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**LOCAL GOVERNANCE  
PROGRAM IN ALBANIA**

# LOCAL GOVERNANCE PROGRAM IN ALBANIA (LGPA) PROJECT COMPLETION REPORT SEPTEMBER 2007–JUNE 2011



**JUNE 2011**

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech ARD.



# PREFACE

USAID's Local Governance Program in Albania (LGPA) has worked with 10 municipalities throughout Albania to foster local economic growth, improve local governance, and strengthen civic and private sector engagement in local development activities.

The LGPA encouraged and facilitated local economic growth in target municipalities to increase investment, create jobs, raise incomes, and ultimately expand the municipal tax base. The LGPA also provided technical assistance and on-the-job training to staff in the target municipalities on a variety of governance issues, including tax collection, asset management, budgeting, procurement, and service provision, with the aim of improving management efficiency while creating a "business friendly" investment climate.

The 45-month, \$7.3 million project strengthened the involvement of local civil society groups and businesses in the local government planning and decision-making process. This was initiated by including the civic and private sectors in Local Economic Growth Committees (LEGCs), establishing participatory budgeting mechanisms, and creating local government outreach mechanisms. This project addressed the *Governing Justly and Democratically Objective* of U.S. Government Foreign Assistance, and especially the decentralization and civil society areas.

The LGPA commenced on September 26, 2007, and concluded on June 30, 2011. LGPA was implemented for USAID/Albania by Tetra Tech ARD (formerly ARD, Inc.)

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Principal Contacts: David B. Smith, Chief of Party (david.smith@tetrattech.com)  
Hilary Mclellan, Deputy Chief of Party (until June, 2010)  
Benjamin Lawrence, Project Manager (ben.lawrence@tetrattech.com)

Home Office Address: Tetra Tech ARD  
159 Bank Street, Suite 300, Burlington, VT 05401  
Tel: 802 658-3890, Fax 802 658-4247  
www.ardinc.com

## PHOTO CAPTIONS:

*Upper left photo:* Dissemination of best practices by a participant at the LGPA National Conference on Municipal Best Practices, September 2009. *Photo courtesy of LGPA staff.*

*Upper right photo, left to right:* Stephen Herbaly, USAID General Development Officer, and Mayor Baftjar Zeqai at the ribbon cutting for the computerized local tax office in the Municipality of Fier, February 2010. *Photo courtesy of LGPA staff.*

*Lower left photo, left to right:* Ms. Ada Permeti, regional Manager of ProCredit Bank, Mayor Niko Peleshi, and USAID Mission Director Joseph Williams at the signing of the municipal loan in the Municipality of Korçë, March 2010. *Photo courtesy of Paul Cohn.*

*Lower right photo:* former USAID Mission Director Roberta Mahoney at the opening of the LGPA National Conference on Municipal Best Practices, September 2009. *Photo courtesy of LGPA staff.*



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**DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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# ACRONYMS AND ABBREVIATIONS

AAB	Albanian Association of Banks
AAC	Albanian Association of Communes
AAM	Albanian Association of Municipalities
AITPA	Agency for the Inventory and Transfer of Public Property
ALL	Albanian Lek
ASET	Albanian Socio-Economic Think-tank
ATACT	Association of Traditional and Artistic Crafts and Trades
BAS	Business Advisory Services
BKT	National Commercial Bank
CAAP	Common Actions Against Poverty
CDC	Community Development Center
CED	Competitive Enterprise Development
CIP	Capital Investment Plan
CSDC	Civil Society Development Center
CSO	Civil Society Organization
DCA	Development Credit Authority (USAID)
DIDC	Democratic Integration and Development Center
DP	Democratic Party
EBRD	European Bank for Reconstruction and Development
EEC	Albanian Energy Efficiency Center
ENSI	Energy Saving International A/S
ERRU	Water Regulatory Authority of Albania
EUR	Euro
FACTS	Foreign Assistance Coordinating and Tracking System
FIAA	Foreign Investors Association of Albania
FORECAST	Focus on Results: Enhancing Capacity Across Sectors in Transition Countries (USAID)

GDP	Gross Domestic Product
GIS	Geographic Information Services
GIZ	<i>Deutsche Gesellschaft für International Zusammenarbeit</i> GmbH (German Society for International Cooperation)
GTD	General Directorate of Taxation
IDM	Institute for Democracy and Mediation
IDRA	Institute for Development Research and Alternatives
IPA	Instrument for Pre-accession Assistance (European Union)
IPA-CBC	Instrument for Pre-accession Assistance Cross Border Cooperation
IPRO	Immoveable Property Registration Office
IWP	Intelligent Women of Pogradec
IRR	Institute for Rural Research
IT	Information Technology
IWS	Intelligent Women of Shkodra
IZ	Industrial Zone
LBMC	Local Budget Monitoring Committee
LEG	Local Economic Growth
LEGC	Local Economic Growth Committee
LGPA	Local Governance Program in Albania
LGU	Local Government Unit
MC	Municipal Council
MCC	Millennium Challenge Corporation
MoF	Ministry of Finance
MoI	Ministry of Interior
MoU	Memorandum of Understanding
MSR	Missionaries of Social Rights
MTBP	Medium-term Budgetary Program
NGO	Nongovernmental Organization
NRC	National Registration Center
NTPA	National Territory Planning Agency
NVS	Net Vision Studio
OSCE	Organization for Security and Cooperation in Europe

OSR	Own Source Revenue
OSS	One-Stop-Shop
PA	Partners Albania
PBMP	Performance Based Monitoring Plan
PCV	Peace Corps Volunteer
PETS	Public Expenditure Tracking System
PPP	Public-Private Partnership
RDA	Regional Development Agency
RFA	Request for Applications
SBA	Small Business Association
SIAP	Service Improvement Action Plan
TIO	Tourism Information Office
URI	Urban Research Institute
US	United States
USAID	United States Agency for International Development
USD	United States Dollars
VAT	Value-Added Tax
WSSAA	Water Supply and Sewerage Association of Albania

# EXECUTIVE SUMMARY

From September 2007–June 2011, the Local Governance Program in Albania (LGPA) of the United States Agency for International Development (USAID) worked with 10 municipalities throughout Albania to foster local economic growth, improve local governance, and strengthen civic and private sector engagement in local development activities. LGPA was founded on two key strategic principles designed to encourage participation and enhance sustainability:

- LGPA pursued the *development of a “virtuous circle”* whereby new local private investment results in increased jobs, incomes, and related economic activity. Creation of this circle leads to greater municipal tax revenues, which allows the municipality to improve public services, and thereby attract additional investment and further economic activity.
- To facilitate this virtuous circle, LGPA worked closely with municipal governments and other interested stakeholders—including businesses and civil society organizations—to develop *“demand driven” programs of assistance*. Thus, through Local Economic Growth Committees (LEGCs) established in each target municipality and frequent interaction with local stakeholders, LGPA responded to requests for training and technical assistance defined by the stakeholders themselves.

## PRINCIPAL LIFE-OF-PROJECT ACHIEVEMENTS<sup>1</sup>

LGPA addressed three interrelated program activity components with the overarching goal to improve local governance through economic growth.

**Component 1: Local Economic Growth.** Under this first component, LGPA facilitated local economic growth in target municipalities. Since the end of 2008, the worldwide and regional economic downturn has produced a mixed pattern of economic growth in LGPA target municipalities and provided a severe challenge to Albania through the remaining life of the LGPA project. This has been reflected in reduced business activity and investment with a consequent decline in tax revenues at both the local and national level. Rising public debt levels and declining Gross Domestic Product (GDP) have resulted in severe limitations being placed on the ability of local governments to borrow funds to finance new investments. Nevertheless, despite the uncertain economic climate, significant advances have been made and the groundwork laid for sustainability.

Component 1 achievements and major activities undertaken and completed by LGPA include:

- **Development of bankable projects and municipal borrowing.** LGPA worked with all 10 target municipalities to develop “bankable projects” for commercial loans. In five cities (Fushë-Krujë, Korçë, Elbasan, Pogradec, and Lezhë), these projects resulted in the finalization of commercial loans from private banks. Four of these loans have disbursed funds to provide project funding. In Gramsh and Kukës, loan packages were approved at the local level but did not receive final clearance from the Ministry of Finance (MoF) despite meeting all technical criteria. In Fier and Librazhd, otherwise “bankable” projects failed to receive Municipal Council approval due to local political factors. In Shkodra, project planning was suspended due to issues arising from the floods. A Municipal

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<sup>1</sup> A detailed review of project achievements is provided in LGPA’s Final “Performance Based Monitoring Plan” (PBMP) Report, a separately published, stand-alone document, showing performance against targets for each of 17 impact indicators.

Borrowing Templates handbook was prepared to guide municipal and bank officials through the municipal loan tender, negotiation, and execution process.

- **Development of Public/Private Partnerships (PPPs).** During LGPA, nine PPPs were implemented involving municipal, private sector, and civil society collaboration and co-funding. These include Tourism Information Offices (TIOs) in Pogradec, Shkodra, Korçë, and Elbasan; a Winter Festival project in Korçë; and environmental clean-up/solid waste management activities in Librazhd, Gramsh, Fier, and Pogradec.
- **Preparation of Secondary Legislation for territorial planning.** LGPA assisted the National Territorial Planning Agency (NTPA) to conduct a public consultation process, leading to preparation of Secondary Legislation to implement the National Territorial Planning Law.
- **Regulatory planning and capital investment planning.** In Kukës and Fushë-Krujë, full-scale urban Regulatory Plans were developed to guide future growth. These plans have been approved at local and regional levels and are awaiting final approval by the National Territorial Planning Council. The Kukës and Fushë-Krujë plans were accompanied by Capital Investment Plans (CIPs) that identified the nature, timing, and cost of public infrastructure improvements required to achieve the plans. Pogradec, Gramsh, and Elbasan were assisted in updating their CIPs; the plans of Fier, Korçë, Lezhë, Librazhd, and Shkodra were reviewed to assess their compatibility with the municipalities’ mid-term budget processes.
- **Development planning assistance.** Conceptual physical development studies (“partial plans”) were accomplished for major projects in Fier (transportation center development); Kukës (commercial market relocation); Korçë (social housing development, Sports Planet complex); and Lezhë (industrial zone development). Legal and environmental assistance was provided to Shkodra (analysis industrial zone management options) and Lezhë (environmental review of the draft Regulatory Plan).
- **Budget training and technical assistance.** In cooperation with the Ministry of Finance, a two-day training on Mid-Term Budgeting Principles and Practice was conducted in November 2009 for representatives from target municipalities. A major component of this training addressed the factors that enhance municipal “creditworthiness” and eligibility for borrowing. Additional technical assistance was provided and/or reviews of mid-term budget documents were undertaken in Gramsh, Fushë-Krujë, Elbasan, Kukës, Korçë, Lezhë, Pogradec, Librazhd, and Fier.

Of the 12 LGPA Performance Indicators, 4 are associated with Component 1. Performance results achieved over the life of project include:

Component 1 Performance Results
<p><b>Increase in municipal direct private investment:</b></p> <ul style="list-style-type: none"> <li>● 2007 baseline: 149,929,000 Lek</li> <li>● Life of Project Target: 6% increase</li> <li>● Achieved: 483,226,000 Lek, or 222% increase</li> </ul>
<p><b>Increase in employment in target municipalities:</b></p> <ul style="list-style-type: none"> <li>● 2007 baseline: 76,162 employees</li> <li>● Life of Project Target: 6% increase</li> <li>● Achieved: 106,680 employees, or 40% increase</li> </ul>
<p><b>Increase in the number of businesses registered in target municipalities:</b></p> <ul style="list-style-type: none"> <li>● 2007 baseline: 8,174 businesses</li> <li>● Life of Project Target: 8% increase</li> <li>● Achieved: 17,370 businesses, or 112% increase</li> </ul>

## Component 1 Performance Results

### Number of “bankable” projects developed in target municipalities that receive financing from public or private sources:

- 2007 baseline: 0 bankable projects
- Life of Project Target: 7 projects
- Achieved: 6 projects, or 86% of the target

Only the “bankable projects” indicator was not fully achieved. This was due to economic and political factors outside the control of the LGPA, as described above.

**Component 2: Local Governance.** LGPA provided technical assistance and on-the-job training to staff in 10 target municipalities on a variety of issues including asset management, tax administration, public procurement, participatory planning techniques, and small business association development.

Component 2 achievements and major activities undertaken and completed by LGPA include:

- **Computerization of local tax administration.** Computer hardware and software for tax administration, accompanied by training and technical assistance, were installed in all 10 target municipalities in the largest single activity undertaken by the LGPA.
- **Handbook on local tax administration and fiscal package brochures.** With the co-sponsorship of the Ministry of Interior (MoI) and the MoF, LGPA prepared a manual to guide local tax administration. In addition, to improve transparency and clarity in communications with taxpayers, LGPA assisted the 10 target municipalities to publish “fiscal package” brochures that concisely state the type and manner of applying local taxes.
- **Property tax study.** LGPA commissioned a study and initiated a policy dialogue on the constraints and benefits of expanding the property tax as a source of local revenue (as well as an indirect way to influence land use efficiency).
- **Coordination with central government tax authorities.** LGPA sponsored two projects that will lead to better coordination and cooperation between local and central government tax authorities in the administration and enforcement of tax collections.
- **Asset Management Toolkit and Guidelines.** In cooperation with the MoI and other relevant central and local government representatives, LGPA prepared two documents to assist municipalities to manage their property assets better (the Toolkit) and to explain the legal/administrative basis for better utilization of those assets (the Guideline).
- **Technical assistance with asset registration.** In Gramsh, Pogradec, Lezhë, Korçë, and Librazhd, LGPA provided technical assistance and funding to register more than 3,000 individual municipal property assets.
- **Energy conservation.** LGPA provided training and funded energy audits in Korçë and Lezhë. A pilot demonstration project was funded in Korçë.
- **Procurement training.** LGPA provided training and technical assistance for e-procurement in 10 target municipalities.
- **Business plan development.** Business plans for water utilities were developed in Fier and Lezhë. A business plan for regional solid waste management was prepared for the Shkodra and Lezhë regions.

Of the 12 LGPA Performance Indicators, 4 are associated with Component 2. Performance results achieved over the life of project include:

<b>Component 2 Performance Results</b>
<b>Proportion of total municipal revenues derived from local municipal taxes:</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 26.3%</li> <li>• Life of Project Target: 7% increase</li> <li>• Achieved: 27.2%, or 3.4% increase</li> </ul>
<b>Increase in local revenue collections (own source revenues) in target municipalities:</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 1,360,427,000 Lek</li> <li>• Life of Project Target: 7% increase</li> <li>• Achieved: 1,481,849,000 Lek, or 8% increase</li> </ul>
<b>Percentage increase in public perception concerning effectiveness of target municipalities in functional areas (administration, property management):</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 46.5% positive perception</li> <li>• Life of Project Target: 6% increase</li> <li>• Achieved: 52.2% positive perception, or 12% increase</li> </ul>
<b>Percentage that perceive improvement in service delivery in target municipalities:</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 58.4% positive perception</li> <li>• Life of Project Target: 6% increase</li> <li>• Achieved: 62.2% positive perception, or 6.5% increase</li> </ul>

Only the “proportion of total revenues from local taxes” indicator was not fully achieved, even though the absolute increase in own source revenues (OSR) exceeded the target. The failure to increase the proportion of local taxes in relation to total revenues was due to a large increase in central government transfers to target municipalities during the life of the project.

**Component 3: Civic and Private Sector Engagement.** With LGPA assistance, target municipalities strengthened the involvement of local civil society groups, special interest groups, and businesses in the local government process. This was accomplished by including the civic and private sectors in the 10 Local Economic Growth Committees (LEGCs), establishing participatory budgeting mechanisms in selected cities, and implementing a small grants program that targeted civil society/business sector participation.

Component 3 achievements and major activities undertaken and completed by LGPA include:

- **Local Economic Growth Committees.** LEGCs were convened annually in each target municipality to provide a forum for municipal staff, business people, and civil society representatives to review, discuss, and update the local Action Plans. Results of these meetings were used to guide LGPA interventions.
- **Municipal websites.** With the assistance of Municipal staff and local Peace Corps Volunteers (PCVs), websites were developed in Pogradec, Librazhd, Gramsh, and Fushë-Krujë as a means to improve communications with citizens as well as a vehicle to promote the city to foreign visitors and investors. Materials were presented in English and Albanian. Assistance was provided to other cities to improve the quality of their website content.
- **Public information/service offices.** National Registration Centers were developed in Pogradec, Lezhë, and Vlore. Information offices were developed in Fushë-Krujë, Himara, and Fier; a manual was prepared for national distribution to aid other cities with similar offices.
- **Small business support.** A small business support program has provided training, awareness, and association-building efforts for small business leaders. Small Business Associations (SBAs) were

registered in Korçë and Lezhë; associations affiliated with Korçë were established in Pogradec, Librazhd, and Elbasan. SBAs improve the local business climate by creating a better relationship with local tax authorities, reducing tax evasion and other forms of business informality, and providing positive services that meet the needs of local business operators.

- **Project Expenditure Tracking Surveys (PETS).** Eight PETS, or “report cards,” on local government operations have been conducted.
- **Small grants.** LGPA’s Small Grants Program issued thirty grants that covered a wide range of activities, including service delivery improvements, promotion of women’s employment, participatory budgeting, and similar initiatives. As a result, local citizens and businesses have been enabled to work more closely with local authorities on both economic development activities and improvements to municipal operations. Additionally, the level and content of public/private dialogue have been raised.
- **Cross-cutting engagement.** In addition to the above items, many of the activities discussed under Components 1 and 2 have required close and active collaboration with local businesses and civil society organizations.

Of the 12 LGPA Performance Indicators, 4 are associated with Component 3. Performance results achieved over the life of project include:

<b>Component 3 Performance Results</b>
<b>Number of public/private partnerships (PPPs) in target municipalities:</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 0 PPPs</li> <li>• Life of Project Target: 6 PPPs</li> <li>• Achieved: 9 PPPs, or 50% more than the target</li> </ul>
<b>Number of associations that partnered with target municipalities on development initiatives:</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 0 associations partnering</li> <li>• Life of Project Target: 12 associations partnering</li> <li>• Achieved: 53 associations partnering, or 441% more than the target</li> </ul>
<b>Number urban development studies/plans developed with target municipalities:</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 0 studies</li> <li>• Life of Project Target: 8 studies</li> <li>• Achieved: 8 studies, or 100% of the target</li> </ul>
<b>Number of civic or private sector groups that conduct Public Expenditure Tracking System (PETS) or report cards on local government operations (general or services) to track corruption:</b> <ul style="list-style-type: none"> <li>• 2007 baseline: 0 PETS/report cards</li> <li>• Life of Project Target: 7 PETS/report cards</li> <li>• Achieved: 8 PETS/report cards, or 14% more than the target</li> </ul>

All of the Component 3 indicators were fully achieved.



# 1.0 INTRODUCTION

## 1.1 LGPA IN CONTEXT

The Local Governance Program in Albania (LGPA) is the most recent in a series of United States Agency for International Development (USAID)/Albania programs supporting decentralized local government in Albania since the transition to a market-oriented democracy was initiated in the early 1990s.

USAID has provided support to Albania to strengthen local governance and implement the decentralization process since the 1990s. Decentralization became a focus of government policy in Albania in 1998 with the adoption of a new Constitution containing clear provisions regarding local government. The first national decentralization strategy was prepared during 1999 and was based on a comprehensive participatory approach. This process had substantial support from USAID. Implementation of the strategy was launched in 2000 with the adoption of the Law on Organization and Functioning of Local Government (“Law 8652”). Key fiscal decentralization reforms adopted from 2001–2005 established the basis for a sound local finance system to support implementation of Law 8652. The national decentralization strategy was revised and updated in 2006. A further review was undertaken in 2010; a formal revision of the strategy has not yet been reissued.

By the initiation of the LGPA project in October 2007, various functions and responsibilities had been delegated to local government units (LGUs). The process of asset transfer was initiated; laws on municipal borrowing and territorial planning had been drafted and were under consideration by Parliament. LGPA has built on and extended this legal and institutional environment by working with 10 target municipalities and relevant central government authorities to:

- Increase the efficiency and effectiveness of local tax administration and “own source” revenue (OSR) generation;
- Enable local governments to exercise their municipal borrowing capacity;
- Facilitate the transfer of physical assets, establish municipal asset registers, and prepare guidelines for their use;
- Establish a system of public/private partnerships (PPPs) as a vehicle to achieve local economic development goals;
- Improve the equity, quality, and efficiency of municipal service delivery (as indicated by the surveys conducted);
- Create the regulatory framework for local territorial planning;
- Improve dialogue and enhance communication among municipal governments, local business leaders, and civil society organizations (CSOs); and
- Achieve greater citizen satisfaction with municipal performance and a higher standard of life for local residents (as indicated by the three Citizen Perception surveys conducted during the course of the LGPA).

## 1.2 LGPA STRUCTURE

USAID's LGPA operated over a 45-month period, from September 26, 2007–June 30, 2011. LGPA worked with 10 municipalities geographically dispersed throughout Albania that reflected a range of population sizes. The project focused on seeking practical solutions to key issues confronting Albanian municipalities as they manage an increasingly decentralized system of governance. LGPA supported activities in three thematic areas:

- Fostering local economic growth;
- Improving local governance; and
- Strengthening civic and private sector engagement in local development.

These three thematic areas also provided the structure for the staffing and management of the LGPA.

**Component 1: Local Economic Growth.** LGPA aimed to encourage and facilitate local economic growth in order to increase investment, create jobs, raise incomes, and expand the tax base in target municipalities. A bi-partisan and broadly representative Local Economic Growth Committee (LEGC) was established in each target municipality, incorporating representatives from public, private, and civil society sectors. These committees helped to create a strategic vision of the future economic development of the municipality and prioritized immediate actions within the context of a short-term local economic development plan. Committees also identified immediate public service improvement opportunities to attract investment.

**Component 2: Local Governance.** LGPA provided technical assistance and on-the-job training to staff in the 10 target municipalities on a variety of issues including tax collection, asset management, budgeting, borrowing, and service provision. This component capitalized on and enhanced efforts undertaken in the Local Economic Growth (LEG) component. Through better asset management practices, municipalities identified assets that can be disposed of or leased to private investors for improvement. Improved tax collection allowed the municipalities to capture increased taxes, primarily by means of a highly functional and easily implemented computerized tax administration model. Increased revenues from better asset management and tax collection allowed target municipalities to improve the quality and efficiency of services provided to citizens and businesses.

**Component 3: Civic and Private Sector Engagement.** Target municipalities strengthened the involvement of local civil society groups, special interest groups, and businesses in local government processes. This was accomplished by including civic and private sectors in LEGCs, establishing participatory budgeting mechanisms that captured citizen input, and creating local government outreach tools such as newsletters and websites. Governance transparency was increased through open council meetings; open processes for purchasing, leasing, and disposing municipal assets; and an open budget process.

In addition to these three components, the LGPA Small Grants Program provided support to local and national nongovernmental organizations (NGOs) to support their activities in one or more of the above thematic areas.

