ADMINISTRATIVE AND TERRITORIAL REFORM

ADMINISTRATIVE AND FINANCIAL CONSOLIDATION OF THE 61 NEW MUNICIPALITIES

THE ROAD TO METHODOLOGY
PAGE 2

A MORE POWERFUL INTERNATIONAL SUPPORT
PAGE 4

POGRADeci & URA VAJGuroRE THIS YEAR’S DESTINATION
PAGE 5

PREFECTURES PREPARED FOR THE TERRITORIAL REFORM IMPLEMENTATION
PAGE 6

STUDY VISIT FOR THE MODERNIZATION OF LOCAL INSTITUTIONS & SERVICES
PAGE 7
The first months of this year have been crucial to the success of the territorial reform implementation. The technical work on the field and the examination of the findings and observations in the pilot municipalities of Pogradec and Ura Vajgurore were the first step and the real example that would lead to the concrete merger of the 373 local units into 61 municipalities only.

The Minister of State for Local Issues, Bledi Çuçi, assisted by experts of the Support to Territorial Administrative Reform (STAR) project and KPMG company has been acquainted with and analyzed the pilot units thoroughly, including the organizational structure, their revenues and expenditures, services delivered, asset management and the legal framework on which their operation has been based, the information technology status and archives.

Based on this extensive exercise and the experience in the municipalities of Pogradec and Ura Vajgurore, and simultaneously in the ten communes that shall join the above-mentioned municipalities, the methodology that shall constitute the basis for the establishment of new municipalities has been developed. It contains clear recommendations for each step that builds and promotes sustainable municipalities, primarily aiming to improve the services delivered to every citizen and to empower the local government.

Following this second newsletter on the territorial reform, we would like to inform you of the events, meetings and experiences shared during the last three months, which have preceded the development of the methodology and territorial reform in general.
ADMINISTRATIVE AND FINANCIAL CONSOLIDATION OF THE 61 NEW MUNICIPALITIES
A more powerful INTERNATIONAL SUPPORT

Compliments from the international partners for the achievements in strengthening the local government in Albania were followed by the endorsement of their second financial contributions in February. Representatives from the governments of Sweden, Switzerland and USAID signed the second financial instalment for the “Support to Territorial and Administrative Reform” (STAR) project. Their total contribution reached the amount of 1.1 million dollars for the implementation phase of the reform, which aims towards the administrative and financial consolidation of the new 61 municipalities for a more democratic and efficient governance system for all Albanians.

The Minister of State for Local Issues, Bledi Çuçi, extended his gratitude to every international partner for the assistance provided in successful achievement of one of the most important objectives of the Albanian Government. During his speech, the Minister Bledi Çuçi highlighted that “The development of a new map is only the beginning of a much serious work towards the consolidation of the local government, with a view to transforming it into a democratic instrument that shall serve the final goal: more qualitative and efficient services for the communities.”

In their joint statement, the international partners congratulated the Minister for Local Issues Bledi Çuçi for the results achieved so far in strengthening the local government, leading the territorial and administrative reform in an open, consultative and timely manner, considering it a complex yet a successful process up to now.

Patrik Svensson, Chargé d’affaires of the Embassy of Sweden in Albania, who spoke on behalf of the donors, stated that: “The territorial and administrative reform is the necessary, but not the sufficient base for the strategic objective around which we gathered a year ago: A socially responsive, democratically inclusive, administratively functional local governance system which provides the services that Albanian men and women need and is accountable to them. Such a local governance system is also critical for Albania’s European integration.”

Minister Çuçi also awarded Certificates of Appreciation to all the international partners in the STAR project, for their contribution for efficient local governance in Albania.

The governments of Italy, Switzerland, the United States and Sweden have provided their financial and technical contribution to the Territorial and Administrative Reform through the United Nations Development Programme (UNDP). The Albanian Government has also allocated a fund of 100 thousand dollars to support this reform.
The central point of the territorial reform during the last months were the two pilot municipalities and the surrounding villages on which the work of experts and the attention of all stakeholders were concentrated. This was followed by several visits from the international partners.

In February, the Minister of State for Local Issues, Bledi Çuçi, together with the international partners in the territorial reform project (STAR), personally witnessed the progress of the pilot project in the municipality of Ura Vajgurore. Ura Vajgurore was part of the pilot project, which aimed to establish a model for the administrative and financial consolidation of the new municipalities.

Minister Çuçi, accompanied by the Ambassador of Switzerland, Christoph Graf, UN Resident Coordinator, Mrs Zineb Touimi-Benjelloun and the representatives of USAID and of the governments of Italy and Sweden, were acquainted with the progress and the challenges identified for the territorial reform implementation. The attendees were informed on the progress and experience of the piloting phase in this municipality. Experts of the project and KPMG Company in collaboration with the local staff have intensively worked to conduct the inventory of the tangible assets, properties under administration, etc., and the consolidation of the finances of the following units of Poshnjë, Kutali and Cukalat, which shall join the new municipality of Ura Vajgurore. This group of experts has carried out the evaluation of the financial data, legal grounds, administrative structure and IT systems in the local units that are part of the pilot municipalities Ura Vajgurore and Pogradec. Minister Çuçi and the present ambassadors also visited the Commune of Cukalat, which is currently non-functional due to the physical state of the building but also in terms of services provided to the community. Currently this commune collects only ALL 5 million revenues per year, it spends more than 80% of the budget in operational expenditures and in 2013, it did not make any investment with its own revenues. With the new territorial division, the Commune of Cukalat is expected to transform into an administrative centre, which shall provide more modern and efficient services.
The new mayors will not only be equipped with a methodology, guiding them along the process of the creation of consolidated municipalities, but shall also have a qualified staff in order to successfully implement this reform. A two-day training was held in March with the working groups of the territorial reform representing the 12 prefectures of the country. Thirty-six employees of the prefectures, who constitute these groups, were informed of the following steps regarding the territorial reform implementation and were introduced to the manual, which shall comprise the basis for the merging of local units into new municipalities. The training was focused on the challenges, approach and recommendations for the process of the territorial reform implementation related to the financial consolidation and organizational restructuring.

