and STAR Project Director
4. Debora Kern, Swiss Embassy/Swiss Cooperation Office, Director of Cooperation
5. Vladimir Malkaj, Programme Officer, UNDP
6. Edlira Muhedini, Local Programme Coordinator, Council of Europe Office in Tirana
7. Yesim Oruc, UNDP Country Director
8. Altjon Paloka, Amalgamation Team Leader, STAR project
9. Anila Shehu, Project Coordinator, Star Project

Objective of the Meeting

- To establish whether there is overlap between the Support to Territorial and Administrative Reform - STAR project outputs and the ongoing work of CoE with DoPA on Local Governments’ Human Resources Management
- To identify backward and forward linkages between the two streams of support to the Government of Albania and local government units.

Rationale of the Meeting

The rationale of the meeting was to clarify and avoid possible duplication of technical assistance on human resources management (HRM) issues provided by partners to local government levels and to avoid possible confusion or mixed messaging. The need to clarify is all the more critical because STAR project purports to bring to scale by Government of good practices developed by other ongoing projects. Further, next phases of STAR, including potential forthcoming EU funded TA, will among others focus on strengthening local administrations and their financial and human resources management as well as their capacities to partner.

Points Raised
CoE’s support to HRM at local level includes development of e-PAV (Electronic Local Administration Platform), already operational and accessible to authorities appointed. This extensive system allows for inventory of human resources and updating changes during transition period by allowing population of new structures based on HR inventory and legal criteria for each position. Support to HR units encompasses other elements of a HRM including inter alia the model of organizational structures, job analyses, job description, recruitment processes, career development, performance evaluation, training needs assessment and development of a methodology on how to proceed with HRM in the future. A HRM help desk at DoPA provides municipal HR managers legal advice on HRM issues, the implementation of Civil Service law and assists them in developing policies related to human resource management.

Pursuant to the Joint Directive no. 3237 of 16.07.2015, municipalities are requested to prepare due diligence reports for their new LGUs including an organizational chart, a gap analysis and a functional analysis among others. This Due Diligence Exercise, is required for the amalgamation of the LGUs.

The CoE project is addressing a critical gap in local administrations whereby human resources managers lack not only skills but also the empowerment to ensure that municipalities follow standards of human resources management. Support is provided nationwide to empower and build capacities of Human Resources Administrators. This capacity is critical not only for implementation of the civil service law at local levels but also for enabling the local administrations to effectively implements the vision emanating from the amalgamation exercise. The STAR project is promoting a bottom up approach in assisting local working groups articulate local amalgamation plans based among others in inventorying human resources and developing customized organizational charts for the 61 municipalities in line with their local specificities. This is being done with consultancies provided by GT. GT on its side has developed an internal tool calling it a help desk to monitor and assist only the field experts.

The importance of the continuity of assistance to DoPA was noted as a significant support to public administration reform including creation of standards and benchmarks on Human Resources Management (HRM), transposed into legislation and practices. In spite of what each of the project is doing, HR management is crucial in supporting new mayors to implement their strategies resulting in a necessity to bring the HRM issue at local level on well-established standards with transparent practices based on professionalism and meritocracy, especially in the recruitments in the public administration trying to avoid staff changes based on political affiliation.

DoPAs work in general and that of HR component supported by CoE in particular are all under rubric of public administrative reform and that these efforts have mid to long term perspective of local administrations’ capacity development. On the other hand, there is urgency for the completion of the due diligence process implemented through STAR project based on a mutually beneficial exchange of products and experiences developed by both projects.

**Conclusions**

There is sufficient ground for complimentary actions from both projects, where STAR project field work support the immediate needs of the due diligence requirements at the local level through
providing the initial HR snapshot and possible re-arrangement/organization of the HR in the new LGU, while the support provided by the CoE in collaboration with DoPA has a longer term objective and has to deal with the rules and regulations to be adopted by HR managers in leading their respective local offices and assisting their top local officials in resourcing the local administration adequately and in compliance with the legislation.

In summary, at the end of due diligence process, the new municipalities should have their new organizational structures where at first the needs for type and number of human resources should be identified by the mayors and heads of different departments based on the functional and gap analyses. The implementation of such structures is dependent on the HR management capacities supported by DOPA and CoE towards standardization and customization providing job descriptions for each function as stated by law.

In order to avoid confusion at the local level, an explanatory note for local government units which explains the specific roles of the technical assistance packages, their purpose and their expected results is recommended for dissemination by the Government partners.