## 1.3 SELECTION OF PARTNER AND CONTROL MUNICIPALITIES

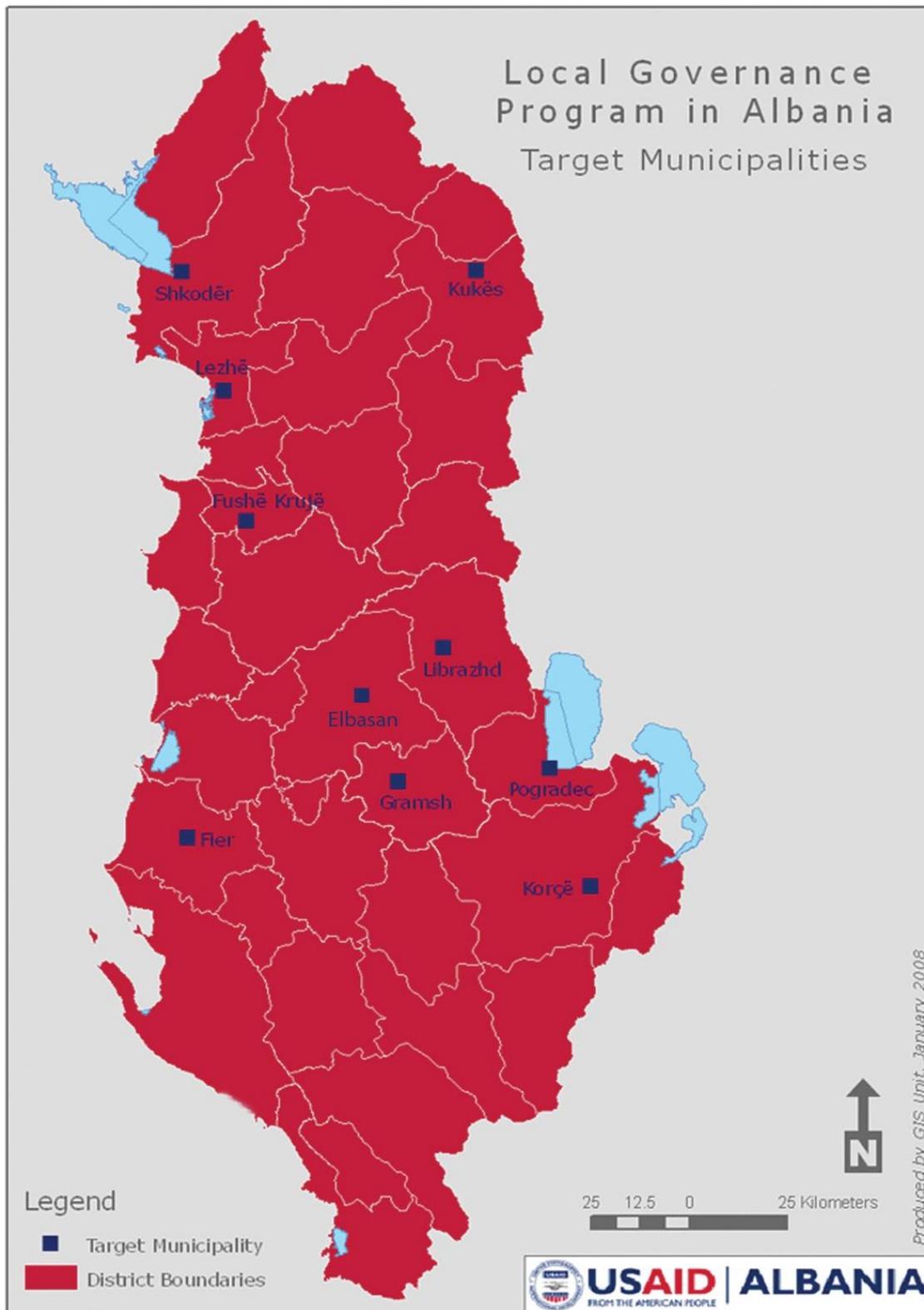
LGPA's initial 10 partner municipalities were Fier, Fushë-Krujë, Gramsh, Himara, Korçë, Kukës, Lezhë, Librazhd, Pogradec, and Shkodra. In 2010, Elbasan was substituted for Himara (see Figure 1.1 on page 4).

To select the partner municipalities, the LGPA team first screened the candidates using a “fiscal strength” filter: municipalities that showed a history of low rates of OSR generation were eliminated from the pool as being either incapable or unwilling to take the initiative to raise municipal revenues needed to provide basic services. This filtering tended to eliminate smaller municipalities with a population under 10,000 persons.

Next, the remaining municipalities were disaggregated into four regions to ensure good geographic coverage and candidates were randomly selected from each region, yielding a total of 14 candidates. The 14 candidate municipalities were visited and interviewed to ensure their willingness to participate in the program. Following the interview process, the final 10 target municipalities were identified.

Lastly, 10 control municipalities were randomly selected from the remaining cities in the field of candidates in order to support a data-based monitoring and comparison of project impacts in target and control municipalities.

FIGURE 1: MAP OF LGPA'S 10 TARGET MUNICIPALITIES (AS OF JUNE 30, 2011)



# 2.0 PRINCIPAL ACHIEVEMENTS

This section of the Project Completion Report briefly summarizes some of the key accomplishments of the LGPA. A more detailed review of project achievements for each component/major activity is provided in the LGPA's "Performance Based Monitoring Plan" (PBMP) Report, a separately published, stand-alone document, showing performance against targets for each of 12 impact indicators and five FACTS (Foreign Assistance Coordinating and Tracking System) indicators.

## 2.1 COMPUTERIZATION OF LOCAL TAX ADMINISTRATION OPERATIONS

All 10 participating municipalities have had information technology (IT) hardware and tax administration software installed during Years 2 and 3 of the project implementation. All now have the system running and operational. The LGPA mayors have generally singled out the assistance provided for computerizing local tax administration as a major success of the program.

Hard data are just now beginning to come in; it is too early to isolate the precise extent to which the computerization of local tax administration will increase local tax revenues, particularly since it may be imputed that the poor economic climate is likely to adversely impact near term collection rates. It is nonetheless clear that computerization has increased the ability to administer local taxes more efficiently and transparently.

LGPA's efforts with the computerization of local tax administration included successful collaboration at the central government level with a view towards making certain that the newly designed system fully reflects the needs and concerns of key national institutions. In partnership with the Treasury Department of the Ministry of Finance (MoF), modifications were made in tax payment order forms and Commercial Banks adjusted their systems to assure compatibility with the Treasury system. The Treasury is now able to provide timely and accurate data to local governments on payments credited to their accounts from specific taxpayers. Further, a working group was formed by LGPA and the MoF to facilitate local government and business sector awareness of and compliance with newly effective laws on the use of cash registers. A partnership with the General Directorate of Taxation (GTD) led to the procurement of equipment that generates and transmits reports from the GTD to local tax offices regarding cash register data. This will help improve the monitoring and enforcement of business taxes at the local level.

## 2.2 SUCCESSFUL PILOTING OF MUNICIPAL BORROWING

One municipal loan was finalized during Year 2 (in Fushë-Krujë); four additional loans were finalized during Year 3 (in Elbasan, Korçë, Lezhë, and Pogradec). Two additional loans (in Kukës and Gramsh) were prepared but have not received final clearance or rejection by the MoF as of the conclusion of the LGPA project.

Continuing concern at the national level over the ratio of aggregate public debt to Gross Domestic Product (GDP) led the MoF to limit the level of municipal loan disbursements allowed in 2010 to 5 percent of a municipality's prior year's budget. This limitation has been continued and made more severe in 2011. Combined with lower local tax revenues and other fiscal constraints resulting from the economic downturn, this has made some municipalities less willing or less able to seek loans at this time.

Nevertheless, the LGPA has firmly established municipal borrowing as an important source of funds for local public investments. As the economic and financial climate improves in Albania and the region, local governments can be expected to take advantage of the precedents created during the LGPA project through reliance on the Municipal Borrowing Templates report and other guidance materials generated by the project.

The preparation and publishing of a set of templates on municipal borrowing has included a model “municipal loan contract” that is intended to bring greater consistency to the borrowing process, simplify the issues to be resolved during the review and negotiation of bank offers, and eliminate unnecessary confusion to the maximum extent possible. Portions of the template can be incorporated into tenders issued by municipalities and specified as the framework for use by banks in structuring municipal loan offers and agreements. The borrowing templates are accompanied with detailed explanations on how and when to use each template.

Template documents include:

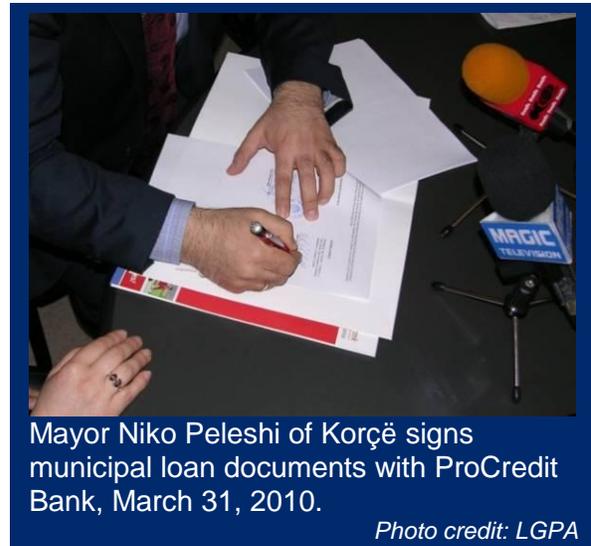
- Sample loan agreement;
- Sample intercept financing agreement;
- Sample reports for Municipal Council loan approval; and
- Samples of communications among the municipality and the MoF (including the Debt Department), Treasury Department, and commercial banks.

Participants in drafting and reviewing the templates included the Albanian Association of Banks (AAB) representatives from 13 individual banks, staff from the LGPA target municipalities, and staff of MoF.

### **2.3 ACCELERATED ASSET INVENTORY, MANAGEMENT, AND REGISTRATION**

The law enabling transfer of certain state assets to local government units dates to 2001. This task requires considerable effort on two levels. First, all state assets available for transfer (equipment and immovable property, i.e., real estate) must be inventoried and the lists subsequently submitted and approved at the central level. Second, once central government approves the inventory lists, the properties must be surveyed, documented, and registered with the Immoveable Property Registration Office (IPRO). This requires paying expenses and fees that many local governments cannot easily afford. While 95 percent of communes and municipalities have completed the inventory of state assets—comprising literally tens of thousands pieces of equipment and buildings—only approximately 20 percent have undergone full transfer, including registration, to local management.

In addition to its direct support of the 10 target municipalities, LGPA has played a significant role in making program materials available to all Albanian local governments and in advocacy to central government for expedited processing and reduction or waiver of registration fees. Major asset management accomplishments include:



- LGPA published and widely distributed two key tools to enable local governments to manage the asset inventory process efficiently. In the program's second year, a *Municipal Asset Management Toolkit* was published that conveyed accurate information concerning the asset transfer process, survey, and ownership registration. This toolkit was seen to have accelerated asset inventory activities nationwide, as it clarified many issues which were impeding progress. In the program's third year, LGPA completed a *Guideline on Local Government Asset Management*, which addressed legal and procedural issues involved in utilization of municipal assets, key to both good management and use of certain assets for economic development activities. This guideline complemented the previously published toolkit and was accordingly endorsed by the Decentralization Office at the Ministry of Interior (MoI). It was widely distributed in hard copy and available for download at the LGPA website.



Deputy Minister of Interior Ferdinand Poni addresses participants at the workshop on the draft Asset Management Guideline with (from right to left) Edlir Vokopola, URI; Suzana Cullufi, USAID; Steve Herbaly, USAID; and David Smith, LGPA. 23 March 2010

Photo Credit: LGPA

- LGPA directly assisted all of its 10 municipalities in accelerating the inventory and registration process. A catalogue of the newly registered assets and training materials was produced for use by asset managers. The inventory process has been essentially completed in 6 of the 10 municipalities and is well on its way toward conclusion in the program's larger sites with greater assets.

## 2.4 SUPPORT TO URBAN/TERRITORIAL PLANNING AND CAPITAL INVESTMENT PLANNING

In April 2009, Albania passed a new *National Territorial Planning Law*. This law is widely viewed as a significant step establishing the basis for much needed management of rational growth patterns and regulation of long term development throughout Albania. Under this law, municipal land use/development plans will be designed with citizen input and will be coordinated at regional and national levels. Such plans, combined with strategic capital investment plans and specific feasibility studies, will potentially form a solid platform for municipal physical development in coming years. Under a Memorandum of Understanding (MoU) with the newly created National Territorial Planning Agency (NTPA), LGPA agreed to prepare key components of the implementing secondary legislation, including the draft Uniform Regulations, Planning Model Regulations, and Development Control Regulations.

This was accomplished through a broadly participatory process involving local and central governments as well as private sector and civil society representatives. Although the work was completed in November 2010, finalization of the secondary legislation by the NTPA was delayed, in part because of the pressures of the local elections held in May 2011. In June 2011, the NTPA submitted the secondary legislation package to the Council of Ministers. The Council gave its final approval on June 22, 2011.

Nonetheless, LGPA had already taken steps to demonstrate effective planning processes by undertaking production of territorial plans in two participating municipalities, Kukës and Fushë-Krujë, using both the old law and the new law as guiding documents. This flexibility is a significant example of the program's efforts to respond to events in a timely manner as they emerged over the life of the project.

Important LGPA accomplishments include the completion of Capital Investment Plans (CIPs) and Urban Regulatory Plans in Kukës and Fushë-Krujë. These complementary plans forecast long-range development and budgeting for municipal infrastructure improvements. Both Urban Regulatory Plans were approved at local and regional levels and are currently pending final approval at the national level. Other LGPA cities, including Korçë, Pogradec, Fier, Lezhë, and Shkodra, are well into preparation and/or locally approving similar regulatory plans, having received funds from other donors and/or prioritized and allocated municipal funds for this purpose. A feasibility study for development of an industrial zone in Lezhë was also completed with LGPA assistance and incorporated into the Urban Regulatory Plan that it has in process. Other major site-scale development projects were undertaken with LGPA assistance in Korçë, Kukës, and Fier.



NTPA Director Kreuzha Leka, center, attends a presentation by LGPA partner Co-PLAN, summarizing the results of a series of regional roundtable discussions of the new National Territorial Planning Law, 4 June 2010. The consultation process provided input for the drafting of secondary legislation for the implementation of the new law.

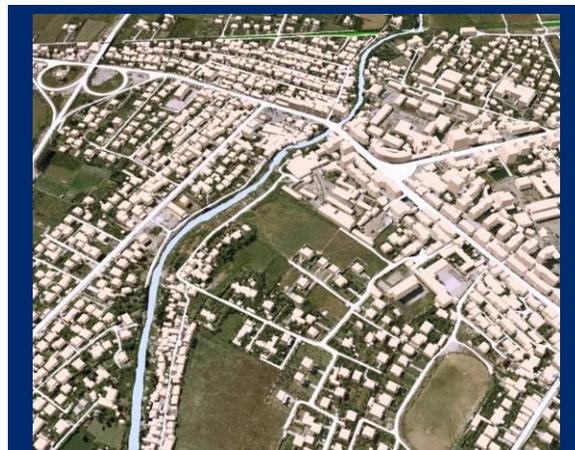
*Photo credit: Co-PLAN*

## 2.5 ASSISTANCE TO REGIONAL DEVELOPMENT AGENCIES FOR THE DEVELOPMENT OF SMALL BUSINESS ASSOCIATIONS

Through the Regional Development Agencies (RDAs), USAID has supported Small Business Association (SBA) development for a number of years. It is estimated that perhaps 80 percent of Albania's municipalities have established some form of SBA. Unfortunately, many of these associations are currently inactive; however, great potential has been evident among those that are active.

Small business support programs were initiated in all LGPA municipalities to provide training, awareness, and association-building efforts for small business leaders. Organized SBAs enabled the businesses to raise their concerns with local tax authorities and other public officials in an effective, representational manner. SBAs were created in Korçë and Lezhë; associations affiliated with Korçë were established in Pogradec, Librazhd, and Elbasan. In Korçë and Lezhë, the RDA, with assistance from LGPA, has provided support to develop the SBA by-laws, structure, and member recruitment efforts. LGPA also provided computer equipment to assist in the administration of the Korçë SBA.

With full cooperation from the Municipality, the Pogradec SBA initiated a local tax payment sticker program. The program was replicated in Elbasan and Korçë and is under consideration by other municipalities. The tax payment program is designed to increase tax collections from informal small businesses and to encourage those informal businesses to register as formal tax-paying entities.



Scale model of the center of Fushë-Krujë, produced as part of the Regulatory Plan process.

*Photo credit: Co-PLAN*

The impact of these targeted organizational activities may in part be reflected by the number of active and registered businesses in participating municipalities, which have increased by 45 percent from the 2009 revised baseline. Similarly, in the first four months of 2010, employment in LGPA target municipalities increased by 5 percent from the 2009 revised baseline. These positive shifts can be interpreted to reflect a decrease of informality as well as a net increase in the initiation of new enterprises. LGPA's role in this has been contributory; establishment of the National Registration Center (NRC) by the Millennium Challenge Corporation (MCC) has also contributed substantially to the impressive achievement of this indicator. The positive result should be seen as a joint effort of both programs.

The Korçë SBA has 70 small business members and robust leadership that is working hand-in-hand with local government to assure that taxes are paid by all small businesses. Since it is estimated that perhaps 40–50 percent of Albania's small businesses are informal, the lost tax revenue is significant and opportunities for corruption more abundant. It is thus in the interests of tax-paying small businesses to see that taxes are paid by all active businesses. The SBA members see a need to work more closely with municipalities to create PPPs involving bona fide businesses; therefore, they focused on the development or more effective utilization of public assets transferred from the central government.



LGPA supported the creation of three National Registration Center offices, in Lezhë, Pogradec, and Vlore. The registration offices simplify the process of business registration, contributing to a “business friendly” climate. They will also help simplify local tax collection, thereby enhancing municipal sustainability. Shown above is the Pogradec NRC office, immediately inside the Bashkia office building entry.

*Photo credit: LGPA*

# 3.0 COMPONENT 1: LOCAL ECONOMIC GROWTH

## 3.1 TARGETS AND OBJECTIVES

LGPA was founded on two key strategic principles:

- LGPA pursued the *development of a “virtuous circle,”* whereby new local private investment results in increased jobs, incomes, and related economic activity. This would lead to greater municipal tax revenues, allowing the municipality to improve public facilities and services, and thereby attract additional investment and further economic activity.
- To facilitate this virtuous circle, LGPA worked with municipal governments and other interested stakeholders—including businesses and CSOs—to develop *“demand driven” programs of assistance.*

The intent has been to foster economic growth through a participatory process involving all relevant actors: the business community, local public/administrative authorities, and civil society. By working collaboratively, these groups were able to develop a shared strategic vision for future economic development of the municipality and helped to prioritize immediate actions to be taken within the context of the short- and medium-term local economic development strategies. The involvement of all actors interested in local development also provided an environment that was able to encourage and attract potential investors.

Through the creation of Local Economic Growth Committees (LEGCs) and frequent interaction with local stakeholders, LGPA has responded to requests for training and technical assistance needed to achieve the development objectives defined by local stakeholders.

By subsequently disseminating “best practices” throughout Albania, LGPA also aided other local government entities to improve their economic development experience. Although working primarily at the local level to foster economic growth, LGPA indirectly contributed to overall national economic growth.

Component 1 Expected Results:	Indicators & Achievements:
<ul style="list-style-type: none"> <li>• Target municipalities are successfully accessing commercial credit markets.</li> <li>• Target municipalities are using the planning and borrowing laws to engender smart economic growth.</li> <li>• Target municipalities are among those that are deemed “business friendly.”</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Increase in municipal direct private investment:</b> <ul style="list-style-type: none"> <li>– 2007 baseline: 149,929,000 Lek</li> <li>– Life of Project Target: 6% increase</li> <li>– Achieved: 483,226,000 Lek, or 222% increase</li> </ul> </li> <li>• <b>Increase in employment in target municipalities:</b> <ul style="list-style-type: none"> <li>– 2007 baseline: 76,162 employees</li> <li>– Life of Project Target: 6% increase</li> <li>– Achieved: 106,680 employees, or 40% increase</li> </ul> </li> <li>• <b>Increase in the number of businesses registered in target municipalities:</b> <ul style="list-style-type: none"> <li>– 2007 baseline: 8,174 businesses</li> <li>– Life of Project Target: 8% increase</li> <li>– Achieved: 17,370 businesses, or 112% increase</li> </ul> </li> <li>• <b>Number of “bankable” projects developed in target municipalities that receive financing from public or private sources:</b> <ul style="list-style-type: none"> <li>– 2007 baseline: 0 bankable projects</li> <li>– Life of Project Target: 7 projects</li> <li>– Achieved: 6 projects, or 86% of the target</li> </ul> </li> </ul>

## 3.2 DESCRIPTION OF KEY ACHIEVEMENTS

During the period of implementation, LGPA Component 1 staff worked closely with the 10 target municipalities, Ministry of Finance staff, AAB, and other actors to support designing of Local Economic Development Plans, consolidate municipal budgets, prepare CIPs, and make possible loans from the private banking sector to 7 out of 10 municipalities.

The following sections summarize activities carried out and milestones achieved under the Local Economic Growth Component for the entire period of implementation.

### 3.2.1 Raised Awareness and Capacity to Utilize the Borrowing Law

Working with the view of assisting target municipalities to access credit and/or other potential funding sources, LGPA identified borrowing as an important financial instrument that can dramatically increase LGU financial capacity, necessary in order to implement large investment projects that cannot be financed solely through their annual operating budgets. The “Law on Local Government Borrowing,” enacted in 2008, was an important first step towards the expansion of LGU financial capabilities, which has enabled them to undertake investment projects that would otherwise be impossible to complete successfully with the limited resources available in the LGUs’ annual budgets. To accomplish this, LGPA:

- Organized a *National Conference on Municipal Borrowing* (April 2008.) The conference provided a forum for city officials to learn about and discuss opportunities created by this law. Conference presentations by local and international experts focused on the details of the law and secondary legislation, as well as topics like creditworthiness and methods for developing creditworthy projects.
- Periodically provided *information on the local borrowing law* to interested actors including the members of the AAB, individual financial institutions, LGU representatives, and MoF staff.
- Prepared an *Overview of Albanian Local Governance for Borrowing Purposes* document (May 2008) which was shared with interested Albanian banks.

- Organized a *technical round table* with the AAB to present the new law on local government borrowing and financial capacities of Albanian LGUs.
- Held *technical meetings with the principal banks active in the Albanian financial market* to discuss project financing possibilities for Albanian LGUs, including those that signed a DCA<sup>2</sup> agreement with USAID.
- Developed and disseminated *Guidelines on Municipal Borrowing* (April 2009) to provide information on:
  - Legal environment for borrowing;
  - Procedures and roles of municipal departments in developing project proposals (role of the local executive and role of the local council);
  - Operational feasibility analysis;
  - Financial feasibility analysis (how much to borrow, the cost of borrowing, maturities, and how to repay); and
  - How to develop feasible project proposals, including:
    - Involvement of the municipal council;
    - Public engagement; and
    - Albanian case studies (Fushë-Krujë and Korçë).

These guidelines were disseminated to LGPA target municipalities (recipients included mayors, vice-mayors, local economic development departments, financial departments, and local councils); to all other LGUs in Albania; and to key staff in the MoF, MoI, the Albanian Association of Municipalities (AAM), and the Albanian Association of Communes (AAC). The publications included financial templates and exercises on how to calculate borrowing limits and loan disbursement schedules.

- Developed and disseminated a set of *Borrowing Templates* (initially published in September 2010 and revised in March 2011) with detailed explanations on how and when to use each template, including:
  - Recommended steps for preparing loan applications and supporting documentation;
  - Sample loan agreement;
  - Sample intercept financing agreement;
  - Sample communications between the municipality



The Municipal Borrowing Templates document provides detailed descriptions of procedures and forms for conducting borrowing at the local level.