Fatos Ashiku, Head of the Audit Sector in the prefecture of Dibra, deemed the training and practice introduced as extremely valuable in order to achieve the financial consolidation of the local units. He stated, “We discussed about the current problems and learnt that many elements which are now implemented in the budget of communes and municipalities have deficiencies. We acquired knowledge of the detailed registration of the financial data in order to have more accurate results”.

The purpose of the training was to train the local staff to respond to the challenges that might be encountered during the consolidation process of the new municipalities and to support the territorial reform implementing structures.

Another participant in the training, Lorenc Brahimaj, who works in the legal sector in the Prefecture of Fier stated that the training that she and her colleagues received would be helpful when on the site, when working with the new municipalities. “The training and materials introduced were of a very high standard. If the consolidation of the local units on site will be on the same level, I believe that it shall successfully aid in leaving the old practices of the local governance”.

The training was conducted by representatives of the KPMG Company, which in collaboration with the STAR project has developed the basic manual for the merger of the local units in line with the new territorial-administrative map, based on the experience of the pilot project implemented in Pogradec and Ura Vajgurore.

The working groups from 12 prefectures consist of legal, financial, information and communication technology (ICT) experts.
In April, the group of experts of the territorial-administrative reform and STAR project carried out a 2-day visit in Kosovo to acquaint themselves with the experience of the neighboring country regarding the organization of the local government and the provision of services to citizens. The new administrative and territorial reorganization in Kosovo, which has been introduced as a successful model in the region and the best practices implemented for the modernization of the local institutions and services were presented during the meetings with the central and local institutions and the civil society.

During the meeting with the representatives of the Ministry for Local Issues, the discussion was focused on the organization of this ministry and on the powers, the autonomy and the revenues of local government in Kosovo. The meeting also introduced the system of measuring the performance of communes by means of a well-coordinated technological infrastructure between the ministry and communes.

The establishment and operation of “one stop-shop” or offices providing all the services at once was a key topic of the study visit at a time when the implementation of the territorial reform in Albania shall serve the aim to establish the same structure in order to provide more efficient and faster services to citizens.

The visit was then moved to the Commune of Gjilan and that of Novobërda, which provide services through the “one stop shop” system. The group of experts personally witnessed the organization and the structure of these offices as well as the application and the expansion of the communication and information technology.

The group of experts of the STAR project considered the experience and the practice of these communes in providing basic services to the citizens through the Internet as of a great interest to be borrowed or applied in Albania. The participants also held informative meetings with the civil society in Pristina, such as the Gap Institute, focused on good governance and monitoring the work of public institutions in Kosovo and with representatives of Internews Kosova and the online portal for reporting corruption www.kallxo.com.

The experience of the neighbouring country and their practices in increasing the performance and transparency of the local government were deemed extremely valid for the implementation of the territorial reform in Albania. At the same time, the visit provided a very strong basis to start a successful collaboration between Albania and Kosovo in this area.
Looking at the end of April, we can say that a preliminary formal merger of the local units has been carried out and, in the new territorial-administrative map, they belong to the big municipalities of Pogradec and Ura Vajgurore. KPMG, the company hired by the STAR project has drafted a report reflecting the consolidated financial data and the organizational structures proposed for the new municipalities of Pogradec and Ura Vajgurore. This report also contains a summary of observations and recommendations that will serve the new leaders of these municipalities to successfully accomplish the merging practice of the units they will comprise. Observations have been carried out and recommendations provided regarding the potential organizational structure of the new municipalities, following the analysis of the functions of the local government units and the services provided by them. Likewise, there is a single unified financial statement in place for each of the new municipalities (Pogradec and Ura Vajgurore) summarizing the revenues and expenditures.

A thorough analysis has also been conducted on the status and expansion of the communication and information technology, on archiving practices and asset management system in the local pilot units. By means of this analysis and collection of the information on the site, the deficiencies have been identified in these key areas and concrete recommendations have been drafted.

To support the merger of the current local units into the 61 new municipalities that shall emerge from the elections of June 21st, the Council of Ministers has decided to establish the Agency for the Implementation of the Territorial Reform (AITR). The purpose of this agency, which is subordinate to the Minister of State for Local Issues, is to provide assistance to ensure the continuity of the functions and public services at the local level, in the framework of the territorial reform implementation. Mr Artan Shkëmbi, who has served for more than ten years as the Mayor of Pogradec, has been appointed as the director of this agency.