Photo credit: LGPA

<sup>2</sup> USAID's Development Credit Authority (DCA) has entered into agreement with two Albanian Banks (National Commercial Bank [BKT] and Raiffeissen) to provide partial guarantees for 50 percent of the risk of nonpayment by participating municipalities. This has been applied to the loans in Elbasan, Lezhë, and Fushë-Krujë.

and the MoF (including Debt Department, Treasury Department, and branches of commercial banks); and

- Sample financial indicators, calculations, and data sets to be prepared in support of the loan application and review.
- In cooperation with the AAB, *organized two round tables with banks* (February and May 2010), where draft templates of intercept financing and loan agreements were presented to bank representatives for comment and feedback. Individual follow-up meetings were held for additional feedback.
- Organized a presentation on *successful municipal borrowing procedures and documents* (September 2010), with representatives from the banking sector, LGUs, MoF, MoI, and LGU associations.

In partnership with the individual target municipalities, additional activities were undertaken to increase access to financial resources, including:

- Assisted target municipalities to access credit and funding:
  - Provided information and training to target municipal staff. (Two workshops conducted on June 26–27 and July 2–3, 2008); and
  - Assisted 8 of the 10 partner cities to develop loan applications, perform due diligence on proposed projects, conduct feasibility studies, and apply to commercial banks for funding:
    - Fushë-Krujë, Korçë, Elbasan, Pogradec, and Lezhë signed loan agreement with banks for a total amount of 1,533,000,000 Albanian Lek (ALL).
    - Gramsh and Kukës obtained Municipal Council loan application approvals and applied to MoF for final approval for a total amount of 73,000,000 ALL. (To date, no formal response has been received from the Ministry.)
    - Librazhd opened the loan process with commercial banks. The International Investment Bank was selected as the best offer but the loan was not approved by the Municipal Council.
    - Worked with Fier to prepare a financial analysis on borrowing capacities. Further effort was not possible because of the political impasse with the Municipal Council over approval of the municipality's annual budget.
- Fushë-Krujë received a competitive grant from the central government for complementing the Ring Road project, based on the overall project proposal prepared with LGPA assistance. Similarly, in Gramsh and Kukës, local officials are awaiting announcement of competitive grant (regional development funds) approval for the project investment plans developed with LGPA assistance to be financed by commercial loans.
- Assisted eligible partner cities to prepare applications to access the European Union's Instrument for Pre-accession Assistance (IPA) funds for cross border cooperation through:
  - Organizing training for target municipalities (Kukës in October 2009 and Struga in December 2009);
  - Drafted and made possible the signing of six MoUs for cross border application between Korçë, Librazhd, Pogradec, Gramsh, and Elbasan with eligible municipalities in Macedonia (June 2010); and

- Assisted in the preparation of seven project proposals for five partner cities on July 19, 2010 for a total budgeted amount of 1,400,000 Euros (EUR).

### 3.2.2 Developed Improved Annual, Medium-term, and Capital Budgeting Techniques

- Partnered with MoF to provide a *general workshop on the Medium-term Budgeting Program (MTBP)* for all municipalities in Albania (April 2009). Subsequently partnered with MoF to provide more detailed training on MTBP only for LGPA partner cities (November 2–3, 2009).
- Assisted MoF staff to *develop 2010 and 2011 annual budget instruction* with regard to borrowing procedures and related treasury procedures.
- Provided technical assistance to MoF to include a specific provision within the annual 2010 budget instructions with regard to borrowing procedures and related treasury procedures.
- Provided technical assistance to MoF’s Treasury and Debt Departments to prepare an *instruction on loan disbursement and operational procedures* among LGU–Treasury Branches and Commercial Banks.
- Provided assistance to selected LGPA municipalities in the development of capital budgets with broad stakeholder participation to calculate different scenarios for project financing and to ensure that local councils receive comprehensive information on financing options (Fushë-Krujë, Kukës, Pogradec, and Gramsh).
- Coordinated with target municipalities and MoF to ensure target municipalities adhere to legal obligations and new budget guideline.
- Provided on-the-job training as needed to municipal finance departments on treasury procedures and cooperation with regional treasury branches and MoF.
- Provided on-the-job training on drafting/preparing MTBPs for 2010 and 2011–2013. Emphasis was not only on the financial tables but also on the financial policy component of the MTBP which corresponds with existing CIPs.
- Reviewed and revised capital investment plans in LGPA municipalities to ensure that they are harmonized with the MTBP.



LGPA Chief of Party David Smith opens the Mid-Term Budgeting seminar in Tirana on April 30, 2009. Also present are Ornela Shapo of the LGPA, Deputy Minister of Finance Sherefedin Shehu, and Director of Intergovernmental Fiscal Affairs Fran Brahimi.

Photo credit: LGPA

### 3.2.3 Improved Practices and Procedures for Strategic Development Planning

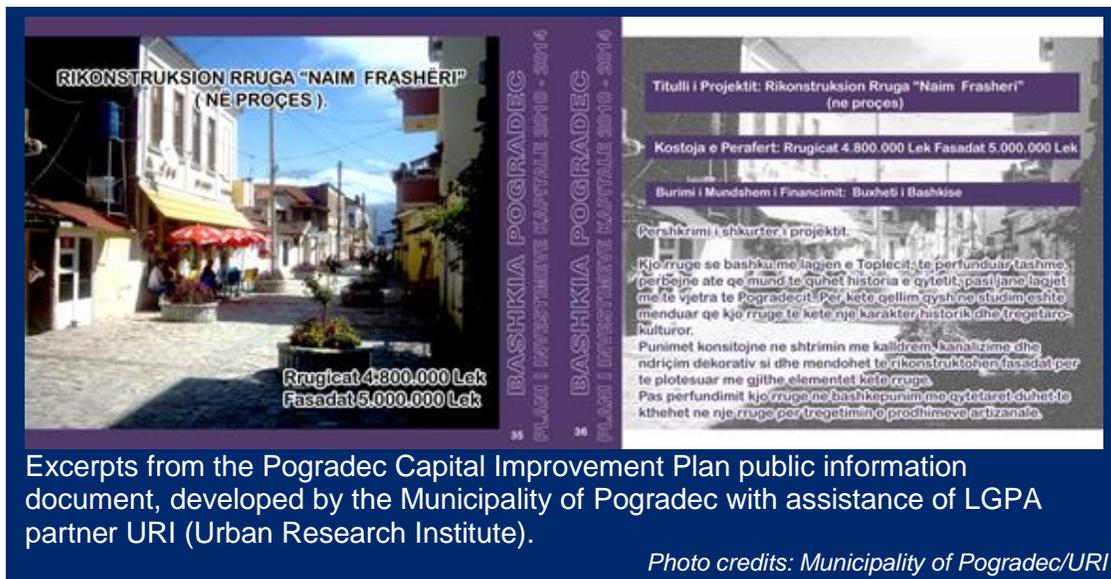
In this context, LGPA:

- Developed (or updated existing) *local economic growth strategies* in each target municipality through a participatory process. Plans were reviewed periodically and updated annually.

- Established and annually reconvened *Local Economic Growth Committees* in each target municipality and achieved broad stakeholder participation including representation from municipal staff, municipal council, local businesses, and local NGOs.
  - Helped to prepare or update LEG strategies, disseminate them for public review, and share with local actors.
  - Made use of LEGC for other purposes, such as Participatory Budgeting Process, CIP, Regulatory plans, feasibility studies, tourism development plans,
  - Worked with relevant LEGC members and municipal governments to implement components of the annual and medium-term LEG Plans. (See Annex E for a detailed description of activities undertaken in each city.)

### 3.2.4 Implemented investment promotion activities in target municipalities and developed investment promotional materials

- Designed, printed, and disseminated investment promotional brochures, both domestically and internationally, for target municipalities.
- Created and improved target municipalities’ websites to highlight investment opportunities.
- Assisted (with *Deutsche Gesellschaft für International Zusammenarbeit GmbH*, the German Society for International Cooperation [GIZ]) with the participation of Shkodra and Korçë at ExpoReal in Germany (October 2008 and October 2009) including:
  - Developed an urban design for the Olympic Sport Complex and prefeasibility study for Korçë (2008);
  - Developed an urban design for PPP social house and feasibility study for Korçë (2009);
  - Industrial park promotional materials for Shkodra (2008); and
  - Conducted a study tour in Bulgaria on local economic development and Industrial Zone (IZ) creation with LEGC members of target cities (June 15–22, 2008).



### 3.2.5 Disseminated Best Practices and other Relevant Information

- Conducted a *Best Practices Conference* (September 16–17, 2009) as a way to share successful experiences among local government units throughout the country.
- Developed a *Best Practices 2009 handbook*, a compendium of case studies on best practices and innovations implemented by target municipalities (published in September 2009).
- Prepared a document on *Local Government Revenue Trends in Albania* (September 2009), a discussion paper on local government revenues during 2000–2009 and recent issues related with changes on local taxes and borrowing instrument.
- Conducted a second *National Conference on Local Governance* (March 22–23, 2011) to highlight achievements of LGUs in areas of local economic growth, good governance, and civic and private sector engagement.



President of Albania Bamir Topi opens the LGPA's second National Conference in Tirana, March 2011.

Photo credit: LGPA

# 4.0 COMPONENT 2: LOCAL TAX ADMINISTRATION SUB-COMPONENT

## 4.1 TARGETS AND OBJECTIVES

The primary objective of this sub-component has been to help target municipalities to increase own-source revenues through improving tax administration and collection. Increased revenues from better tax collection will allow target municipalities to improve the quality and efficiency of services provided to citizens and businesses. Effective management and administration of local taxes is an essential condition for good municipal management.

Component 2 Expected Results:	Indicators & Achievements:
<ul style="list-style-type: none"> <li>Target municipalities perform better than control municipalities on local governance parameters including assets used productively, tax compliance and collection rates, service delivery improvements, etc.</li> </ul>	<ul style="list-style-type: none"> <li><b>Proportion of total municipal revenues derived from local municipal taxes:</b> <ul style="list-style-type: none"> <li>2007 baseline: 26.3%</li> <li>Life of Project Target: 7% increase</li> <li>Achieved: 27.2%, or 3.4% increase</li> </ul> </li> <li><b>Increase in local revenue collections (own source revenues) in target municipalities:</b> <ul style="list-style-type: none"> <li>2007 baseline: 1,360,427,000 Lek</li> <li>Life of Project Target: 7% increase</li> <li>Achieved: 1,481,849,000 Lek, or 8% increase</li> </ul> </li> <li><b>Percentage increase in public perception concerning effectiveness of target municipalities in functional areas (administration, property management):</b> <ul style="list-style-type: none"> <li>2007 baseline: 46.5% positive perception</li> <li>Life of Project Target: 6% increase</li> <li>Achieved: 52.2% positive perception, or 12% increase</li> </ul> </li> <li><b>Percentage that perceive improvement in service delivery in target municipalities:</b> <ul style="list-style-type: none"> <li>2007 baseline: 58.4% positive perception</li> <li>Life of Project Target: 6% increase</li> <li>Achieved: 62.2% positive perception, or 6.5% increase</li> </ul> </li> </ul>

## 4.2 DESCRIPTION OF KEY ACHIEVEMENTS

During the period of implementation, LGPA worked closely with the local staff of the 10 target municipalities to:

- Assist partner cities and enable municipal officials to improve revenue collection through effectively levying and collecting the small business tax, auditing tax declarations and payments, and bringing registered businesses into compliance with the tax procedures laws;
- Explore better utilization of the property tax as a source of local revenue;

- Following a comprehensive IT assessment, install a computerized Local Tax System that includes acquisition, installation of computer hardware and software, training, and technical assistance to the target municipalities; and
- Build local capacities in this regard by increasing needed technical skills and strengthening administrative capacities in general and local tax administration in particular.

#### 4.2.1 Improved and Strengthened Local Tax Administration

The most important activities carried out under this sub-component are listed below:

- LGPA provided *technical assistance and trainings* to local staff in the 10 target municipalities on a variety of issues on small business tax and/or property tax including registration, tax assessment, turnover estimation, tax collection, and tax enforcement procedures.
- With the endorsement of MoF and MoI, LGPA prepared and published a *Tax Administration Guideline Manual* for use by municipal tax office administrators (January 2009). This handbook provides a practical guide to help local tax administrators in their daily work on local tax administration. With assistance from the AAM and the AAC, copies of the manual have been distributed to all local government units in Albania.
- Two internal study tours were conducted on tax administration where the representatives of the six cities (five of which were LGPA cities) shared information and experiences on various tax collection and compliance issues.



LGPA consultants and central NRC staff cooperated to deliver a training seminar on the role and procedures of the newly established National Registration Centers. As a result of the training, local municipal financial management staff are now prepared to make more effective use of NRC data in their local tax administration efforts.

*Photo credit: LGPA*

#### 4.2.2 Improved Taxpayer Services and Information

- LGPA worked with partner municipalities to *improve taxpayer services* by:
  - Providing trainings to build the technical skills of local staff regarding the NRC and business registration procedures;
  - Providing the necessary equipment to establish National Registration Office windows in Lezhë, Vlore, and Pogradec;
  - Developing city-specific tax brochures and leaflets to explain the nature of local taxes. Topics covered include who is liable, how taxes are calculated, administrative procedures in case of disputes, and how the proceeds are used to



Chairman of the Pogradec SBA Lavderim Miminllari addresses other members of the Pogradec LEGC at the annual meeting of the Committee, April 23, 2010.

*Photo credit: LGPA*

fund municipal programs. These materials intend to reduce much of the uncertainty that exists regarding local taxation and encourage greater compliance with the tax authorities; and

- Conducting, in cooperation with partner cities and RDAs, awareness sessions for small businesses groups and associations on local tax legislation and Cash Register requirements. As part of the RDA/Korçë program to create and assist small business associations in selected target municipalities, LGPA sponsored a series of activities designed to improve dialogue between taxpayers and municipal tax administrators, to reduce informality, and to enable small businesses to articulate and present their needs and objectives to local officials.

### 4.2.3 Coordination with Central Government Tax Authorities

Two activities were undertaken by the LGPA at the central government level in order to improve local tax administration:

- In partnership with the Treasury Department of MoF, modifications were made in the tax payment order forms and the Commercial Banks adjusted their systems to assure compatibility with the Treasury system. The Treasury is now able to provide timely and accurate data to LGUs on payments credited to their accounts for each local tax payment type. In addition, the Treasury is developing software that will allow reporting to LGUs on payments made by individual taxpayers.
- In partnership with GTD, equipment was procured to allow reports to be generated and sent to LGUs regarding cash register data. This will help improve the monitoring and enforcement of business taxes at the local level.

LGPA also initiated and supported the work to facilitate local government and business sector awareness of and compliance with newly effective laws on the use of cash registers. In cooperation with staff of the MoF, LGPA staff carried out a review of the impact of some changes to the Law on Local Taxes, which has had a significant impact on local revenue production, budget preparation, municipal borrowing, and other local financial and revenue management functions. Results of the tax impact report were incorporated into the LGPA's technical assistance programs.

### 4.2.4 Computerization of Local Tax Systems and Related Training

Based on an IT need assessment completed in 2008, a *new computerized municipal tax system* (including hardware, tax software, technical assistance, maintenance, and respective staff training) has been implemented in all 10 target municipalities to improve local tax administration. Specific activities included in the tax computerization program included:

- Trainings for municipal staff were organized on use of the DATECH tax software as well as on maintenance of the Oracle database and operating system.
- Technical assistance was provided to migrate data from various sources (including prior tax administration systems, the National Civil Registry, etc.) into the new system.
- A formal launch was scheduled in each city, with participation by the Mayor, tax office



Local Businessman Taulant Pëllumbi, the first "customer" to be served by the Lezhë Tax Office with its new IT system, receives a tax receipt from Liljana Dushku, while Steven Herbaly (USAID) and Viktor Tusha (Lezhë Mayor) look on. November 10, 2009.

Photo credit: LGPA

staff, and senior officials of USAID/Albania:

- Lezhë (November 10, 2009);
  - Fushë-Krujë (December 17, 2009);
  - Fier (February 23, 2010);
  - Pogradec (March 30, 2010);
  - Korçë (March 31, 2010);
  - Shkodra (April 29, 2010);
  - Elbasan (June 17, 2010);
  - Gramsh (June 17, 2010);
  - Kukës (July 9, 2010); and
  - Librazhd (September 23, 2010).
- During the implementation period, LGPA assisted selected target municipalities to develop comprehensive tax payer registries in order to improve the overall efficiency and effectiveness of respective tax departments and to ensure long-term sustainability.
  - In addition to on-the-job training, two formal trainings were undertaken for IT system administrators on the use of the tax application software.
  - LGPA staff conducted Tax IT System Reports Presentation Sessions with mayors, city council members, and municipal managers in the most partner cities to explain the kinds of reports and analyses now available with the new software for use in financial planning, budgeting, expenditure monitoring, and other management applications.
  - LGPA staff has worked closely with tax offices in each municipality to address any technical issues that might arise and to assure effective utilization of the new resources provided through the LGPA assistance.
  - LGPA and local partner DATECH organized a training/roundtable to allow local staff to voice problems that arose during the first year of the Tax IT system implementation. This included a review of legislative parameters affecting local fiscal package design and how to assure that local fiscal packages will be consistent with the tax software and work smoothly with tax IT system.
  - Technical assistance and “as needed” guidance continued to be provided for the duration of the LGPA program.
  - As a follow-up to recommendations made at the LGPA’s national Best Practices Conference 2009, a series of seven regional roundtable meetings (in Lezhë, Vlore, Durres, Elbasan, Saranda, Kamez, and Shkodra) with local municipal officials was conducted. These roundtables meetings were done in cooperation with AAM and were held to discuss problems encountered by local governments due to recently enacted changes to national laws governing the local tax system.

#### **4.2.5 Greater Utilization of the Property Tax as a Source of Local Revenue**

During Year 3, LGPA local partner Co-PLAN completed a *research study on the Immovable Property Tax*, exploring innovative financing alternatives that local governments can use as instruments for

responding to the growing need for infrastructure in the cities through the use of the property tax at the local level.

Upon completion of the study, a workshop was held in Tirana to disseminate the findings and tax policy recommendations produced by the study as well as to describe the action plans developed to implement those recommendations. The meeting was attended by the Deputy Minister of Finance and the Deputy Minister of Interior, as well as by representatives of LGPA’s target municipalities, NGOs, and other central government staff.

Based in part on short-term recommendations presented in the Immovable Property Tax study, LGPA developed specific “action plans” for Shkoder, Lezhë, Kukës, and Elbasan to increase property tax collections at the local level. Unfortunately, there has not been as much progress made as was foreseen. This was due to:

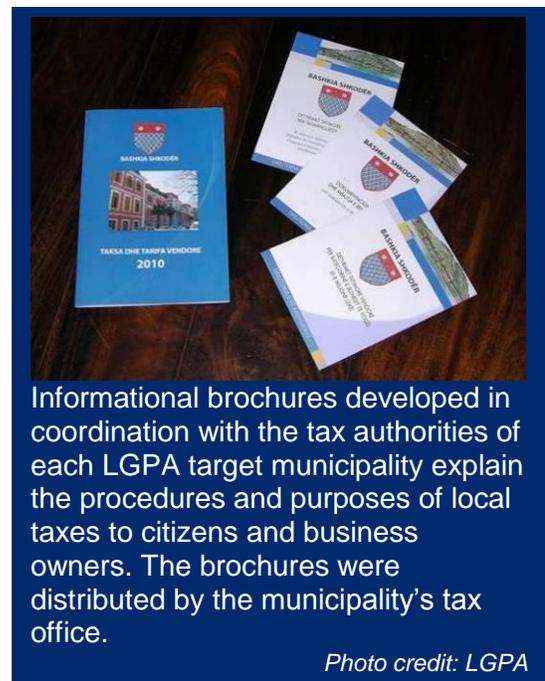
- The recurrence of severe flooding in large areas of Shkodra and Lezhë which affected their ability to carry out steps in their “action plans.”
- The scheduling of local elections for May 2011 slowed down the work as it is very difficult to obtain effective local engagement during the pre-election and campaign periods.
- Completion of new address system, which would allow for greater improvement in the collection of property taxes, is still underway.

To assure better administration of the local property tax, LGUs must also be provided with better access to the IPRO database related to immovable properties. LGUs must also have access to other databases at the national level like the Civil Register and the address system databases, which are under the process of revision/preparation. Coordination and integration of these databases can be easier if undertaken at the central level through the preparation of Geographic Information Services (GIS) systems, which can then be easily accessed by the interested parties, local governments included, as updates are recorded in each database.

From the standpoint of tax administration efficiency, consideration should be given to combining immovable property taxes with local taxes and fees/user charges related to local services (cleaning, greenery, lighting, etc.) Further, legislative improvements, which will enable local governments to improve property tax collection compliance rates by establishing reasonable penalties and enforcement measures, are needed.

Finally, the proper distribution of information on policies and administration of the immovable property tax is another factor that will increase the transparency of the local administration and improve collection rates. This can be done by disseminating information via Internet, informational materials and public information campaigns. Another factor that impacts directly on the transparency as well as the level of local tax collection is a clear formulation of the obligation and the way how the “receipt/bill” is delivered to the taxpayer.

On May 25, 2011, a final seminar was held for tax office staff from all 10 target municipalities to review progress and challenges encountered in achieving the objectives of the property tax action plans.



Informational brochures developed in coordination with the tax authorities of each LGPA target municipality explain the procedures and purposes of local taxes to citizens and business owners. The brochures were distributed by the municipality’s tax office.

*Photo credit: LGPA*

#### **4.2.6 Other Key Activities Related to Local Tax Administration**

During the last year, in cooperation with USAID’s Focus on Results: Enhancing Capacity Across Sectors in Transition Countries (FORECAST) project, LGPA initiated detailed planning for a week-long study tour for 12 partner city representatives and MoF officials. The purpose of the study tour, which took place in Poland, was to acquaint municipal and central government tax officials with state-of-the-art tax administration systems at the municipal level. During the five-day program, participants met leading Polish specialists on local tax administration who explained their “best practice” experiences in local tax systems.

On March 23, 2011, the final LGPA National Conference took place at the Hotel Sheraton in Tirana. One of the panel discussions focused on modernization of local tax administration.

# 5.0 COMPONENT 2: ASSET MANAGEMENT SUB-COMPONENT

## 5.1 TARGETS AND OBJECTIVES

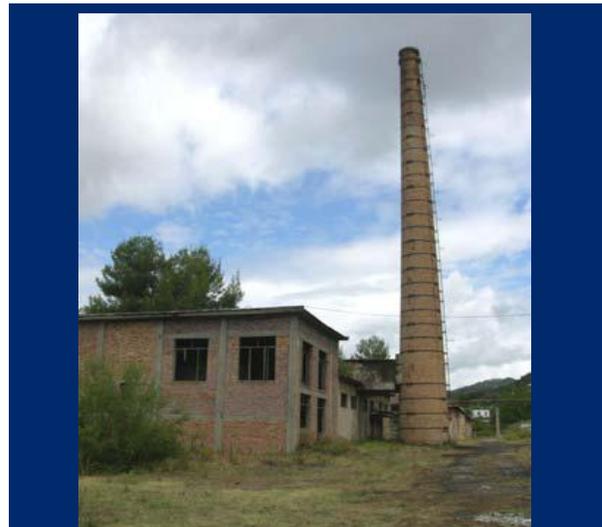
As public assets are devolved to local control, management of property assets becomes an important municipal responsibility. Proper asset management is essential for good municipal financial management. Better management of assets can improve public finances services directly by reducing waste and unnecessary operating costs. Indirectly, an improved municipal financial situation will enable the municipality to improve service delivery to its citizens. Further, as the transfer process of immovable property from the central government to LGUs moves toward completion, LGUs are faced with new challenges, including registration of transferred assets, as well as efficient and creative ways to utilize their new assets to improve the quality and quantity of services provided to their citizens.

To address these needs, LGPA focused attention on the following main directions related to municipal assets:

- Completion of asset transfer from the central government;
- Assistance to partner cities in regard to registration of transferred assets;
- Building of local capacities in regard to asset management; and
- Technical assistance to target cities in connection to the development of municipal projects that involved use of public assets.

## 5.2 DESCRIPTION OF KEY ACHIEVEMENTS

LGPA worked closely with the Agency for the Inventory and Transfer of Public Property (AITPA) to support completion of property transfer from central government to target municipalities. To date, nine of the LGPA target municipalities have completed the transfer. (In Shkodra, only the transfer of forest and



Albanian cities are receiving certain public assets by transfer from the central government. Many of these assets will be retained for public use and benefit, but some will be available for lease or sale to investors or for eventual renovation or redevelopment. Gramsh was the first of the LGPA target municipalities to complete the transfer process, and LGPA assisted the city to survey and register ownership to the parcels (such as the industrial buildings above) as the first step in developing a comprehensive asset management program.

*Photo credit: LGPA*

pasture lands have been completed.) In addition, LGPA worked closely with target municipalities to encourage them to complete the inventory and submit it to the AITPA for final approval.

This section summarizes activities carried out and milestones achieved under the Asset Management sub-Component for the life of the LGPA project.

- In September 2008, LGPA completed a Feasibility Study and Design Plan (through Atelier, a local design company) for a sport center complex recently transferred to the Municipality of Korçë. The Feasibility Study and the Design Plan were presented by the Municipality of Korçë to international real estate investors at the ExpoReal in Munich in October 2008.
- In December 2008, under the LGPA Small Grants Program, LGPA grantee Lorenzo & Co. completed a prototype registration of transferred public real property assets in the Municipality of Gramsh. Gramsh is one of the first target municipalities to have finalized the asset transfer process. This activity formed a model for similar work in other target municipalities. The grant activities provided for the development of an asset management GIS and a Municipal Assets Catalogue. The grant also allowed for training of relevant municipal staff in asset assessment and classification and updating of asset related information through the use of GIS. By completion of the grant activities, registration materials were prepared for over 480 municipal properties; 25 hard copies of a municipal assets catalogue were printed; a municipal GIS system was developed; and five municipal staff were trained on GIS, AutoCAD, and Asset Evaluation.
- In March 2009, LGPA published the final *Municipal Asset Management Toolkit* and conducted a training seminar for asset management staff from the target municipalities. The objective of the toolkit is to provide municipalities with a comprehensive document that includes a thorough analysis of applicable legislation related to the use and disposition of municipal property and a toolkit featuring legal references, basic notions, and procedural guidelines to be followed by municipal officers in the asset disposition process. In addition, the electronic version of the *Municipal Asset Management Toolkit*, provided in CD format with each hard copy of the Toolkit, includes an Access-based Asset Registry to allow municipalities to inventory each asset together with important details. The Asset Registry and the accompanying methodology for assigning criticality ratings to each asset provide the basis for developing a municipal asset management policy.
- On June 25, 2009, Lorenzo & Co. delivered the final asset management report and database to the Municipality of Lezhë. Registration materials were prepared electronically and in hard copy for a total of 600 assets. In addition, 75 copies of a municipal assets catalogue were produced and six municipal staff were trained on GIS, AutoCAD, and Asset Evaluation.
- On June 27, 2009, Lorenzo & Co. delivered the final asset management report and database to the Municipality of Korçë. Registration materials were prepared electronically and in hard copy for a total of 1,100 assets. In addition, 75 copies of a municipal assets catalogue were produced and six municipal staff were trained on GIS, AutoCAD, and Asset Evaluation.



Lezhë Water Company Business Plan Presentation: Supervisory Board Chairman and General Director of Water Utilities at the Ministry of Public Works, Transport and Communications Taulant Zeneli and Mayor of Lezhë Victor Tusha listen to the presentation made by LGPA subcontractor ValuAdd on May 11, 2009. The assets of local water companies are some of the most critical of all municipal assets.

Photo credit: ValuAdd

- In October 2009, the Municipality of Korçë presented the Social Housing PPP project to international investors at the ExpoReal in Munich. This project was developed with the assistance of LGPA partner Urban Research Institute (URI). The project involves the development of a parcel of city-owned property, where Korçë will contribute the land in exchange for approximately 20 percent of the housing units to be constructed on the site by a private developer, who will be selected following a competitive public tender. The Municipality's housing units then will be used to help meet the social housing needs of its citizenry. The project will also include commercial rental space, public open space, and other community facilities.
- On November 13, 2009, Lorenzo & Co. delivered the final asset management report and database to the Municipality of Pogradec. A total of 650 assets were recorded, an Asset Management department created within the Municipal Administration, and one computer supplied to the department to assist in maintaining an accurate inventory of the asset base. In addition, 75 copies of a municipal assets catalogue were produced and five municipal staff were trained.
- Greater energy efficiency in municipal buildings (schools, health clinics, municipal buildings, etc.) will improve user comfort while reducing operating costs and achieving tangible environmental benefits. LGPA's energy efficiency assistance program was conducted in cooperation with Energy Saving International A/S (ENSI), a Norwegian Aid-funded consulting group, and with the support of small grantee Albanian Energy Efficiency Centre (ECC). The program culminated with the completion of pilot energy audits and the preparation of energy conservation projects in municipal buildings in Lezhë and Korçë. Presentations of the audit findings were made in Lezhë and Korçë on December 15–16, 2009.
- In April 2010, Lorenzo & Co. completed an asset registration assistance project in Librazhd. This was the fifth and final target municipality to be provided with asset registration assistance by the LGPA. A total of 500 assets were recorded, an Asset Management department created within the Municipal Administration, and an electronic database created. In addition, 75 copies of a municipal assets catalogue were produced and five municipal staff were trained on GIS, AutoCAD, and Asset Evaluation.
- With the support of FORECAST project staff, LGPA conducted a study tour to the Czech Republic for target city representatives. The purpose of the study tour was to become acquainted with state-of-the-art asset management systems and PPP development projects at the municipal level.



Nada Kallçiu, Director of the Albania National Tourism Agency; Artan Shkëmbi, Mayor of Pogradec; James Berscheit, USAID; Lori Memo, LGPA; and Ylli Sula, CEO of Çelësi at the dedication of the Pogradec Tourism Information Office (TIO), October 23, 2009. The Municipality of Pogradec has provided the space for the TIO within an existing municipal building, while a private company, Çelësi, will equip and furnish the TIO and hire, train, and supervise the necessary staff. The TIO is thus a PPP project, located in an existing municipal asset.

*Photo credit: LGPA*

- Twelve asset management specialists from nine target municipalities participated in the study tour, which was held from May 17–21, 2010. Participants included vice-mayors, asset management specialists, and economic development specialists.
- During the five-day program, participants met leading Czech specialists on municipal asset management who explained their experience in creating a sound asset management system, periodic monitoring and reassessment, “best practices” for creating and managing small to medium PPP projects, lease management, and other policies to increase the efficiency of municipal property management and create a good environment for economic growth.
- In 2010, LGPA and local partner URI developed a *Guideline on Local Government Asset Management*, in conjunction with the Ministry of Interior. The Guideline is a companion document to the *Municipal Asset Management Toolkit* and is intended to clarify existing legislation and to define more clearly the rights of LGUs vis-à-vis their newly acquired properties.
- A draft Guideline was presented to representatives of LGPA target municipalities at a workshop held on March 23, 2010, jointly sponsored with the Ministry of Interior. The draft document combined:
  - Procedures and the mechanism for LGUs to implement different forms for asset management that are useful, viable, and supported by the existing legislation;
  - Roles and responsibilities of various stakeholders to include local and central government agencies; and
  - Reference to the legislation supporting implementation of different forms for asset management.
- During the finalization of the instruction, LGPA consulted with, and endeavored to gain consensus of, such stakeholders as LGUs, AAM, and central government agencies.
- A final Guideline was sent for review and endorsement to the Ministry of Interior in July. It was subsequently published on September 28, 2010 at a national workshop held in Tirana. Copies of the Guideline were disseminated to all local governments in Albania and were made available for download at the LGPA website.
- During Year 3, LGPA staff worked with Gramsh, Korçë, and Lezhë to develop short-term Asset Management Action Plans to address some of the most immediate issues in regard to better management of municipal assets and propose concrete steps for specific assets that can positively impact the municipal budget.
- Under the LGPA Small Grants Program, LGPA grantee EEC implemented an energy efficiency demonstration project in a municipal building in Korçë (the Elderly House). The selected building was one of the municipal properties previously audited for which an energy efficiency plan was developed with the support of EEC. The energy efficiency measures and interventions implemented in the selected building included:



LGPA partner Edlir Vokopola of URI presents the draft Asset Management Instruction at a workshop attended by LGPA partner cities and representative central government officials, March 2010.

Photo credit: LGPA

- Thermal insulation of the external walls;
- New double glass windows/balcony doors;
- Energy efficient lamps; and
- Thermal insulation of pitched roof.

The project started at the beginning of December 2010 and was completed by the end of February 2011.

# 6.0 COMPONENT 2: SERVICE DELIVERY SUB-COMPONENT

## 6.1 TARGETS AND OBJECTIVES

Municipal governments in Albania are responsible for providing a host of public services, from sidewalk and street cleaning to street lighting, solid waste collection and disposal, green space maintenance, and maintenance of schools and health clinics to meet standards for safety and health. Although not directly under the management control of municipal governments, most cities are also major shareholders in local water supply enterprises. The LGPA project assisted target municipalities to employ “best practices” to upgrade the quality and coverage of major services through effective planning, budgeting, and management.

LGPA focused attention on the following main directions related to service delivery:

- Preparation of business plans for selected service utilities in the water and waste management sector;
- Assistance to partner cities in regard to analysis of service delivery needs and matching of needs to delivery mechanisms;
- Technical assistance to target cities in connection with the development of municipal projects for municipal clean-up and waste recycling;
- Training programs for service provider staff and supervisors; and
- Building of local capacities in regard to service delivery through participatory budgeting and strategic service delivery planning.

## 6.2 DESCRIPTION OF KEY ACHIEVEMENTS

The sections below summarize activities carried out and milestones achieved under the Service Delivery sub-component for the life of the LGPA project.

### 6.2.1 Public Utility Business Plans

LGPA prepared five-year business plans for three public utilities:

- Fier regional water supply enterprise;
- Lezhë regional water supply enterprise; and
- The Lezhë/Shkodra/Bushat regional solid waste management enterprise.

Each business plan addressed the following issues:

- An estimate of expected demand for the service, based on historical usage as well as national and international standards;

- Operational costs and related investment needs, including equipment and machinery;
- An Organizational and Staffing Chart of the company for the period 2010–2014 and their training needs.
- A tariff structure, based on calculations using full cost recovery principles for operation and maintenance of the utility, including appropriate reserve funds.

Further, in applying the business plan methodology, senior management staff of each utility were trained to base their analyses on the historical and current organizational, technical, and financial situations of the utility, with the purpose of identifying weaknesses and defining “measurable” performance improvement action plans to overcome those weaknesses.

## **6.2.2 Analysis of Service Delivery Needs and Mechanisms**

In Librazhd, the cleaning service was defined by the Municipality and the local community as one of the city’s main priorities. LGPA issued a small grant to Missionaries for Social Rights (MSR) to prepare detailed cost analyses of the cleaning service in the municipality. MSR worked with the municipal staff to develop a detailed cost analysis of the cleaning service. The cost analyses and target service indicators were then combined into a three-year Service Improvement Action Plan (SIAP), which included a package of measures aiming at an improved cleaning service to meet the community’s service goals. During 2009, the Municipality of Librazhd successfully implemented the measures provided in the Action Plan. This resulted into a surveyed 6 percent increase of the citizen’s satisfaction from the cleaning service (from 68 percent to 74 percent).

LGPA issued a second small grant to MSR for the completion of detailed cost analyses of the public services in the Municipality of Gramsh. As in Librazhd, the cost analyses and the target service indicators were then combined into a three-year SIAP which included a package of measures aiming at improved services. During 2010, the municipality of Gramsh implemented the measures provided by the Action Plan. During final stage of the project, MSR conducted a Citizens’ Survey on the municipal services improvements. The survey results were presented to the local community, the municipal Council, and media.

In Himara, RDA/Fier conducted a survey to measure the performance of selected public services offered by the Municipality. The survey results were used by the Municipality to produce SIAPs for the relevant municipal services, which were successfully implemented.

## **6.2.3 Municipal Clean-up and Waste Recycling Activities**

LGPA assisted the Municipality of Librazhd to develop a public-private partnership initiative focusing on improving the municipal cleaning service through the provision of dumpsters and small trash bins. A total of 40 dumpsters and 50 small trash bins were delivered to Librazhd. In addition, LGPA organized an environmental awareness training course delivered to the Librazhd high school students. This course had 40 students participating. A Clean-Up Event was organized in Librazhd in December 2009 with participation of USAID/LGPA, municipal workers, students, and local private businesses (notably, Tirana Bank, who also donated additional trash bins to the Municipality and produced T-shirts and caps used by the participants in the event).

LGPA sponsored a similar public-private partnership initiative in the Municipality of Gramsh, where 40 dumpsters were delivered to Gramsh in March 2010. LGPA organized an environmental awareness training course for Gramsh high school students, which had the participation of more than 50 students. A Clean-Up Event was organized in Gramsh on March 5, 2010 with participation of USAID/LGPA, municipal workers, students, Peace Corps Volunteers (PCVs), and local private businesses (notably,

Banka Popullore/Société Générale, who also donated an additional 100 trash bins and 120 park benches to the Municipality).

In the Municipality of Fier, LGPA participated with other donors and stakeholders (FORECAST, Organization for Security and Cooperation in Europe [OSCE], Aarhus, the Dutch Embassy, students, local youth groups, PCVs, and local private businesses) to sponsor an Earth Day celebration in April 2010. The LGPA component provided for support to a public-private partnership focusing on:

- Provision of in-kind donation of trash cans to the municipality of Fier,
- Provision of an Environmental Awareness Training Course to the local Youth Groups and media, and
- Organization of a Clean-Up Event.

A total of 74 trash bins were delivered to the Fier and environmental awareness training course was delivered to the Fier youth groups and media respectively, with participation of 23 students and 24 media representatives. On April 22, 2010, the Clean-up Event was organized in Fier with participation of USAID, LGPA, the Dutch Embassy, and local businesses (notably Banka Popullore/Société Générale, which also donated trees worth approximately 2,000 United States Dollars [USD]). The Municipality also used this event as an opportunity to inaugurate a waste recycling program throughout the city.

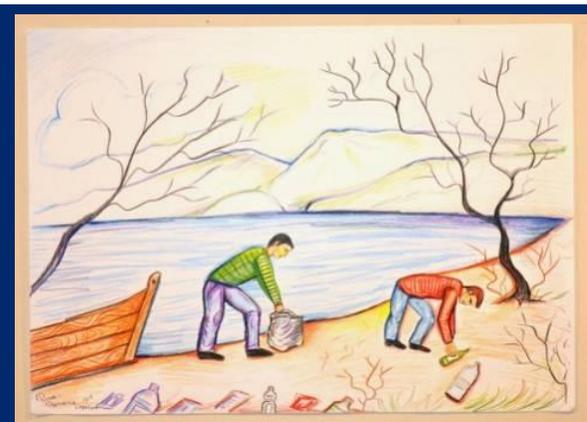
In Pogradec, LGPA supported the municipality in introducing a waste recycling program, under an MoU that was signed by the LGPA, the Municipality, and the private company responsible for waste management in the city. Following the MoU signing, a roundtable discussion was held to develop a strategy for implanting the program. The objectives of this activity were:

- Preparation of the necessary infrastructure for installing the recycling containers;
- Preparation and delivery of an awareness campaign to raise the awareness of the citizens for recycling;
- Training of municipal staff on the basic knowledge of recycling and the improvements of the cleaning services;
- The placement of new containers along the city streets and within the neighborhoods and training people on their way of functioning;
- Daily treatment and removal of the recyclable waste; and
- Improvement of the cleaning services so that through the recycling process and the improvement of the infrastructure, the program will achieve the reduction of cleaning costs and the improvement of cleaning quality.



Pogradec junior high school students attend the LGPA environmental awareness seminar on solid waste management.

*Photo credit: LGPA*



Winning entry of the student poster competition for the Pogradec Recycling Program (organized by PCVs in Pogradec).

*Photo credit: LGPA*

LGPA's role in the program was to supervise the preparation and delivery of the awareness campaign in cooperation with the Education Office of Pogradec and in the training of other stakeholders (i.e., the small business community and the public at large) involved in the process of removing waste with the new system. LGPA also undertook the production and distribution of fliers and awareness brochures for the recycling process of the urban waste and the functioning of the new system for the removal of waste.

#### **6.2.4 Training for Service Providers**

LGPA issued a small grant to the Water Supply and Sewerage Association of Albania (WSSAA) for the delivery of a training course to the 10 LGPA partner municipalities on customer service issues as well as the development of customer relations Action Plans. In the first stage of work, WSSAA delivered a two-day workshop for participants for the LGPA target municipalities as a basis to design city-specific Consumer Relations Action Plans. The workshops were attended by more than 36 representatives from the Service Departments of all target municipalities and representatives of the Water Companies. The target municipalities finalized their Consumer Relations Action Plans in July 2010 and the Action Plans were then endorsed by the respective mayors.

In cooperation with GIZ and the Water Regulatory Authority of Albania (ERRU), LGPA organized an instructional manual and related training for water company supervisory board members. LGPA was responsible for preparation of a training guide and delivery of training to water company Supervisory Council members in the LGPA's 10 target municipalities, based on the material developed for the Guide by a consultant to the GIZ. On March 29 in Pogradec, a training was held for 26 Water Company Supervisory Board Members representing five LGPA cities. A similar training was held on April 1 in Tirana for 15 Supervisory Board members from the remaining five LGPA cities. Under the sponsorship of the ERRU and with the cooperation of the WSSAA, this training program included a "training-of-trainers" component to ensure that future training of Supervisory Council members is sustainable under the scheduled training program of the WSSAA.

#### **6.2.5 Building Capacity to Assess and Monitor Service Delivery**

LGPA sponsored several activities designed to enable citizens to participate more effectively in annual municipal budgeting deliberations and in particular to monitor the budgeting of funds for public services.

In Korçë, LGPA issued a grant to the Civil Society Development Center (CSDC) to prepare and publish a Statistical Bulletin of Korçë Municipality as a tool to communicate with the public in regard to municipal budget implementation. In cooperation with the Municipality, Chamber of Commerce, and the RDA of Korçë, 1,000 copies of the Bulletin were distributed among groups of interest including general public, local businesses, and NGO sector.

In Kukës, LGPA supported the Democratic Integration and Development Center (DIDC) to establish a Local Budget Monitoring Committee (LBMC). The establishment of the LBMC was accompanied by a formal decision of the Municipal Council. More than 30 people, including members of the LBMC and municipal staff, were trained on different subjects including Local Budget Monitoring, Internal Audit, Strategic Planning, and Effective Communications. The LBMC has focused on the monitoring of the local budget implementation. For this purpose, the LBMC completed:

- A survey to measure the citizens' perceptions about the implementation of budgeted investments and delivery of services;
- Three monthly reports to the Municipal Council about management of financial expenditures made by the Municipality for year 2009, based on documented municipal financial statements;
- The production and publication of 1,500 copies of two leaflets on project objectives, project importance, and reports of LBMC; and

- Two broadcastings in local media (Kukës TV) to inform community about LBMC work and transparency on management of public funds by the Municipality during year 2009.

In Fushë-Krujë and Librazhd, LGPA issued a small grant to RDA of Tirana to provide assistance and support to the two municipalities to organize a participatory budgeting process. The work started with establishment of working groups consisting of municipal staff, local NGOs, community representatives. Next, open community meetings were organized to define and shortlist priorities. In January 2009, the results of the community meetings and the shortlisted priorities were presented to the respective municipal councils. This was done prior to the approval of the municipal budget with the goal of including some of the identified investment projects and service improvement activities into the annual budget.

LGPA issued a series of small grants to three NGOs for the conduct of Project Expenditure Tracking Studies (PETS) in the municipalities of Elbasan and Lezhë (grantee: MSR), Fushë-Krujë and Korçë (grantee: Albanian Socio-Economic Think-tank [ASET]), and Shkodra and Pogradec (grantee: Institute for Development Research and Alternatives [IDRA]) to review budgeting, spending, and achievements in local service delivery programs. Issues for monitoring and evaluation included:

- How was the budgeting process organized?
- How was the budget implemented by respective departments?
- What was the level of collection of revenues?
- Were the services and investments provided by the municipalities efficient?

Reports produced by the grantees included analyses of the above topics and recommendations for future improvements. The reports were also shared with municipal staff, municipal council members, and local community representatives.

# 7.0 COMPONENT 3: CIVIC AND PRIVATE SECTOR ENGAGEMENT

## 7.1 TARGETS AND OBJECTIVES

Local economic investment and growth cannot prosper without active local business participation. LEG is generated mainly by small and medium-sized businesses already established in a community. These businesses need visibility, cost-effective access to public services, and accessibility to and collaboration with local officials. Within many Albanian municipalities, business groups and associations are forming that are in addition to traditional chambers of commerce. These organizations can represent member interests, identify common issues and problems, and facilitate collaboration with city development/planning staff. LGPA supported the development of such associations and assisted in developing channels of effective engagement with municipal officials.

To address these needs, LGPA focused on the following main direction related to civic and private engagement sector:

- Ensure engagement and collaboration of civic and private sector in municipal projects;
- Encourage joint local government-civic projects in target municipalities;
- Support government-private sector forums to discuss local economic development; and
- Build and improve capacities of local CSOs.

Component 3 Expected Results:	Indicators & Achievements:
<ul style="list-style-type: none"> <li>Private associations or civil society groups will have collaborated in partnership with all 10 target municipalities on at least one significant project, from the development of proposals to the receipt of financing, to project implementation and completion.</li> <li>NGOs and business associations in target municipalities have improved their capacity and effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li><b>Number of public/private partnerships (PPPs) in target municipalities:</b> <ul style="list-style-type: none"> <li>2007 baseline: 0 PPPs</li> <li>Life of Project Target: 6 PPPs</li> <li>Achieved: 9 PPPs, or 50% more than the target</li> </ul> </li> <li><b>Number of associations that partnered with target municipal governments on development initiatives:</b> <ul style="list-style-type: none"> <li>2007 baseline: 0 associations partnering</li> <li>Life of Project Target: 12 associations partnering</li> <li>Achieved: 53 associations partnering, or 441% more than the target</li> </ul> </li> <li><b>Number urban development studies/plans developed with target municipalities:</b> <ul style="list-style-type: none"> <li>2007 baseline: 0 studies</li> <li>Life of Project Target: 8 studies</li> <li>Achieved: 8 studies, or 100% of the target</li> </ul> </li> <li><b>Number of civic or private sector groups that conduct Public Expenditure Tracking System (PETS) or report cards on local government operations (general or services) to track corruption:</b> <ul style="list-style-type: none"> <li>2007 baseline: 0 PETS/report cards</li> <li>Life of Project Target: 7 PETS/report cards</li> <li>Achieved: 8 PETS/report cards, or 14% more than the target</li> </ul> </li> </ul>

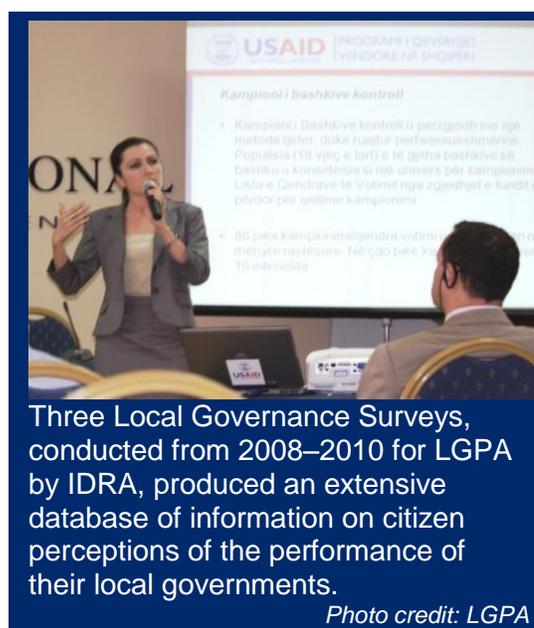
## 7.2 DESCRIPTION OF KEY ACHIEVEMENTS

Albanian municipalities are strengthening the involvement of local civil society groups, special interest groups, and business in the local government process. LGPA worked to ensure and strengthen the involvement of local civil society groups and businesses in the local government process. This was accomplished by including the civic and private sectors in LEGCs, establishing participatory budgeting mechanisms, and creating local government outreach mechanisms.

This section summarizes activities carried out and milestones achieved under the Civic and Private Sector Component for the whole period of implementation.

### 7.2.1 Create LEGCs

One of the first activities of the LGPA program was to establish LEGCs in 10 target municipalities. The LEGCs were bi-partisan and broadly representative, including representatives of public, private, and civil society sectors. Their missions were to develop a strategic vision of their municipality's economic development future and to define priority initiatives and reforms to promote investment and create a business-friendly environment. The LEGCs were convened regularly and the plans were revised annually to reflect achievements made and new goals established, providing a constructive forum for dialogue across sectors that represent various interests in municipalities.



Three Local Governance Surveys, conducted from 2008–2010 for LGPA by IDRA, produced an extensive database of information on citizen perceptions of the performance of their local governments.

Photo credit: LGPA

## 7.2.2 Surveys on Citizen Perception of Local Government Performance

From 2008–2010, LGPA conducted Local Government Surveys to measure citizens' perceptions about the quality of local government services. The surveys were conducted in LGPA's 10 target municipalities as well as in the 10 control municipalities, which allowed for comparison. The survey tracked the results in periodic annual surveys. The surveys measured residents' satisfaction with services provided by the municipality and the overall performance of the local government administration; tracked progress achieved by municipalities during the interval between surveys; and compared perceptions in recipient and non-recipient municipalities.

## 7.2.3 Business Attitude Surveys

Much of the economic well-being in the target cities depends on the growth of existing business. Because of their importance to the city, Business Attitude Surveys were conducted in cooperation with the LEGCs and municipal authorities to obtain business sector input in Fushë-Krujë, Shkoder, Kukës, Fier, Pogradec, Himara, and Korçë. The surveys explored matters of concern to local businesses, how the municipality could respond to improve conditions for existing businesses, and encouraged new business development. In providing more information regarding the local business climate, businesses' plans, and expectations, these surveys enabled the municipalities, LEGC members, and LGPA to gain better understanding of how local businesses view the city's economy and possible ways to improve it.



Small Business Surveys provided an opportunity for local business people to express their desires and concerns about the role of local government in promoting business growth. Surveys were conducted in seven LGPA cities.

*Photo credit: LGPA*

## 7.2.4 Tourism Information Offices and Other Tourism Promotion Activities

Tourism is an important sector in several cities' economies, providing employment and supporting economic development of local businesses. Through public-private partnerships, LGPA initiated and supported the establishment of the Tourism Information Offices (TIOs) in Pogradec, Shkoder, and Elbasan. LGPA developed the organizational and management structure for the offices. Facilities were made available by the municipalities, who have the overall supervisory authority, as provided in the MoU signed by the partners. Staffing and operation of the facility is undertaken at the expense of Çelësi, a private company.

The offices provide free, high-quality professional information services to tourists and visitors and help to promote local tourism sites and businesses. Municipalities of Korçë and Kukës used the



Local weaver with her wares at the Shkodra handicrafts fair, organized by LGPA small grantee Intellectual Women of Shkodra (IWS), December 18, 2009.

*Photo credit: LGPA*

LGPA's PPP model to establish their Tourism Information Offices.

Additionally, municipalities were supported to be part of national and regional tourism initiatives. Supported by LGPA, and in collaboration with GIZ and the University of Shkodra, a roundtable on tourism development (in the framework of LEGC) and an International Conference on Tourism were organized in Shkodra. Handicraft/artisan fairs with local artisans were held in Shkodra and Pogradec to stimulate tourism activity. Training support was also given to handicrafts producers in Fushë-Krujë. Tourism guides and city promotion brochures were developed for several cities including Shkodra, Korçë, Pogradec, Fier, Librazhd, and Gramsh. LGPA co-sponsored a tourism sector business-to-business fair at the Palace of Congresses in Tirana, together with the USAID's Competitive Enterprise Development (CED) project and the Foreign Investors Association of Albania (FIAA). Shkodra, Lezhë, Fier, and Korçë participated in the fair. As a result, these municipalities were able to interact with a broad range of domestic and international tourism sector companies and investors.

To promote tourism in Fier, LGPA in collaboration with USAID/Albanian Agriculture Competitiveness, SNV, and the Municipality of Fier, organized the Sofra Ilire and the Second Olive Oil Festival in Apollonia, Fier, which featured local culture, archeology, culinary, and agribusiness.

### **7.2.5 Technical Assistance to CSOs and Citizens to Participate in Local Budgeting and Decision-making Processes**

LGPA engaged with a number of Albanian CSOs to conduct participatory budgeting exercises in several target municipalities. Preliminary meetings were initiated with mayors in several cities to identify a precise strategy and approach to be applied in each city. Participatory budgeting exercises were conducted in Librazhd, Lezhë, and Fushë-Krujë. Through a grant, an NGO in Korçë collected information and produced a statistical bulletin of the Municipality of Korçë with a focus on participatory budgeting results. Another NGO in Korçë supported the Municipality's annual job fair. An NGO in Kukës assisted in developing an efficient monitoring system of the municipal budget. In Pogradec, a local NGO worked in strengthening the cooperation between the Municipality and the local business community through a business survey, business fair, and an Action Plan.

### **7.2.6 Public Information Offices/Service Centers**

The primary function of the Public Information Offices/Service Centers is to disseminate information of interest and importance to the public at large. The Public Information Offices are key sources where citizens and business people can obtain current and available information about taxes and public services, apply for various permits and approvals, and communicate their issues and concerns to relevant public authorities. Given the importance of the Offices, LGPA provided assistance to Himara, Fushë-Krujë, and Fier for the development of Public Information Offices.

### **7.2.7 Public Expenditure Tracking Surveys**

Decentralization of governmental authorities and resources presents an opportunity to promote transparency and accountability. Local governments are closer to citizens and there are more opportunities for citizens to hold local officials accountable. LGPA is harnessing the resources of watchdog and civic monitoring groups to monitor local public expenditures in different sectors, using such tools as PETS. PETS were conducted in Elbasan, Fushë-Krujë, Lezhë, Korçë, Shkodra, and Pogradec. The projects were designed as an applied research study to be undertaken in order to explore the improvement of effectiveness of the allocation and use of the local budget in the municipalities through monitoring and analyzing of expenditures. Specific attention was paid to collection and administration processes of local taxes and fees. The studies also address issues relevant to the standards, investment needs, or future assistance in providing public services. The reports produced included analyses of the above topics and gave recommendations for future improvements. The reports were also shared with municipal staff, municipal councils, and local community representatives. To the extent

possible, active civic groups in these municipalities were educated and enabled to exercise their role of monitoring allocation and use of the public funds.

## 7.2.8 Technical Assistance to Raise Capacities of Albanian CSOs

LGPA conducted several training workshops to enable nongovernmental organizations in target municipalities to better understand the objectives of the program and to prepare appropriate applications for small grant funding. These trainings served to raise the capacities of CSOs in Shkodra, Kukës, Lezhë, Korçë, Pogradec, Librazhd, Fier, Gramsh, and Vlore. Additionally, the training enabled them to improve their grant application writing techniques, providing them with more possibilities to be sustainable in the future. The e-procurement trainings and the participatory budgeting activities described earlier in this report also contributed to increasing the organizational capacity of local businesses and business groups.

## 7.2.9 Community Events for Environmental Action and Awareness

LGPA organized and supported community environmental awareness campaigns on waste management and recycling, as well as clean-up activities in Pogradec, Fier, Librazhd and Gramsh, and improvement of neighborhood parks in the city's residential areas in Fier and Gramsh. Each activity involved awareness training for local school students, forums, development and distribution of promotional materials, contribution from local banks and private businesses, and municipal assistance. These projects demonstrated the positive benefits of collaboration among the municipality, local businesses, CSOs, and local citizens, especially students. The Sofra Ilire and the Second Olive Oil Festival in Apollonia, Fier was another successful community event which gathered around 750 participants and visitors.

## 7.2.10 Support to small business through Small Business Associations

In June 2009, RDA/Korçë initiated a small business support program designed to increase the awareness of local small business leaders with respect to local taxation, licensing, and other local government functions, while simultaneously improving the ability of small businesses to participate more effectively in local government matters such as participatory budgeting and economic development promotion. As part of the RDA/Korçë program to create and assist SBAs in selected target municipalities, LGPA sponsored a series of activities designed to improve dialogue between taxpayers and municipal tax administrators to reduce informality and enable small businesses to articulate and present their needs and objectives to local officials. As an initial step, LGPA and RDA conducted a series of awareness workshops held with small business leaders in selected LGPA partner cities.

The Korçë SBA was registered officially with the courts and tax authorities and thereafter established an office in Korçë. Over 120 small businesses have joined it and are paying membership dues. The Lezhë SBA was officially registered by the courts in Lezhë. A series of training exercises were conducted for the board members, with particular emphasis placed on how to consolidate and strengthen the association and how to identify programs that will be attractive and beneficial to the members. In Pogradec and Elbasan, local SBAs were created and functioned as a division of the Korçë SBA; the expectation is that they will



Korçë Mayor Niko Peleshi (standing) responds to the concerns of SBA members regarding business informality in the City at a press conference held on February 23, 2010. Joining the Mayor are (from left) Deputy Mayor Sotiraq Filo, SBA Chairman Albert Nasto, and Korçë Municipal Tax Office Director Petrika Tollkuci.

*Photo credit: RDA/Korçë*

be registered formally as free-standing associations as membership increases and the organizations mature.

A series of meetings was held with the mayors of Korçë, Pogradec, Elbasan, and Lezhë and local business representatives. As an aid to combat informality, the Pogradec, Elbasan, and Korçë SBAs implemented a sticker program that helped to identify which businesses have paid their local taxes and which have not.

The project has helped to establish better working relations between the municipal tax office and the business sector by offering equal treatment and applying equal controls to all businesses. Transparency has been increased through clarification of which businesses pay their taxes. A feeling of mutual confidence and collaboration has been established among the municipalities' and the cities' small business sectors.



Left: Erion Daçolli, Tirana Bank Regional Director, and Steven Herbaly, USAID Development Officer, at the Librazhd Clean-Up Day. Tirana Bank donated trash receptacles, collection bags, and T-shirts for the event in a PPP with the Municipality.

Right: Librazhdi high school students volunteered to help city workers pick up trash on Clean-Up Day. December 11, 2009.

*Photo credits: LGPA*

### 7.2.11 Website Improvement and Development

LGPA's initial IT assessment found that the larger target municipalities (Fier, Korçë, Kukës, Lezhë, and Shkodra) already had functioning municipal websites and, to some extent, the necessary skilled local staff to update and maintain their websites. Other partner municipalities (Librazhd, Gramsh, Pogradec, and Fushë-Krujë) did not have websites. LGPA designed a website prototype that was used to create websites in these four cities. Websites are now operational in all LGPA municipalities. A principal use of each website is to provide information of use to residents as well as to potential investors and tourists. LGPA staff worked with local staff in each city to develop informational and promotional materials about the municipality (its officials, staff, and structure); tourism attractions; business and investment opportunities; municipal services; planning and permitting; and other programs. In addition, training was provided on website maintenance to municipal website coordinators in Pogradec, Fushë-Krujë, Fier, Librazhd, Gramsh, and Korçë as well as to interested PCVs. LGPA also assisted these municipalities in preparing materials for posting on the website. In cooperation with the local PCVs, assistance was provided in all target cities to improve website content and to translate selected portions into English.

### **7.2.12 Promotional materials**

Promotional brochures were completed for:

- Shkodra (the industrial zone);
- Korçë (the design plan for the Sport Center);
- Fier (regional tour guide);
- Pogradec (city map);
- Librazhd (city brochure); and
- Gramsh (city brochure).

A limited number of hardcopy brochures were printed and the materials were uploaded to the municipal websites. In addition, promotional materials (including leaflets, posters, and banners) were produced related to activities organized in target municipalities as needed.

### **7.2.13 LGPA National Conferences**

LGPA worked to disseminate good practices among cities through experience sharing. The cornerstones of this effort were the two Best Practices Conferences, which drew upon successful activities undertaken in the LGPA project lifetime.

The *Best Practices Conference 2009* was organized in Tirana in September 17–18, 2009 and was co-sponsored by AAM and Polis University. Representatives from 65 municipalities, communes, and NGOs; central government officials; international donors; and other interested parties attended the Conference and learned from best practices already employed by Albanian local governments. In addition, through various presentations and panel discussions held during the two-day conference, participants explored important issues such as trends in local government revenues, urban planning, and asset management as well as the results of the second Local Government Survey. The Conference also hosted an exhibition of municipal booths highlighting best practices from 24 municipalities. Selected case studies were included in a compendium of *Municipal Best Practices 2009*.

The final *LGPA National Conference* organized in Tirana was attended by 180 people. The Conference was highlighted by speeches by Deputy Minister of Interior Ferdinand Poni, US Deputy Ambassador Deborah A. Jones, and President of the Republic of Albania Prof. Dr. Bamir Topi. A brief video of LGPA achievements was aired; the third Local Government Survey was published; and panel discussions were held on four key LGPA topics: modernization of local tax administration, asset management, municipal borrowing, and urban/territorial planning. The Conference allowed local governments to highlight their recent achievements and to disseminate their improved techniques, thereby encouraging other local governments to implement similar practices in their own territories and to improve the quality of local governance.

# 8.0 SMALL GRANTS PROGRAM

## 8.1 TARGETS AND OBJECTIVES

LGPA's Small Grants Program was used to supplement program activities. Particular emphasis was on activities under Component 3, Civic and Private Sector Engagement. Through the grant program, LGPA aimed at putting an emphasis on engaging civil society in the local decision-making process through grants that promote such techniques as participatory budgeting, service delivery improvements, public expenditure tracking systems, and capacity building of business associations and CSOs.

Small grants issued to NGOs aimed at addressing specific issues or providing support at local level in areas of major interest to partner municipalities. However, one of the objectives of the Small Grants Program was to provide tools, either in the form of publications or best practices, which could be applied at the national level.

## 8.2 DESCRIPTION OF KEY ACHIEVEMENTS AND CHRONOLOGY OF SMALL GRANTS

LGPA issued a Request for Application (RFA) in May 2008 and received the first applications by August 2008. From May 2008–May 2011, LGPA issued a total of 30 small grants to 25 beneficiaries including NGOs, local government associations, and municipalities. Grant activities were implemented in all 10 of the target municipalities.

This section summarizes activities carried out and milestones achieved under the Small Grants Program for the whole period of implementation.

**SG-001:** In August 2008, LGPA issued the first small grant to RDA Fier for a total value of 7,720 USD. The grant activities provided for the establishment of a Municipal System of Indicators for monitoring the City of Fier Development Strategy. A manual and an electronic system were developed under the grant for use by municipal staff and other interested agencies or institutions. About 16 municipal staff were involved in the project and trained on the use of the established system. The presentation of the monitoring system and manual took place in Fier on May 14, 2009, with participation of municipal staff, local and central agencies, and representatives of local NGOs.

**SG-002:** In September 2008, LGPA issued a small grant to Lorenzo & Co. for 27,055 USD. The grant activities provided for the preparation of registration materials for Gramsh municipal assets transferred from the central government. In addition, the grant activities provided for the development of an asset management GIS and a Municipal



Municipal Asset Registration and Management: in December 2008, Lorenzo & Co. delivered their work product on asset registration in Gramsh to the LGPA and to the Mayor of Gramsh. Above (left to right), Lorenzo Zani, President of Lorenzo & Co., and Roland Çoniku, Director of the Economic Development, look on as Gramsh Mayor Kastriot Zeraj inspects the catalogue of municipal assets.

*Photo credit: LGPA*

Assets Catalogue, training of relevant municipal staff in asset assessment and classification, and updating of asset related information by the use of GIS. By completion of the grant activities, registration materials were prepared for over 480 municipal properties, 25 hard copies of a municipal assets catalogue were printed, a municipal GIS system was developed, and five municipal staff were trained.

**SG-003:** In September 2008, LGPA issued a small grant to RDA Tirana for 17,816 USD. The grant activities provided for assistance and support to Fushë-Krujë and Librazhd to organize—for the first time—a participatory budgeting process. In January 2009, the results of the community meetings and the shortlisted priorities were presented to the respective municipal councils as part of the municipal budget.

**SG-004:** In October 2008, LGPA issued a small grant to the Institute for Rural Research (IRR) for 23,201 USD. The grant activities provided for the completion of two feasibility studies for an agriculture wholesale market in Fushë-Krujë and a slaughterhouse in Gramsh. Field assessment surveys were completed and used as a basis for assessing different options considered by the studies. The feasibility studies were prepared and presented in the respective municipalities to municipal staff, municipal council representatives, traders/producers, and agricultural extension services. These studies constitute a strong basis for municipalities to search for financing opportunities.

**SG-005:** In November 2008, LGPA issued a small grant to MSR for 14,960 USD. The grant activities provided for the completion of detailed cost analyses of the cleaning service in Librazhd. The cost analyses and the target service indicators were then combined into a three-year Service Improvement Action Plan which included a package of measures aiming at an improved cleaning service. The Municipality of Librazhd, assisted by MSR, successfully implemented the measures provided by the Action Plan during 2009. This resulted in a surveyed 6 percent increase of the citizens' satisfaction of the cleaning service (from 68 percent to 74 percent).

**SG-006:** In December 2008, LGPA issued a small grant to ValuAdd for 41,197 USD. The grant activities provided for the development of a Business Plan for the Fier Water Enterprise. A draft Business Plan was developed and presented to stakeholders on March 18, 2009. Comments and recommendations were incorporated in the Final Business Plan, submitted for approval on April 15, 2009.

**SG-007:** In February 2009, LGPA issued a small grant to Net Vision Studio (NVS) for 16,950 USD. The grant activities provided for the completion of a Visual Improvement Study to define relevant historic and socio-economic information as well as the themes for the Fier city's parks and plazas. The preparation of the study involved local groups of interest including historians, archeologists, painters, teachers, students, sculptors, writers, businessmen, members of the Chamber of Commerce, and town citizens. The study was reviewed and subsequently approved by the City Council on April 29, 2009. It will be incorporated into the City Center Urban Plan and has become a useful tool for the municipality in exploring financing opportunities required for implementation.

**SG-008:** In February 2009, LGPA issued a grant to CSDC for 7,177 USD. The grant provided for the preparation and publication of the Statistical Bulletin of Korçë Municipality as a tool to communicate with the public in regard to municipal budget implementation. In cooperation with the Municipality, Chamber of Commerce, and the RDA of Korçë, CSDC has disseminated about 1,000 copies of the Bulletin among groups of interest.

**SG-009:** In January 2009, LGPA issued a small grant to AAM for 10,218 USD. The grant activities included provision of assistance and support with the organization of the Local Government Best Practices Conference, held in Tirana on September 17–18, 2009. AAM finalized a paper with findings and recommendations resulting from the Best Practices Conference and roundtables, which was then presented to the central government and other interested institutions.

**SG-010:** In February 2009, LGPA issued a small grant to EEC for 23,913 USD. The grant activities included provision of technical support to the LGPA municipalities of Kukës, Lezhë, Korçë, and Gramsh.

Under grant activities, participating municipalities received training of municipal staff on energy efficiency planning, developed Municipal Energy Efficiency Plans, and completed three energy audits in selected buildings.

**SG-011:** In March 2009, LGPA issued a small grant to Partners Albania (PA) for 19,103 USD. The grant activities provided for training and technical assistance to Lezhë to build a model of transparency and stimulate broadening of civic participation in local governance. PA completed a needs assessment study to evaluate the performance of the Municipality in regard to community participation and conducted a series of roundtables with local stakeholders and representatives from other LGPA target cities. Further, training and assistance were provided to the municipal staff to develop a Code of Ethics and a model Action Plan that will help the Municipality to increase the accountability and transparency. More than 16 municipal staff were trained on such topics as Participatory Governance, Monitoring and Evaluation, and How to Cure and Prevent Corruption. The Code of Ethics and the Action Plan were completed in September 2009. The best practice dissemination workshop was held in Lezhë on October 14, 2009 with participation of 28 municipal officials from several cities.

**SG-012:** In March 2009, LGPA issued a small grant to the Democratic Integration and Development Center (DIDC) for 14,884 USD. The grant activities provided for the establishment of a budget monitoring system in Kukës. DIDC provided support to the establishment of an LBMC consisting of representatives from the Municipal Council and civic society. More than 30 people, including members of the LBMC and municipal staff, were trained on different subjects including Local Budget Monitoring, Internal Audit, Strategic Planning, and Effective Communications. Further, a Local Budget Monitoring Guide was developed, produced, and published on October 7, 2009. With the support of DIDC, the Committee was able to complete a citizens' perceptions survey on budget implementation, deliver three reports on the management of public expenditures for 2009 to the Municipal Council, produce and publish 1,500 leaflets, and create two broadcastings in local media (Kukës TV) to inform community about LBMC work and transparency on management of public funds by Municipality during 2009.

**SG-013:** In March 2009, LGPA issued a small grant to Intelligent Women of Pogradec (IWP) for 24,391 USD. The grant activities included support to the strengthening of cooperation between the municipality of Pogradec and local business community. Through grant activities, IWP facilitated the drafting, discussing, and signing of a joint Action Plan between the Municipality and the local SBA. Further, IWP supported the organization of a Small Business Fair. The Fair was organized on June 20, 2009 with participation of more than 25 local businesses.

**SG-014:** In June 2009, LGPA issued a small grant to the Community Development Center (CDC) for a total of 14,410 USD. The grant activities included support to the organization of a Job Fair in Korçë. The Job Fair was organized on July 14, 2009 and had the participation of 19 businesses and 111 job applicants for a total of 65 vacancies.

**SG-015:** In March 2009, LGPA issued a small grant to RDA Fier for 36,324 USD. The grant activities supported the municipality of Himara in regard to improvements to service provision, increased cooperation with local businesses, and establishment of a public information office to increase transparency and communication with public. The grantee conducted two surveys to measure municipal performance in regard to service provision and measure tourist satisfaction from municipal services. Both surveys served as a basis for the development of improvement action plans for several municipal services. The grantee provided the necessary support with the establishment of the public information office and training of relevant staff.

**SG-016:** In June 2009, LGPA issued a small grant to ASET for 14,253 USD. The grant activities provided for the establishment of a public information office in Fushë-Krujë. ASET developed a set of internal rules regarding management of information and clear division of tasks and responsibilities between the information center and other stakeholders. Further, a manual on Municipal Public Relations

was developed and distributed to all municipalities and communes in Albania through AAM and AAC. The public information office in Fushë-Krujë was opened on December 17, 2009.

**SG-017:** In July 2009, LGPA issued a small grant to MSR for 27,448 USD. The grant activities provided for the completion of detailed cost analyses of the public service in Gramsh. The cost analyses and the target service indicators were then combined into a three-year Service Improvement Action Plan, which included a package of measures aiming at improved services. The Municipality, assisted by MSR, successfully implemented the measures provided by the Action Plan during 2010 and developed a five-year Capital Investment Guiding Plan, which was adopted by the Municipal Council.

**SG-018:** In September 2009, LGPA issued a small grant to WSSAA for 14,474 USD. The grant activities provided for the delivery of a training course to the 10 LGPA partner municipalities on customer service issues as well as the development of Customer Relations Action Plans. Under the assistance of WSSAA, the 10 municipalities finalized and approved their individual Consumer Relations Action Plans in July 2010.

**SG-019:** In September 2009, LGPA issued a small grant to Common Actions Against Poverty (CAAP) for 42,700 USD to create a small business incubator in Fier. Field interviews related to the Business Incubator Feasibility Study were completed during December 2009 and were submitted with the Incubator Business Plan by February 2010. Following several reviews regarding the slow pace of activity under this grant and in light of the resignations of the Tirana-based Director of CAAP and the Fier-based technical manager, LGPA eventually decided to terminate the grant, effective August 30, 2010. This action was taken pursuant to Paragraph 12 of the Grant Agreement with CAAP, dated September 7, 2009. Payments to CAAP were made only for the successfully completed feasibility study, totaling 8,131 USD.

**SG-020:** In November 2009, LGPA issued a small grant to Intelligent Women of Shkodra (IWS) for 12,831 USD. The grant activities provided for the training of women handicraft producers and organization of a handicraft fair in Shkodra. The training was held on December 11–12, 2009, with the participation of 23 women handicrafts producers. The fair was successfully organized in Shkodra on December 18–20, 2009, with the participation of about 38 women handicraft producers, including participants from Kosovo and Montenegro.

**SG-021:** In December 2009, LGPA issued a small grant in the form of in-kind donation of 23,920 USD to the Municipality of Librazhd. The grant activities provided for support to a public-private partnership initiative focusing on provision of dumpsters and small trash bins to the Municipality. Librazhd received 40 dumpsters and 50 small trash bins on December 11, 2009. LGPA organized, through CAAP, an environmental awareness training course delivered to the Librazhd High School students on December 7, 2009 with participation of about 40 students. A Clean-Up Event was organized in Librazhd on December 11, 2009 with participation of USAID/LGPA, the local community, CAAP, and local private businesses (one of these businesses, Tirana Bank, donated additional trash bins to the municipality and produced T-shirts and caps used by the participants to the event).

**SG-022:** In December 2009, LGPA issued a small grant to the Institute for Democracy and Mediation (IDM) for 14,277 USD. The grant activities provided for organization of roundtables with local government officials and local community representatives in Librazhd, Fushë-Krujë, and Lezhë to discuss necessary measures that would improve municipal performance as a response to the issues identified in the 2009 Local Government Survey report. Further, with the assistance of IDM, the working groups established in each city developed Action Plans which were endorsed by the respective mayors and implemented during 2010.

**SG-023:** In March 2010, LGPA issued a small grant in the form of in-kind donation of 17,738 USD to the Municipality of Gramsh. The grant activities provided for support to a PPP initiative focusing on provision of dumpsters and small trash bins to the Municipality. Gramsh received 40 dumpsters on March

1, 2010. LGPA organized, through CAAP, an environmental awareness training course delivered to the Gramsh High School students on March 1, 2010. About 50 students participated. A Clean-Up Event was organized in Gramsh on March 5, 2010 with participation of USAID/LGPA, the local community, PCVs, CAAP, and local private businesses (one of these, Banka Popullore/Société Générale, donated an additional 100 trash bins and 120 park benches to the Municipality).

**SG-024:** In April 2010, LGPA issued a small grant, in the form of in-kind donation, to the Municipality of Fier for 9,328 USD. The grant activities provided for support to a public-private partnership focusing on provision of in-kind donation of trash cans to Fier, provision of an Environmental Awareness Training Course to the local youth groups and media, and organization of a Clean-Up Event. A total of 74 trash bins were delivered to the Municipality on April 22, 2010. The environmental awareness training course was delivered to the Fier youth groups and media on April 17 and 13, respectively, with participation of about 23 students and 24 media representatives. On April 22, 2010, a Clean-Up Event was organized in Fier with participation of USAID, LGPA, FORECAST, OSCE, Aarhus, the local community, local youth groups (Outdoor Ambassadors), PCVs, and local private businesses (one of these, Banka Popullore/Société Générale, donated an amount of approximately 2,000 USD in trees).

**SG-025:** In March 2010, LGPA issued a small grant to the Association of Traditional and Artistic Crafts and Trades (ATACT) for 5,947 USD. The grant activities provided for support to the promotion of handicrafts production in urban and suburban areas of Pogradec. Special focus on was placed on women handicraft producers. A two-day training course was organized for about 21 selected producers on such topics as product identification, marketing, and cost/benefit analysis. The handicrafts market in one of the main boulevards of Pogradec, which operated from June 20–September 20, 2010, was held with the participation of about 25 producers. During this period, the producers were able to sell more than 2,700 articles. ATACT secured cooperation of local private businesses, including Alpha Bank, which provided for the tents and the tables required for the market at a total value of about 2,000 USD. Another private business, Perla Hotel, provided logistics support, including the no-cost provision of the hotel storage for participants to keep their products at night, hotel lobby where several meetings were organized, funding of the travel costs and coffee breaks for different participants, and airing of an advertisement in local media at a total value about 2,000 USD. The Municipality of Pogradec provided for other necessary infrastructure facilities, such as an improvement to the public streetlights at the marketplace, for around 1,500 USD.

**SG-026:** In October 2010, LGPA issued a small grant to MSR for 7,138 USD. The grant activities provided for conducting PETS in Elbasan and Lezhë to respond to such questions as:

- How was the budgeting process organized?
- How was the budget implemented by respective departments?
- Were the services and investments provided by the municipalities efficient?



- What was the level of collection of revenues?

The reports produced by MSR included analyses of the above topics and gave recommendations for future improvements. The reports were also shared with municipal staff, municipal councils, and local community representatives.

**SG-027:** In October 2010, LGPA issued a small grant to ASET for 8,054 USD. The grant activities provided for conducting PETS in Fushë-Krujë and Korçë to respond to such questions as:

- How was the budgeting process organized?
- How was the budget implemented by respective departments?
- Were the services and investments provided by the municipalities efficient?
- What was the level of collection of revenues?

The reports produced by ASET included analyses of the above topics and gave recommendations for future improvements. The reports were also shared with municipal staff, municipal councils, and local community representatives.

**SG-028:** In October 2010, LGPA issued a small grant to IDRA for 6,965 USD. The grant activities provided for conducting PETS in Shkodra and Pogradec to respond to such questions as:

- How was the budgeting process organized?
- How was the budget implemented by respective departments?
- Were the services and investments provided by the municipalities efficient?
- What was the level of collection of revenues?

The reports produced by IDRA included analyses of the above topics and gave recommendations for future improvements. The reports were also shared with municipal staff, municipal councils, and local community representatives.

**SG-029:** In November 2010, LGPA issued a small grant to EEC for 30,730 USD. The grant activities provided for the implementation of energy efficiency measures in a municipal building (the Elderly House) in Korçë. The selected building was one of the municipal properties previously audited for which an energy efficiency plan was developed.

**SG-030:** In January 2010, LGPA issued a small grant in the form of in-kind donation of 14,052 USD to the Municipality of Fier. The grant activities provided for the support to the establishment of a municipal One-Stop-Shop (OSS) as an effort to improve transparency and communication with public. The LGPA in-kind donation included computer equipment and furniture for the office such as personal computers, a printer, a photocopier, working desks, chairs, and file cabinets. The Municipality provided for all the construction work related to the OSS and the training of the OSS staff.

# 9.0 IMPLEMENTATION ISSUES AND LESSONS LEARNED

## 9.1 OVERALL CHALLENGES TO PROJECT EFFECTIVENESS

The most pressing challenges confronting the LGPA were four-fold. First, the *global and regional economic crises* of the last few years have caused a reduction in business investment and economic growth in Albania. Although tax revenues increased during the 2007–2009 period, there has been a failure to achieve planned tax revenue collections and expenditures at both the central and local government levels since 2010–2011. For LGPA, this meant that local governments had fewer funds than expected and diminished opportunity to invest aggressively in external economic development and internal improvements. That is, just as the target cities were poised to make maximum use of the new skills developed and experience gained during the first two years of the project, they were confronted with a severe constraint on the funds they were able to raise (as taxes) or borrow (through bank loans).

Since ample information is available regarding the impact of the economic crisis, this report will not dwell on its impact here, other than to note that inflation in Albania rose (from 2.3 percent in 2009 to 3.6 percent 2010), unemployment increased (from 12.7 percent of the labor force in 2009 to 13.3 percent in 2010), and remittances from overseas workers fell to their lowest level in nearly a decade. With regard to taxes, collections did increase during 2010, but at levels substantially below the planned budget levels: at the central government, corporate income taxes revenue was essentially flat, compared to the planned increase of 13 percent; at the local level, tax collections from small businesses decreased by 6.5 percent versus a planned increase of 72 percent. These results indicate a lower-than-forecasted level of business activity and expansion, with a resulting reduction in tax yields.

Second, the *continuing political deadlock* over the national election results of 2009 has precipitated an increasingly negative political atmosphere, diverting stakeholder’s attention from operational activities and impeding efficient operations at the local government level. The deadlock has been worsened by the hard-fought local elections in 2011 and the tense situation resulting from the extremely close election in Tirana. The confrontational political situation has exacerbated these already severe economic and fiscal impacts by spreading confusion and instability. Most major decisions—and even many minor ones—are taken with political considerations uppermost in mind. Even at the local level, particularly in cities where the mayor and a majority of the municipal council are members of opposing parties, political considerations are paramount. This has been evidenced by the difficulty or even failure in many cities to reach agreement on the annual budget.

Third, the withdrawal by Socialist Party municipal and communal mayors from AAM, and the creation of a separate association along political lines, *has severely hampered the ability of municipalities—as local entities rather than political creatures—to have their voices heard at the national level*. While it may be argued that the AAM has over the years declined in its ability to advocate forcefully for the interests of local government, it remains that the split and subsequent political posturing does little more than exacerbate differences and does nothing to bring together local governments with one voice where they have common interests. For example, the Minister of Finance created the allocation of unconditional grants and set severe limits on municipal borrowing. In the former case, only a fair and objective system

of allocation benefits the overall development of Albania under a decentralized system. In the latter case, there is need for dialogue and considerable effort to find a means for credit-worthy municipalities to borrow more vigorously than currently allowed.

Fourth, *the original project design did not envision a necessity to work at the policy level, so no major resources of personnel were dedicated to this activity.* At the time the project was conceived, it appeared that the major issues were local implementation of policies already in place or soon to be forthcoming. However, policy issues and conflicts started to emerge as the program progressed. LGPA management did respond to this situation within the confines of existing resources.

Despite these challenges, LGPA’s performance targets have been met, except in two cases where factors beyond the control of LGPA and USAID have intervened.

The following sections briefly note the component-specific challenges addressed during the life of the LGPA project.

## **9.2 COMPONENT 1 CHALLENGES AND ACTIONS TAKEN IN RESPONSE**

### **9.2.1 Delays in Approving Municipal Borrowing Authority**

The LGPA study design assumed that the law on Local Borrowing would be in effect prior to the initiation of the LGPA. However, the law was approved in February 2008 and the secondary legislation was not issued until November 2008. This postponed for one year’s time the possibility to work concretely on loan applications with partners’ cities. This was especially unfortunate in light of the worsening economic and financial environment that has developed in the 2009–2011 time frame and has constrained the opportunity to borrow for new investment projects.

While awaiting final approval of the law and the implementing secondary legislation, LGPA worked at the national level to raise awareness and capacity to utilize the borrowing law. LGPA also worked closely with Fushë-Krujë, the first LGPA municipality to commit to finance a priority investment project through a commercial loan. These initiatives—preparing the technical workshops for target cities and technical roundtables with AAB and its member banks—allowed LGPA to accelerate the process for preparing loan applications and prepared the groundwork for successful “next steps” with seven additional partner cities.



### **9.2.2 Unexpected Changes in the Law on Local Revenues**

These legislative changes, enacted in April 2009 without prior consultation with local governments, severely reduced municipal revenue generation potentials and resulted in reduced borrowing capacity, restricted “cost recovery” pricing for public services, and uncertainty in the administration of municipal budgets. Further reductions resulted in small business tax collections, because of the reduction of the Value-Added Tax (VAT) threshold. In these circumstances, the ability of local governments to fulfill

basic governmental responsibilities was seriously curtailed and the opportunity to make qualitative advancements in local services and infrastructure improvements was made more difficult.

In response, LGPA prepared analyses to assess the impact of the amendments to the Law on Local Taxes and presented the issue for review and comment by municipal officials at the Best Practices Conference in September. LGPA monitored this problem from the perspective of local budgeting, borrowing, and administrative operations. Since the solution to this problem was essentially outside the current scope of the LGPA, as it involves matters of national policy development and legislative reform, LGPA assisted AAM to organize and present the effect of legal changes to local budget during four technical roundtables organized at the regional level (Durrës, Lezhë, Elbasan, and Saranda). As a result, a technical note was sent from AAM to MoI and MoF, while the new scheme of VAT was revised to allow LGUs to continue to collect the small business tax for business up to an annually 8 million ALL turnover. (The amount of the local small business tax paid to the municipality was credited against the amount of the tax on incomes to be remitted to the central tax authorities.)

### **9.2.3 Additional Municipal Borrowing Limitations Imposed by the Ministry of Finance**

The level of public debt in Albania has led the MoF to impose additional limits on the amount of municipal loan funds which can be disbursed in 2010 to a level equal to 5 percent of a municipality's 2009 year budget (MoF Administrative Order No. 857 [January 27, 2010]). A similar restriction was applied in 2011, further reducing the disbursement to 2.5 percent of a municipality's 2009 annual budget. This has severely limited (but not eliminated) the usefulness of the municipal borrowing initiative.

To counter these difficulties, LGPA worked carefully with banks and target municipalities to make sure they understood the uncertainties of the situation and also to define or redefine projects that can be realistically implemented within the 5 percent restriction. In most cases, projects could be staged in order to be feasible within these temporary guidelines.

## **9.3 COMPONENT 2 CHALLENGES AND ACTIONS TAKEN IN RESPONSE**

### **9.3.1 Local Tax Registers Often Incomplete, Poorly Organized, and Rarely Updated**

LGPA worked closely with local tax authorities to broaden their tax bases by bringing more taxpayers into the system, reducing the informal sector, and by better utilizing taxes already available to local governments (such as the property tax).

In addition, as data systems developed and/or maintained by the central government are integrated into local tax register system databases, it will be easier to identify and track local taxpayers. Such data systems include the business registration data generated by NRCs, cash register turnover data gathered by the GTD, address system and civil registry data developed by the MoI, and property registration data maintained by IPROs.

### **9.3.2 Low Level of IT Utilization and Capacity**

The LGPA's IT Assessment of the target municipalities, conducted in 2008, revealed a significant lack in the utilization of computer technology and little or no computer skills in most LGPA partner municipalities. Nevertheless, a unanimous request by the municipalities was for the LGPA to prioritize IT assistance with computerization of local tax departments.

In order to assure adequate IT capacity at the municipal level, MoUs were executed with each municipality to clarify roles and responsibilities for the installation of tax software and associated hardware. Both sides agreed to cooperate closely in the implementation of the plan. LGPA developed a

specific plan to implement the IT Tax System (including hardware, software, and staff training) for each city.

According to the MoUs, LGPA provided training for local staff on basic computer skills and intensive technical assistance on the new tax software. Professional trainings were also provided for local IT administrators.

Each municipality committed to the installation and/or continued provision of broadband internet connectivity for the municipal Tax Department.

### **9.3.3 Difficulty in Finding and Retaining Qualified IT Staff**

The IT Assessment also revealed that senior managers in most municipalities did not appreciate the importance of having qualified in-house IT staff. Where such awareness did exist, however, it was noted that municipalities are rarely able to pay competitive salaries to retain qualified IT staff.

Each municipality agreed to retain/hire a full-time IT staff member or to contract with a local IT firm to provide comprehensive support for the municipality's IT needs. In addition, as new professionals become members of the Tax Department staff or a new IT professional is contracted after the initial training provided by the tax software vendor, the municipality assumes all responsibility and costs to train new employees.

### **9.3.4 Limited Understanding of IT Potential**

Senior staff (mayors, deputy mayors, municipal council members, etc.) did not fully understand how to use the tools and data that can be generated by computerized management or how data produced by one department (such as the tax department) could be used effectively by other municipal departments.

LGPA prepared briefing packages that were presented to the mayors, council members, and key municipal staff to explain the data in the tax database; how it can be used for municipal budgeting and other financial management activities; how it can assist in asset management, urban planning, and other municipal functions; and how the tax database can be expanded to include other data sets.

### **9.3.5 Finalization of the Transfer Process**

Finalization of the transfer of municipal assets from the central government was a major challenge for the asset management activity. Only the completion of this process could raise the interest of target municipalities in regard to other activities such as registration, inventorying and disposal.

LGPA worked closely with AITPA to support completion of property transfer to from central government to target municipalities. To date, all of the LGPA target municipalities have completed the transfer, with the exception of Shkodra, where only the transfer of forest and pasture were actually completed. In addition, LGPA worked closely with target municipalities to encourage them to complete the inventory and submit it to the AITPA for final approval.

### **9.3.6 Registration of Properties**

Once the transfer is finalized, registration of transferred assets becomes crucial as LGUs can only behave as legal owners when registration is completed. Registration costs consist of preparation of registration materials and registration application fees payable at IPRO.

Of the 10 target cities, 5 were assisted with preparation of registration materials. This assistance allowed them to proceed with the next step which was the submission of registration applications to IPRO. In addition, LGPA raised the issue of registration fees in several meetings, workshops, and roundtables. Finally, in September 2010, the central government waived the payment of registration fees for public properties.

### **9.3.7 Lack of Clarity in Applicable Asset Management Legislation**

Existing legislation is extensive and designed according to the needs of various ministries from which these assets were derived. Such a situation confounds local government units in terms of what piece of legislation is applied, when, and for what purpose. Local officials, therefore, must make considerable efforts to find the necessary legal references and due procedures to avoid legal and institutional controversies in relation to assets management.

To help target municipalities (and LGUs) with the confusing and/or conflicting legislation LGPA developed the Guideline on Local Government Asset Management and assisted target municipalities in defining the legal framework for specific projects (e.g., housing PPP in Korçë where a specific instruction was prepared and submitted for approval to the Ministry of Public Works).

## **9.4 COMPONENT 3 CHALLENGES AND ACTIONS TAKEN IN RESPONSE**

### **9.4.1 Weakness of Local Albanian NGOs**

While the larger and stronger NGOs in Albania have improved their organizational capacities and financial viabilities over time, smaller NGOs have remained weak and sometimes even ceased their activities. Local CSOs are rare in number compared to Tirana-based ones. The weakness of local NGOs is due to such factors as the lack of appropriate forums to promote dialogue and information sharing, weak organizational capacity, inadequate funding, and lack of engagement and collaboration from municipalities, among others.

NGOs located in municipalities were reluctant to implement PETS as they were concerned about how it would affect their relationship with the municipal government. Because of the relatively small size of the municipalities, the close relationships between NGOs and municipalities, and the highly politicized environment in Albania, NGOs fear angering municipal governments.

To address these issues, LGPA worked closely to engage local and national NGOs in becoming more involved in local governance. Many project activities were supported by funds of LGPA's small grants program, which were used to overcome constraints to achieving project objectives at the municipal level and to act as seed money to initiate activities key to spurring local economic development or improving municipal service delivery. In addition, NGOs were integral participants of LEGCs, not only for building communication channels with municipalities, but also in providing important input for the economic development of the city. As a result, local businesses were involved in several partnerships with municipalities and local NGOs were used to conduct several project-related activities in the cities.

### **9.4.2 Commitment to the Success of the LEGC Process**

With regard to LEGCs, the mayors and staff of the municipalities in general have been willing to accept input and suggestions from outside the administration. This participation has resulted in a broad base of support for the specific activities laid out in the various municipal action plans. LEGCs served as forums but did not have the same impact on all target municipalities. This was observed in the frequency and the way they were convened. Some cities, such as Kukës and Korçë, found the LEGCs very useful and convened them for every major decision/development in the municipalities. Other municipalities met only perfunctorily.

Emphasis was placed on securing not only the participation of civil society, businesses, and business associations in public/private economic development efforts, but also involving other important actors in local development. Many times the LEGC meetings served as roundtables for discussion of tourism development, urban planning, asset management, and other issues of general donor interest.

### 9.4.3 Need to Organize Small Businesses

Some of the issues related to the business community that were found included lack of advocacy instruments, lack of trust, insufficient communication channels with municipalities, and lack of necessary business information and training. This brought the need of supporting the creation of small business association and activities related to them.

LGPA supported the creation of small business associations in five cities, facilitated their communication with municipal authorities, and assisted them through different training.

## 9.5 LESSONS LEARNED AND RECOMMENDATIONS

### 9.5.1 Continue to Improve the Enabling Environment for Decentralized Local Governance

Continued progress on decentralization will require improvements to the enabling environment (law and policy). A decentralization milestone was the adoption of the Law in 2000 “on the organization and functioning of Local Government.” Subsequent laws have addressed issues related to transfer of assets, the local small business tax and other local taxes, and urban planning. Local governments have achieved impressive increases in own source revenues. The process of approving and completing the transfer of property (assets) is well underway.

However, key “building blocks” creating the enabling environment for decentralized local governance are missing. Most notably:

- A comprehensive and cohesive Local Government Finance Law (a draft of which was prepared in 2007 with World Bank assistance but needs careful review in a broadly consultative process) is needed to provide clearer definitions of local finances and intergovernmental relations;
- Within this framework, the use of the property tax as a source of local revenues needs to be maximized;
- The concept of shared tax revenue, as stipulated in law, must be implemented; the VAT and personal income taxes are two prime possibilities;
- The legal framework for the implementation (not just planning phase) of Territorial Planning must be constructed; and
- The authority of local governments to use, develop, or sell assets must be clarified.



LEGCs in each target municipality were responsible for preparing and monitoring “Action Plans” to guide LGPA interventions. The Committees provided a forum to obtain the views of government, civil society and private sector representatives, while the action plans serve as a programmatic roadmap for LGPA’s collaboration with the target cities. Above, Korçë Mayor Niko Peleshi addresses the Korçë LEGC. To his right are Deputy Mayor Sotiraq Filo and Economic Development Coordinator Sofjola Kotelli.

*Photo credit: LGPA*

## 9.5.2 Provide Training and Incentives to Enhance Efficient Local Government Operations

Enhancing the delivery of services and the management of local governments will continue to require extensive training and capacity-building. Local government and inter-municipal/communal capacity-building must be coupled with strategies for citizen engagement. Proactive engagement of citizens in the processes and mechanisms of governance yields tremendous benefits. Decentralization efforts are more immediately implementable where citizens and CSOs are in support of and can contribute to the running of local government.



Provisioning water, wastewater, and solid waste management services present unique challenges to local governments. Most water and wastewater enterprises are multi-jurisdictional in nature and pose significant governance and funding issues. Close cooperation between the central government and local government will be required to develop and implement a strategy leading to full cost recovery. The organization of solid waste management functions, particularly related to addressing governance issues for regional entities, will require on-going technical assistance.

The enactment of a new national Territorial Planning Law in 2009 creates the potential for better management of and planning for the use of land and other physical resources. However, the adoption of secondary legislation is essential to guide the implementation of the planning law. Failure to entrust authority and build capacity for planning at the local level will result in the re-centralization of land use decisions.

The types of interventions which best address these issues include:

- Providing technical assistance to the central and local governments in preparing plans and fulfilling other responsibilities under the Territorial Planning Law;
- Developing national performance/quality standards to measure local public services and facilities investments;
- Strengthening the capacity of central and local governments by providing training and tailored technical assistance, information, and manuals;
- Supporting the development of financing vehicles and training programs that enable local governments to organize, manage, and finance water supply, wastewater sanitation, and solid waste management services as “public enterprises;”
- Providing incentives to local governments to reduce the cost of delivering services by investing in energy conservation/efficiency measures; and
- Supporting inter-municipal cooperation to provide for the delivery of services on a regional basis.

### **9.5.3 Increase Local Government Access to Resources**

The transfer of functional responsibilities to local governments has outpaced the provision of financial resources needed to fund the delivery of municipal services and to invest in infrastructure.

Recent actions (April 2009) by the central government have constrained local governments' discretionary authority and ability to impose certain taxes and tariffs. Competitive grants available for infrastructure projects, first implemented in 2006, constitute a significant share of central government transfers. However, anecdotal and empirical evidence suggest political favoritism in the issuance of grants.

The ability of local governments to borrow for large-scale infrastructure investment is key to the provision of a full range of local services. However, the law on local government borrowing places onerous limits on local borrowing.

Some of these constraints can be mitigated by:

- Creating an award process for competitive grants that is non-political, equitable, and transparent;
- Removing arbitrary restrictions on local governments' abilities to impose local tariffs and fees;
- Improving and expanding the property tax as a source of local revenues;
- Implementing efforts to make the collection and administration of the property tax more effective; and
- Supporting the revisions to the local government borrowing law in order to reduce financial limitations and remove artificial constraints on borrowing.

### **9.5.4 Strengthen Local Capacity to Implement Development Projects**

Equitable and sustainable economic development results most effectively when local government works in close partnership with businesses, nonprofit organizations, and an empowered citizenry. The role of local government as a catalyst and facilitator—and the importance of working in concert with citizens, the local business community, and civil society groups—is understood more thoroughly through LGPA. LEGCs have unearthed opportunities to promote investment and create a business-friendly environment. Progress has been made in leveraging investment through a PPP model. Effective models have been created for organizing SBAs to represent the local business community.

Based on some of the lessons learned in LGPA, local economic development could be enhanced in the future by:

- Providing training to develop strategic plans that cooperatively identify a locality's economic advantages, assets, and opportunities;
- Identifying opportunities to develop public-private alliances;
- Assessing the enabling environment for alliances and PPPs and remove policy, legal, institutional, and regulatory impediments;
- Training local government officials to develop structures and processes to identify and implement successful partnerships with the private sector;
- Supporting the organization of SBAs; and
- Connecting recently transferred properties (assets) to economic development opportunities and creating lessons learned and best practices for replication.

### 9.5.5 Seek Cost Efficiencies through Cost Sharing and PPPs

During the course of the project, LGPA achieved significant cost efficiencies by requesting local “cost share” in the implementation of selected activities and by utilizing PPPs to fund certain projects. Examples include:

- *Regulatory Plans (Kukës and Fushë-Krujë):* Each municipality paid approximately 45 percent of the costs, or more than 100,000 USD in total.
- *Tourism Information Offices:* Municipalities funded (or arranged funding) for the physical space (valued at approximately 10,000 USD per site); partner Çelësi Company furnished and equipped the TIOs and hired the staff (initial costs of 4,000 USD per site, plus ongoing salary expenses). LGPA participation was limited to staff time for planning and coordination.
- *Clean-Up Days (Librazhd, Gramsh, and Fier):* Municipalities provided in-kind services and paid various expenses associated with the organization of the days. Local banks and businesses contributed funds for trash receptacles, T-shirts, shopping bags, etc. PCVs provided organizational assistance. LGPA purchased large trash bins and contributed staff time for planning and coordination. In Fier, support was also offered by the Dutch Local Assistance Program.
- *Fier Regional Tourism Guide:* LGPA paid for the printing of this guide, which was developed by SNV (the Netherlands Development Organization) with input from the Qark, the Municipality, and the local tourism business sector.
- *Energy Conservation Project in Korçë:* Municipality contributed in-kind services and some equipment; LGPA funded over 80 percent of project costs through small grants.
- *Winter Festival Skating Rink in Korçë:* Municipality provided site and security for the rink. A local private company contributed the cost of renting and setting up the rink. LGPA participation limited to staff time for planning and coordination.
- *Elbasan Strategic Plan Update:* LGPA paid for the printing of this document, which was developed by the Municipality with input from the local business and civil society sectors. LGPA staff also helped define and detail various municipal development proposals included in the plan.
- *Supervisory Board Training:* GIZ hired a consultant to prepare a Guideline on the role of Supervisory Board members. LGPA hired a consultant to develop training materials based on the Guideline and to conduct an initial round of trainings for water enterprises in our target cities. The Albanian Water Regulatory Entity has guided each activity. WSSAA will enter into an agreement with the regulatory entity to provide training in the future, on a fee basis, and to award completion certificates which will be a pre-requisite for serving on a Supervisory Board.
- *Pogradec Recycling Program:* As part of a major program launched by the Municipality and the Regional Solid Waste Management Enterprise, LGPA organized an awareness program and facilitated involvement by local businesses.



Shkodra Deputy Mayor Ridvan Troshani, Mayor Lorenc Luka, and Urban Planning Director Aida Shllaku discuss location of proposed Tourism Information Office with Çelësi General Manager Ylli Sula. In addition to Shkodra, TIOs were established in Pogradec and Elbasan.

Photo credit: LGPA

- *Fier One-Stop-Shop*: LGPA purchased computers, furniture, signs, and other equipment for the OSS. The Municipality renovated the space, installed the signage, and underwrote the training program for municipal staff, among other tasks.
- *Peace Corps Cooperation*: LGPA worked closely with PCVs in target municipalities. In most cases, the PCVs were participating in the Community Development Program and were assigned to assist the local Bashkia with municipal activities. This cooperation was mutually beneficial and provided the LGPA with a local presence at no project cost.

### **9.5.6 Maintain Close Donor Coordination**

A number of donors and program implementers were involved in economic growth, infrastructure development, and local governance programs in the ten target municipalities. LGPA has worked closely with and/or participated in seminars and workshops sponsored by the World Bank/International Monetary Fund, the European Bank for Reconstruction and Development (EBRD), United Nations Development Program, ENSI, the European Union, Council of Europe, Swiss Cooperation Program, GIZ, *Kreditanstalt für Wiederaufbau*, OSCE, and the Sector Working Group on Decentralization.

Under the Local Economic Growth Component, LGPA has worked closely with several donors and private sector organizations to either implement joint activities or create synergies that would increase the impact to partner municipalities and their communities. Joint activities were implemented in cooperation with USAID/FORECAST, MoF, AAB, AAM, and AAC.

LGPA collaborated closely throughout the project's life with a number of Albanian central government agencies, most notably the MoF, MoI, and GTD.

With GTD, LGPA worked to ensure that turnover data obtained from newly mandatory cash registers is also shared with the relevant municipal tax departments. This will allow municipal tax departments to ensure that small businesses are correctly reporting their turnover. Computer equipment required to enable the GTD to perform this function was provided by LGPA.

# ANNEX A: GRANTS SUMMARY REPORT

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
1	RDA Fier	The establishment of a city Strategy Monitoring Indicators System, including determination of sources of information, collection methodologies, and ways to report to public and other interested stakeholders.	Fier	7,720 USD	7,720 USD	<p>Work started with organization of initial meetings and workshops with participation of city's managers of different departments to define each sector's indicators in accordance to the existing city Development Strategy. This work resulted in development of a draft system of monitoring indicators. The draft was reviewed further and finalized into a <b>Municipal System of Strategy Monitoring Indicators</b> developed electronically in a database and as a hard copy for use by municipal staff and other interested agencies or institutions. The presentation of the manual took place in Fier on May 14, 2009 with participation of municipal staff, local and central agencies, and representatives of local NGOs.</p> <p><b>Grant activity completed in May 2009.</b></p>
2	Lorenco & Co.	Preparing registration materials for municipal assets transferred from the central government, preparation of assessment and classification guidelines, developing an asset management GIS and a Municipal Assets Catalogue, training of municipal staff in asset assessment and classification, and updating of asset-related information by the use of GIS.	Gramsh	2,190,300 ALL	2,190,300 ALL	<p>Major achievements of this grant include the following:</p> <ul style="list-style-type: none"> <li>• Preparation of the registration materials for around 500 Municipal Assets in both electronic and hard copy format.</li> <li>• Development of Assessment and Classification Guidelines in cooperation with the Albanian Assessors Association.</li> <li>• Development of a GIS system for municipal assets.</li> <li>• Development and publication of Municipal Assets Catalogue for public properties of economic value.</li> <li>• Training of relevant municipal staff on asset assessment and classification and use of GIS and AutoCAD.</li> <li>• In addition to the grant activities, Lorenco &amp; Co. provided assistance to the preparation of the cartographic material required for the city address system.</li> </ul> <p><b>Grant activity completed in December 2008.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
3	RDA Tirana	Assist the municipalities of Fushë-Krujë and Librazhd to organize a Participatory Budgeting Process.	Fushë-Krujë, Librazhd	1,708,500 ALL	1,708,500 ALL	<p>Work started with establishment of working groups of municipal staff, local NGOs, and community representatives. During November and December 2008, the grantee assisted the city in organizing open community meetings to define and shortlist priorities. In January 2009, the results of the community meetings and the shortlisted priorities were presented to the respective municipal councils prior to the approval of the municipal budget with the goal of including some of the identified projects into the annual budget. <b>Since this was the first experience in organizing participatory budgeting for Fushë-Krujë and Librazhd, the major achievement of this grant activity is the inclusion of most of the community priorities in the respective annual budgets approved by the municipal councils.</b></p> <p><b>Grant activity completed in March 2009.</b></p>
4	IRR	Feasibility Studies for an Agriculture Wholesale Market in Fushë-Krujë and a Slaughterhouse in Gramsh.	Fushë-Krujë, Gramsh	2,227,000 ALL	2,227,000 ALL	<p>IRR's work started with establishment in each of the cities of working groups of municipal staff and local agriculture specialists and traders to discuss the need for the wholesale market and slaughterhouse in Fushë-Krujë and Gramsh, respectively. For purposes of having a better understanding of the situation, IRR completed a field assessment survey to be used as a basis for assessing different options considered by the studies. The draft feasibility studies were prepared and presented in the respective municipalities to groups of municipal staff, municipal council representatives, traders/producers, and agricultural extension service members. Comments, suggestions, and recommendation given by different groups of interest were incorporated to the final version of the studies. <b>The major achievement of this grant is the preparation of final feasibility studies (in English and Albanian, hard and electronic copies), which constitute a strong basis for municipalities to search for financing opportunities.</b></p> <p><b>Grant activity completed in March 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
5	MSR Kuçovë	Cleaning Service Improvement.	Librazhd	1,466,429 ALL	1,466,429 ALL	<p>The cleaning service was defined by the Municipality of Librazhd and the local community as one of the main priorities. In order to achieve the main goal of the grant, MSR worked with the municipal staff to complete detailed cost analyses of the cleaning service. The cost analyses and the target service indicators were then combined into a three-year Action Plan which included a package of measures aimed at an improved cleaning service. The Action Plan was approved by the Municipal Council. Librazhd, assisted by MSR, successfully completed the measures provided by the Action Plan during 2009. <b>This resulted into a surveyed 6% increase in citizens' satisfaction from the cleaning service (from 68% to 74%). This is the major achievement of this grant.</b></p> <p><b>Grant activity completed in October 2009.</b></p>
6	ValuAdd	Development of a Business Plan for the Water Enterprise.	Fier	4,024,300 ALL	4,024,300 ALL	<p>ValuAdd organized meetings with Fier Water Company and the Supervisory Council to discuss the project activity. The work continued with collection and review of the completed data forms from Fier Water Company for the Business Planning Model. Senior Management of Fier Water Enterprise were trained to base their analysis on the historical and current organizational, technical, and financial situations of the utility to identify weaknesses and define "measurable" performance improvement action plans to overcome those weaknesses. A draft Business Plan was developed and presented to stakeholders on March 18, 2009. <b>Comments and recommendations were incorporated to the Final Business Plan which was submitted for approval on April 15, 2009.</b></p> <p><b>Grant activity completed in April 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
7	NVS	Visual Improvement Study.	Fier	1,671,160 ALL	1,671,160 ALL	<p>NVS worked with municipal staff and other local experts and stakeholders to define the historic and socio-economic information and the themes for the parks, plazas, and statues that will decorate the town. This included meetings with historians, archeologists, painters, teachers, students, sculptors, writers, businessmen, members of the Chamber of Commerce, and citizens. The information and conclusions from the meetings with interest groups and the public was classified. NVS promoted these meetings in the local media (shows and TV spots) to raise public awareness of the process. Local suggestions and recommendations were visualized by elaborating the ideas and themes suggested in the focus group meetings. <b>The major achievement of the grant is the development of the Study and its approval by the City Council on April 29, 2009. The Study will be incorporated into the City Center Urban Plan and has become a useful tool for the municipality in exploring financing opportunities required for implementation.</b></p> <p><b>Grant activity completed in April 2009.</b></p>
8	CSDC Korçë	Publication of the Statistical Bulletin of Korçë Municipality.	Korçë	667,920 ALL	667,920 ALL	<p>During the first stage of the activity, CSDC held meetings with working groups, prepared and delivered the data collection and processing training module to the Municipal Statistician, purchased the new computer for the Municipal Statistics Office, and collected and processed the data for the bulletin.</p> <p>The second stage of the grant activity included designing and publication of the Bulletin. <b>A total of 1,000 copies of the bulletin were printed (800 in Albanian and 200 in English).</b> In cooperation with the Municipality, Chamber of Commerce, and the RDA of Korçë, CSDC disseminated the Bulletin among groups of interest including general public, local businesses, and NGO sector.</p> <p><b>Grant activity completed in October 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
9	AAM	Assist with Best Practices Conference.	Tirana	956,000 ALL	956,000 ALL	<p>AAM assisted LGPA with distribution of invitations to potential participating municipalities and communes by explaining the Best Practices Conference purpose, content of the presentations, and the agenda. Further, 25 Best Practices were developed and edited in cooperation with LGPA. <b>The major achievement of this grant is the organization of the Best Practices Conference on September 17–18, 2009.</b></p> <p>As the final stage of the grant, AAM finalized a paper with findings and recommendations resulting from the Best Practices Conference and the roundtables organized recently by the AAM. This paper will be presented to the central government and other interested institutions.</p> <p><b>Grant activity completed in January 2010.</b></p>
10	EEC	Technical support to the LGPA municipalities participating in the Municipal Energy Efficiency Planning program.	Kukës, Lezhë, Korçë, and Gramsh	2,255,000 ALL	2,255,000 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Training of municipal staff on energy efficiency planning. First training session was held in Lushnja on February 3–4, 2009 and the second training session was held in Lezhë on March 18–19, 2009. The second training session was also held in Korçë on May 6–7, 2009.</li> <li>• Development of Energy Efficiency Concept Papers, which were signed by respective Mayors. The grant activities, including finalization and signing of Concept Papers, were completed in June. Finalization of the field energy audits in Lezhë and Korçë. The Energy Audits were presented in Lezhë and Korçë on December 15–16, 2009, respectively. Municipal Working Groups, EEC, ENSI, and LGPA also discussed the possibilities to fund the proposed energy saving measures in the audited buildings.</li> </ul> <p><b>Grant activity completed in December 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
11	PA	Work with Lezhë Municipality to build a model of transparency and to stimulate broadening civic participation in governance.	Lezhë	1,748,250 ALL	1,748,250 ALL	<p>During initial stage of the activity, PA completed a needs assessment to evaluate the performance of the Municipality Lezhë in community participation. The assessment was followed by a roundtable to introduce different initiatives in the field of community participation, citizen information, and use of monitoring/evaluation tools at the local level. The roundtable was organized in Lezhë on May 11, 2009 with participation of Elbasan, Durrës, Korçë, and Kuçovë.</p> <p>During the next stage, PA provided a tailored training program for the staff and the members of city council in Lezhë. PA provided training on Participatory Governance, Monitoring and Evaluation, and How to Cure and Prevent Corruption. PA provided additional training and assistance to the municipality of Lezhë in regard to the preparation of a Code of Ethics.</p> <p>The last stage of grant activities consisted of:</p> <ul style="list-style-type: none"> <li>• Delivery of technical assistance to develop a model Action Plan that will help the Municipality to increase the accountability and transparency and to establish monitoring and/or complaint systems; and</li> <li>• Dissemination of the best practices on good governance through a workshop with participation of LGPA pilot cities and other stakeholders.</li> </ul> <p>The Code of Ethics and the Action Plan were completed in September 2009. The best practice dissemination workshop was held in Lezhë on October 14, 2009 with participation of 28 municipal officials from several cities.</p> <p><b>Grant activity completed in October 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
12	DIDC Kukës	Build an efficient monitoring system of the municipal budget of Kukës.	Kukës	1,434,700 ALL	1,434,700 ALL	<p>During the first stage of the grant activity, DIDC provided assistance in regard to the establishment of an LBMC. This was accompanied by a formal decision of the Municipal Council. More than 30 people, including members of the LBMC and municipal staff, were trained on different subjects including Local Budget Monitoring, Internal Audit, Strategic Planning, and Effective Communications.</p> <p>As part of this stage of work, the Local Budget Monitoring Guide was developed, produced and published on October 7, 2009.</p> <p>As part of the last two stages of work, DIDC and the LBMC have focused on the monitoring of the local budget implementation. For this purpose, DIDC and LBMC have completed:</p> <ul style="list-style-type: none"> <li>• A survey to measure the citizens' perceptions about the implementation of budgeted investments and delivery of services (150 questionnaires completed).</li> <li>• Three monthly reports to the Municipal Council about management of financial expenditures made by Municipality for 2009, based on documented municipal financial statements.</li> <li>• Production and publication of 1,500 copies of two leaflets on community about project objectives, importance of the project, and LBMC reports to the Municipal Council.</li> <li>• Two broadcastings in local media (Kukës TV) to inform community about LBMC work and transparency on management of public funds by Municipality during 2009.</li> </ul> <p><b>Grant activity completed in March 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
13	IWP	Strengthen cooperation of the municipality with the local business community.	Pogradec	2,280,350 ALL	2,280,350 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Conducting a local business survey to get a better understanding of the business situation in Pogradec and areas of improvement as proposed by the small business.</li> <li>• Drafting, discussing, and signing of a joint Action Plan between Pogradec and the local SBA. The Plan consists of several actions that are expected to improve business climate in Pogradec.</li> <li>• Organizing a Business Fair. The Business Fair took place in June 20 with participation of more than 25 local businesses.</li> </ul> <p>As the final stage of the activity, IWP monitored implementation of the Action Plan and submitted a Final Monitoring Report.</p> <p><b>Grant activity completed in March 2009.</b></p>
14	CDC Korçë	Organization of Korçë Job Fair.	Korçë	1,320,000 ALL	1,320,000 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Organization of the Job Fair on July 14, 2009 with participation of 19 businesses and 111 job applicants for a total of 65 vacancies.</li> <li>• Development and publication of the brochure "How and Why to Organize a Job Fair."</li> </ul> <p><b>Grant activity Completed in December 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
15	RDA Fier	<p>Measure the performance of the services offered by local government.</p> <p>Assist in the establishment of the Public Information Office.</p> <p>Prepare projects for priorities identified by tourists, citizens, and the Municipality.</p> <p>Address the annual budget of the Municipality.</p>	Himara	3,318,400 ALL	3,318,400 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Conducting a survey to measure the performance of the services offered by local government. The survey was used by Himara to produce service improvement action plans for several municipal services under the assistance of RDA of Fier.</li> <li>• Conducting and publishing a tourism survey. The survey will serve to local tourism businesses to understand tourists' requirements better and improve their services for the coming years.</li> <li>• Assisting Himara in organizing and making functional the Public Information Office.</li> </ul> <p><b>Grant activity completed in December 2009.</b></p>
16	ASET	Establish the Public Information Office.	Fushë-Krujë	1,310,000 ALL	1,310,000 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Development of the internal rules regarding the management of the system of information, written division of tasks and responsibilities between the information center and other stakeholders, and preparation of modules and application forms and their publication into a manual.</li> <li>• Development and publication of a Manual on Municipal Public Relations. The Manual can be easily adopted by any LGU; therefore sufficient copies of the Manual were handed to AAM and AAC for distribution to their members.</li> <li>• Assistance to Fushë-Krujë to make the Public Information Office functional. The office opened December 17, 2009.</li> </ul> <p><b>Grant activity completed in December 2009.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
17	MSR	Cost Analyses of the Public Services. Development of the Public Services Improvement Plan. Development of the Capital Investment Guiding Plan	Gramsh	2,724,559 ALL	2,724,559 ALL	<p>To date, MSR has completed the first and second component of the grant activities (Service Cost Analyses and development of the Improvement Action Plan). Materials were presented to the Citizens Committee and Municipal Council during December 2009. MSR worked with the city to finalize the Capital Investment Guiding Plan, which was completed by May 2010. The Plan was approved by the City Council.</p> <p>MSR monitored implementation of the Service Improvement Action Plan and the Capital Investment Guiding Plan previously prepared and approved by the Gramsh City Council. This stage also included conducting a Citizens' Survey on the improvements in the municipal services. The survey was completed in July 2010. The results of the survey were made presented to local community, Municipal Council, and media.</p> <p><b>Grant activity completed in September 2010.</b></p>
18	WSSAA	Training to the 10 LGPA partner municipalities on Customer Service issues	Fier, Fushë-Krujë, Gramsh, Korçë, Himara, Kukës, Lezhë, Librazhd, Pogradec, and Shkoder	1,463,720 ALL	1,463,720 ALL	<p>As part of the first stage of work, WSSAA completed the Consumers Relations Training Module.</p> <p>During the second stage, WSSAA delivered a two-day workshop on February 18–19 and 25–26 (target municipalities were divided in two groups). The workshops served to assist municipalities in developing their city-specific Consumer Relations Action Plans. The workshops were attended by more than 36 representatives from the service departments of all target municipalities and representatives of the water companies.</p> <p>The target municipalities finalized their Consumer Relations Action Plans in July 2010 under the assistance of WSSAA. The Action Plans were then endorsed by the respective mayors.</p> <p><b>Grant activity completed in August 2010.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
19	CAAP	Establishment of a business incubator in Fier.	Fier	4,269,200 ALL	815,200 ALL	<p>Field interviews related to the Business Incubator Feasibility Study were completed during December 2009 and the Feasibility Study was submitted together with the Incubator Business Plan by February 2010.</p> <p>Following several reviews of the pace of activity under this grant, and in light of the resignations of the Tirana-based Director of CAAP and the Fier-based technical manager, LGPA concluded that the grant must be terminated, effective August 30, 2010. This action was taken pursuant to Paragraph 12 of the Grant Agreement with CAAP, dated September 7, 2009.</p> <p><b>Grant activity terminated in August 2010.</b></p>
20	IWS	Improving opportunities for employment of women in Shkoder.	Shkoder	1,215,280 ALL	1,215,280 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• A training course to participants to the Handicrafts Fair. The training was held in Shkoder on December 11 and 12, 2009 with participation of 23 women handicraft producers.</li> <li>• Organization of the women's Handicrafts Fair. The Fair was successfully organized in Shkoder December 18–20 with participation of about 38 women handicrafts producers including participants from Kosovo and Montenegro.</li> </ul> <p>As part of the last stage of the activity, IWS organized and conducted on February 2, 2010 a roundtable with more than 20 participants of the Handicrafts Fair, local government officials, and local NGOs to assess the results of the activity and discuss future steps to make similar activities sustainable.</p> <p><b>Grant activity completed in February 2010.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
21	Municipality of Librazhd and CAAP	<p>A PPP focusing on:</p> <ul style="list-style-type: none"> <li>• Provision of in-kind donation of dumpsters and small trash bins to the municipality of Librazhd;</li> <li>• Provision of an environmental awareness training course to the local high school students; and</li> <li>• Organization of a Clean-Up Event.</li> </ul>	Librazhd	2,185,600 ALL	2,185,600 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Provision of large and small trash bins to Librazhd as an in-kind donation by USAID/LGPA. A total of 40 dumpsters and 50 small trash bins were delivered to Librazhd on December 11, 2009.</li> <li>• Organization of an environmental awareness training course delivered to the Librazhd high school students on December 7, 2009. Around 40 students participated.</li> <li>• Organization of a Clean-Up Event in Librazhd on December 11, 2009 with participation of USAID, LGPA, the local community, CAAP, and local private businesses (one of these businesses, Tirana Bank, donated an additional number of trash bins to the Municipality and produced T-shirts and caps used by the participants to the event).</li> </ul> <p><b>Grant activity completed in December 2009.</b></p>
22	IDM	Improving local governance performance in Librazhd, Lezhë and Fushë-Krujë.	Librazhd, Lezhë and Fushë-Krujë	1,430,154 ALL	1,430,154 ALL	<p>As part of the first stage of the activity, IDM organized roundtables in Librazhd, Lezhë, and Fushë-Krujë on January 12–13, 2010. The roundtables were attended by local government officials and local community representatives to discuss necessary measures that would improve municipal performance as a response to the issues identified in the last Local Government Survey report released by LGPA last year. Draft Action Plans were reviewed by the respective working groups. The Final Action Plans were endorsed by the mayors and further monitored by local NGOs which were already identified by IDM.</p> <p>The final report on the monitoring of implementation of the Action Plans was submitted by IDM in December 2010.</p> <p><b>Grant activity completed in December 2010.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
23	Municipality of Gramsh and CAAP	<p>A public-private partnership focusing on:</p> <ul style="list-style-type: none"> <li>• Provision of in-kind donation of dumpsters to the Municipality of Gramsh;</li> <li>• Provision of an environmental awareness training course to local high school students; and</li> <li>• Organization of a Clean-Up Event.</li> </ul>	Gramsh	1,509,000 ALL	1,509,000 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Provision of dumpsters to Gramsh as an in-kind donation by USAID/LGPA. A total of 40 dumpsters were delivered to Gramsh on March 1, 2010.</li> <li>• Organization of an environmental awareness training course delivered to the Gramsh high school students on March 1, 2010 with participation of about 50 students.</li> <li>• Organization of a Clean-Up Event in Gramsh on March 5, 2010 with participation of USAID, LGPA, local community, CAAP, PCVs, and local private businesses (one of these, Banka Popullore, donated an additional 100 trash bins and 120 park benches to Gramsh).</li> </ul> <p><b>Grant activity completed in March 2010.</b></p>
24	Municipality of Fier	<p>A public-private partnership focusing on:</p> <ul style="list-style-type: none"> <li>• Provision of in-kind donation of trash cans to the Municipality of Fier;</li> <li>• Provision of an environmental awareness training course to the local youth groups and media; and</li> <li>• Organization of a Clean-Up Event.</li> </ul>	Fier	832,792 ALL	832,792 ALL	<p>Major achievements of this grant include:</p> <ul style="list-style-type: none"> <li>• Provision of trash bins to the Municipality of Fier as an in-kind donation by USAID/LGPA. A total of 74 trash bins were delivered to Fier on April 22, 2010.</li> <li>• Organization of an environmental awareness training course delivered to the Fier youth groups and media on April 17 and 13, respectively, with participation of about 23 students and 24 media representatives.</li> <li>• Organization of a Clean-Up Event in Fier on April 22, 2010 with participation of USAID, LGPA, local community, local youth groups (Outdoor Ambassadors), PCVs, and local private businesses (one of these, Banka Popullore, donated approximately 2,000 USD in trees).</li> </ul> <p><b>Grant activity completed in April 2010.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
25	ATACT Pogradec	Promotion of output from the women's handicrafts in urban and suburban areas of Pogradec.	Pogradec	670,000 ALL	670,000 ALL	<p>As part of the first stage, ATACT identified potential women handicraft producers to get involved with the project. An introductory meeting was initially organized on March 12, 2010 with participation of 23 women from Pogradec and the surroundings. Further, about 45 women have been contacted and about 21 one of them responded positively. ATACT organized a two-day training course on such topics as product identification, marketing, and cost/benefit analysis for the selected producers.</p> <p>The final stage of the grant activity was the opening of the open handicrafts market in one of the main boulevards of Pogradec. This operated for three months, from June–September 2010. The market was opened June 1, 2010 to coincide with tourist season opening activities. By the end of the tourism season, the about 25 handicraft producers traded their product in the open market; about 2,700 products were sold at prices varying from 1,000–5,000 ALL.</p> <p>The activity was made possible through excellent cooperation between the private sector (Alpha Bank and Perla Hotel donated a total of 400,000 ALL in promotional and working materials) and Pogradec (which donated about 150,000 ALL in improvements to the market place).</p> <p><b>Grant activity completed in August 2010.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
26	MSR	Conducting PETS in Lezhë and Elbasan.	Lezhë and Elbasan	705,500 ALL	705,500 ALL	<p>The grant provided for conducting PETS in Lezhë and Elbasan to respond to such questions as:</p> <ul style="list-style-type: none"> <li>• How was the budgeting process organized?</li> <li>• How was the budget implemented by respective departments?</li> <li>• Were the services and investments provided by the municipalities efficient?</li> <li>• What was the level of collection of revenues?</li> </ul> <p>The reports produced by MSR included analyses of the above topics and gave recommendations for future improvements. The reports were shared with municipal staff, the municipal council, and local community representatives.</p> <p><b>Grant activity completed in March 2011.</b></p>
27	ASET	Conducting PETS in Korçë and Fushë-Krujë.	Korçë and Fushë-Krujë	796,000 ALL	796,000 ALL	<p>The grant provided for the conducting of PETS in Fushë-Krujë and Korçë to respond to such questions as:</p> <ul style="list-style-type: none"> <li>• How was the budgeting process organized?</li> <li>• How was the budget implemented by respective departments?</li> <li>• Were the services and investments provided by the municipalities efficient?</li> <li>• What was the level of collection of revenues?</li> </ul> <p>The reports produced by ASET included analyses of the above topics and gave recommendations for future improvements. The reports were shared with municipal staff, the municipal council, and local community representatives.</p> <p><b>Grant activity completed in March 2011.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
28	IDRA	Conducting PETS in Shkodra and Pogradec.	Shkodra and Pogradec	709,533 ALL	709,533 ALL	<p>The grant activities provided for the conducting of PETS in Shkodra and Pogradec to respond to such questions as:</p> <ul style="list-style-type: none"> <li>• How was the budgeting process organized?</li> <li>• How was the budget implemented by respective departments?</li> <li>• Were the services and investments provided by the municipalities efficient?</li> <li>• What was the level of collection of revenues?</li> </ul> <p>The reports produced by IDRA included analyses of the above topics and gave recommendations for future improvements. The reports were shared with municipal staff, the municipal council, and local community representatives.</p> <p><b>Grant activity completed in March 2011.</b></p>
29	EEC	Energy efficiency improvement to the Elderly House in Korçë.	Korçë	3,037,000 ALL	3,037,000 ALL	<p>The grant provided for the implementation of energy efficiency measures in the Elderly House in Korçë. The selected building was one of the municipal properties previously audited for which an energy efficiency plan was developed with the support of EEC. The energy efficiency measures and interventions implemented in the selected building included:</p> <ul style="list-style-type: none"> <li>• Thermal insulation of the external walls;</li> <li>• New double glass windows/balcony doors;</li> <li>• Energy efficient lamps; and</li> <li>• Thermal insulation of pitched roof.</li> </ul> <p>The project started at the beginning of December 2010 and was completed at the end of February 2011. LGPA and EEC were satisfied with the quality of the materials used and the performance of the Energy Efficiency Measures and interventions implemented. "XHENGO," the company contracted by EEC, succeeded with the implementation of the identified energy efficiency measures and the work performed respected and fulfilled all the technical specifications and thermal parameters of the materials used.</p> <p><b>Grant activity completed in February 2011.</b></p>

No.	GRANTEE	GRANT ACTIVITY DESCRIPTION	GRANT ACTIVITY LOCATION	GRANT AMOUNT	AMOUNT PAID TO DATE	ACHIEVEMENTS AND STATUS OF COMPLETION
30	Municipality of Fier	Establishment of One-Stop-Shop.	Fier	1,440,000 ALL	1,440,000 ALL	<p>The grant activities provided for the support to the establishment of a municipal One-Stop-Shop as an effort to improve transparency and communication with public. The LGPA in-kind donation included such computer equipment and furniture for the office as PCs, a printer, a photocopier, working desks, chairs, and file cabinets.</p> <p>The Municipality provided for all the construction works related to the OSS and contracted RDA Fier to conduct the training of the OSS staff. The OSS was launched March 18, 2011.</p> <p><b>Grant activity completed in March 2011.</b></p>

# ANNEX B: WEBSITE ACTIVITY REPORT

The LGPA website ([www.lgpa.al](http://www.lgpa.al)) has proven to be an effective tool for dissemination of information regarding the project, including copies of published reports, manuals, and guidelines documents. The LGPA website is embedded within the web site of the Albanian Association of Municipalities ([www.aam-al.com](http://www.aam-al.com)), which has been a benefit to both organizations.

The website was launched in September 2008. It is interesting to note that after the Best Practices Conference, organized by LGPA in September 2009, there was an extraordinary increase in the number of visits and hits to the website and downloads in both Mbytes and files. The table below provides comparative figures. As the project came to an end in June 2011, visitation to and downloads from the LGPA website have increased considerably. It is also worth noting that third year aggregate figures are higher, even though the data for this year incorporate nine months only.

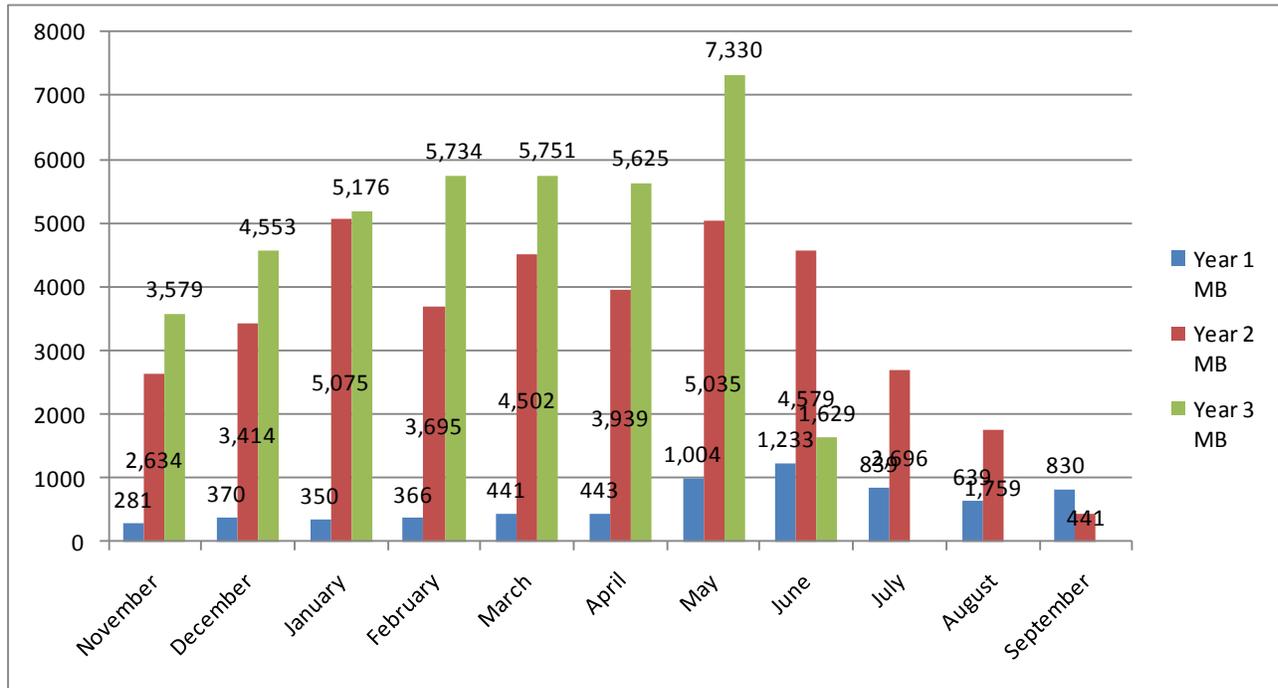
**TABLE 1: COMPARISON OF LGPA WEBSITE ACCESS STATISTICAL DATA**

Month	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	Total MB downloaded			Total visits			Total files downloaded			Total hits		
Sept.	829	2,374	*	715	1,382	*	13,897	17,353	*	19,466	30,943	*
Aug.	638	1,759	*	657	1,335	*	8,930	17,686	*	12,391	32,368	*
Jul.	839	2,696	*	619	1,408	*	11,817	16,462	*	16,482	33,508	*
Jun.	1,233	4,579	1,629	611	1,338	315	12,416	20,096	63,252	20,105	46,757	69,751
May	1,004	5,035	7,330	606	1,673	2,485	8,312	20,581	94,295	14,926	44,903	127,116
Apr.	443	3,939	5,625	550	1,055	1,756	8,069	16,516	21,455	10,839	33,174	46,107
Mar.	441	4,502	5,751	641	1,088	1,832	8,403	18,912	23,467	13,650	36,293	48,917
Feb.	366	3,695	5,734	588	927	1,690	7,856	19,398	20,366	12,788	46,964	45,110
Jan.	350	5,075	5,176	544	825	1,690	4,773	16,280	22,366	7,350	42,326	46,912
Dec.	370	3,414	4,553	527	946	1,636	5,486	15,014	21,736	8,377	25,156	45,729
Nov.	281	2,634	3,579	670	1,192	1,458	4,650	17,168	18,445	6,633	24,686	35,029
Oct.	100	2,076	2,615	100	794	1,272	1,000	14,451	17,187	1,000	20,706	35,154
<b>Total</b>	<b>6,894</b>	<b>39,701</b>	<b>41,992</b>	<b>6,828</b>	<b>13,963</b>	<b>14,134</b>	<b>95,609</b>	<b>209,917</b>	<b>302,569</b>	<b>144,007</b>	<b>417,784</b>	<b>499,825</b>

\* = No data is provided for July–September of the third year as this period belongs to a timeframe beyond project life. Data for June of Year 3 is updated as of June 6, 2011.

On average, the total size of download in MB increased about seven times when comparing first year with the third year, with January–May 2011 counting for more than the entire downloads of the first two years. In November 2008, the total download size was 281 MB; in May 2011 the same item was 7,330 MB, an increase of 26 times.

**FIGURE 1: COMPARISON OF TOTAL MB DOWNLOADED BY MONTH**



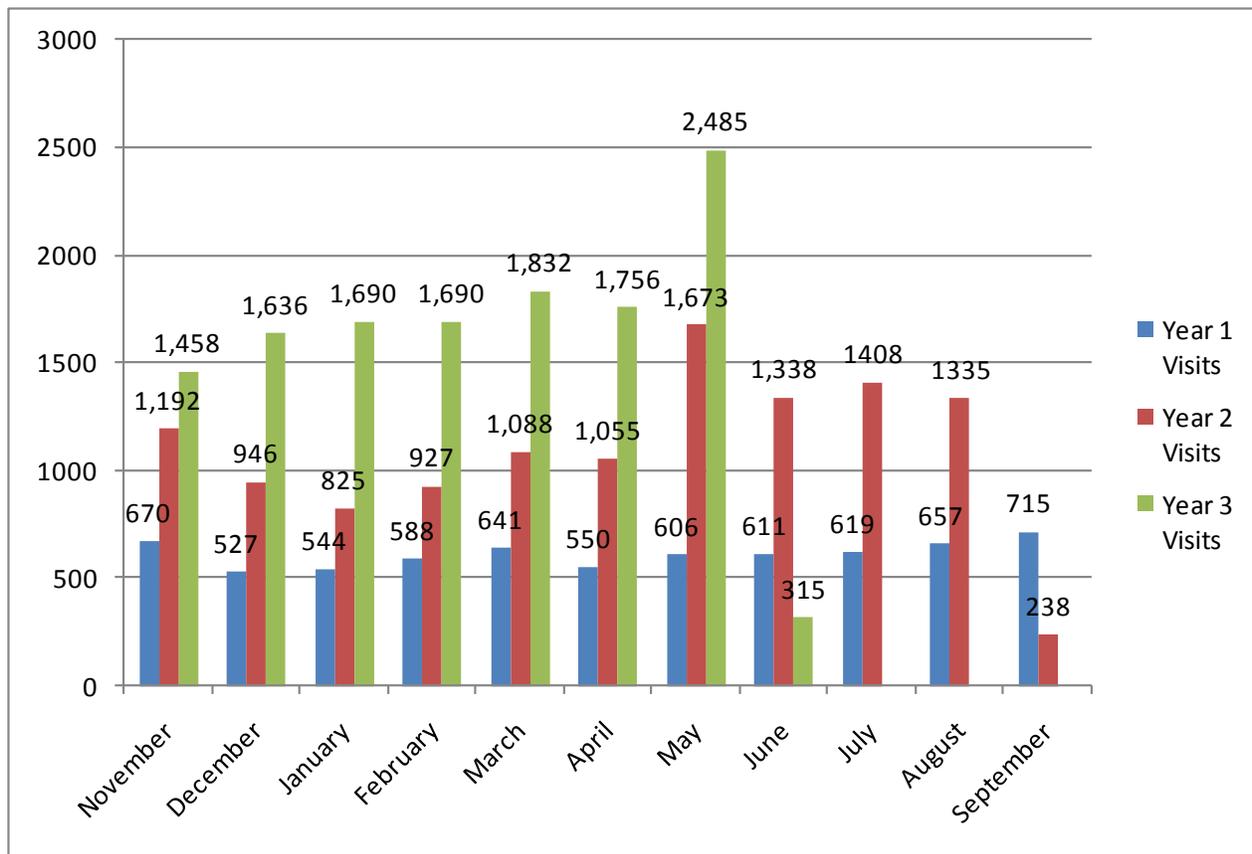
The number of visits to the LGPA website increased considerably from year-to-year. In light of this, visitation to the Program’s website more than doubled each year. In fact, after the Best Practices Conference of September 2009, the visits to the LGPA website doubled. It is also interesting to note that in May 2010 and 2011, LGPA website experienced a huge increase in the number of visits, downloads, and clicks. During May 2011, the number of visits to the LGPA website increased 7 times when compared with the same period of the first year and 1.4 times when compared with May 2010, which marked the highest peak for last year’s visitation. The LGPA website was visited 3.7 times more in May 2011 than in November 2008.

The website has attracted visitors from Albania; US commercial, governmental, educational, and non-profit organizations; Germany; UK; Spain; Italy; Macedonia; Canada; Poland; Slovak Republic; Czech Republic; Russian Federation; Ukraine; Bosnia and Herzegovina; Brazil; Bulgaria; Israel; Germany; China; Seychelles; Mexico; Netherlands; Singapore; Georgia; Romania; Austria; Croatia; Kyrgyzstan; Turkey; Finland; Vietnam; Japan; Poland; Armenia; Portugal; Switzerland; Peru; Luxembourg; India; Pakistan; Ivory Coast; Belgium; Hungary; South Africa; Ghana; Norway; Mozambique; Ireland; Indonesia; Uganda; Australia; Moldova; and Sweden.

The most visited pages of the website are Publications, Activities, Index, Partner Cities, Small Grants Program (both Albanian and English), Local Governance, Local Economic Growth, Contact, and Program.

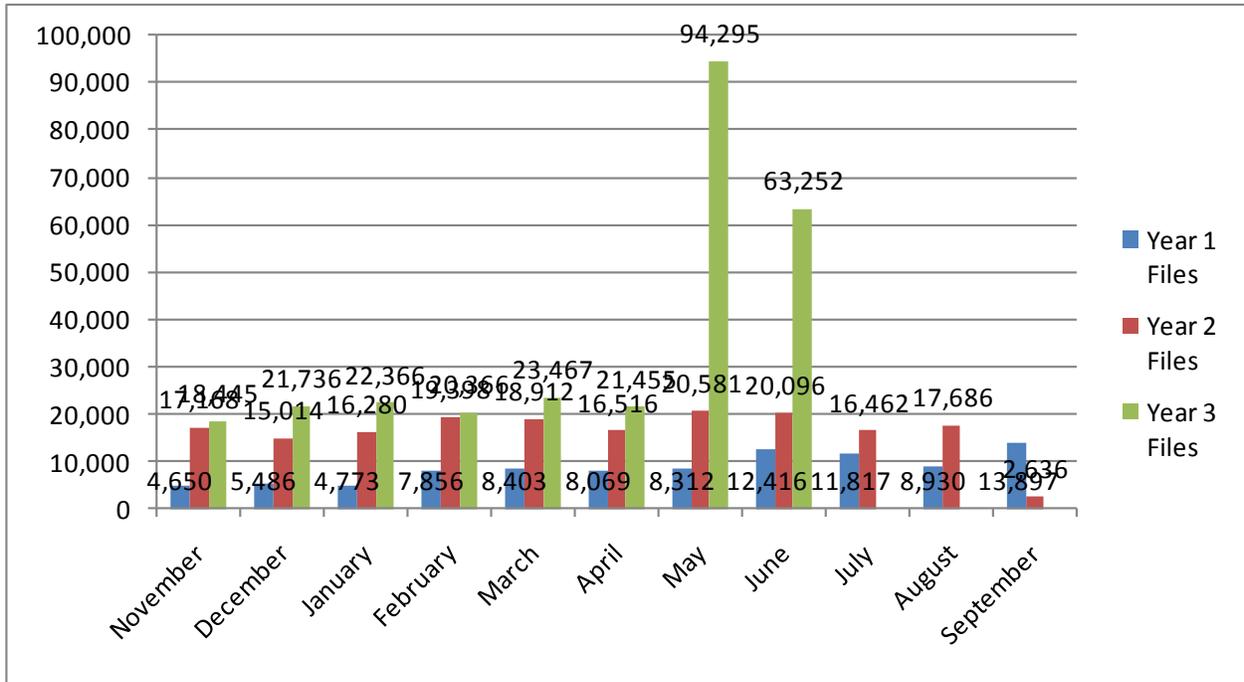
The website's top referrers include Google Search (and Google Image Search) (about 75 percent), Yahoo Search (13 percent), and MSN Search Live (9 percent), and other search engines (about 3 percent).

**FIGURE 2: COMPARISON OF TOTAL VISITS BY MONTH**



The number of downloaded files increased steadily in the third year, peaking in May 2011 at 2,485 MB. In November 2008, the files downloaded from LGPA website totaled 4,650; in May 2011, downloaded files for this month alone totaled 94,295, an increase of 20 times. Most downloaded files include Municipal Asset Management Toolkit (English and Albanian versions), Guidelines on Administration of Local Taxes and Fees (both Albanian and English versions), LGPA Small Grants Manual, LGPA Grants Application Form, Law on Tax Procedures (Albanian version), Law on Public Procurement (Albanian version), Overview of LG in Albania for Borrowing Purposes (English version), Guidelines on Municipal Borrowing (English version), and Summary of Grants (English version).

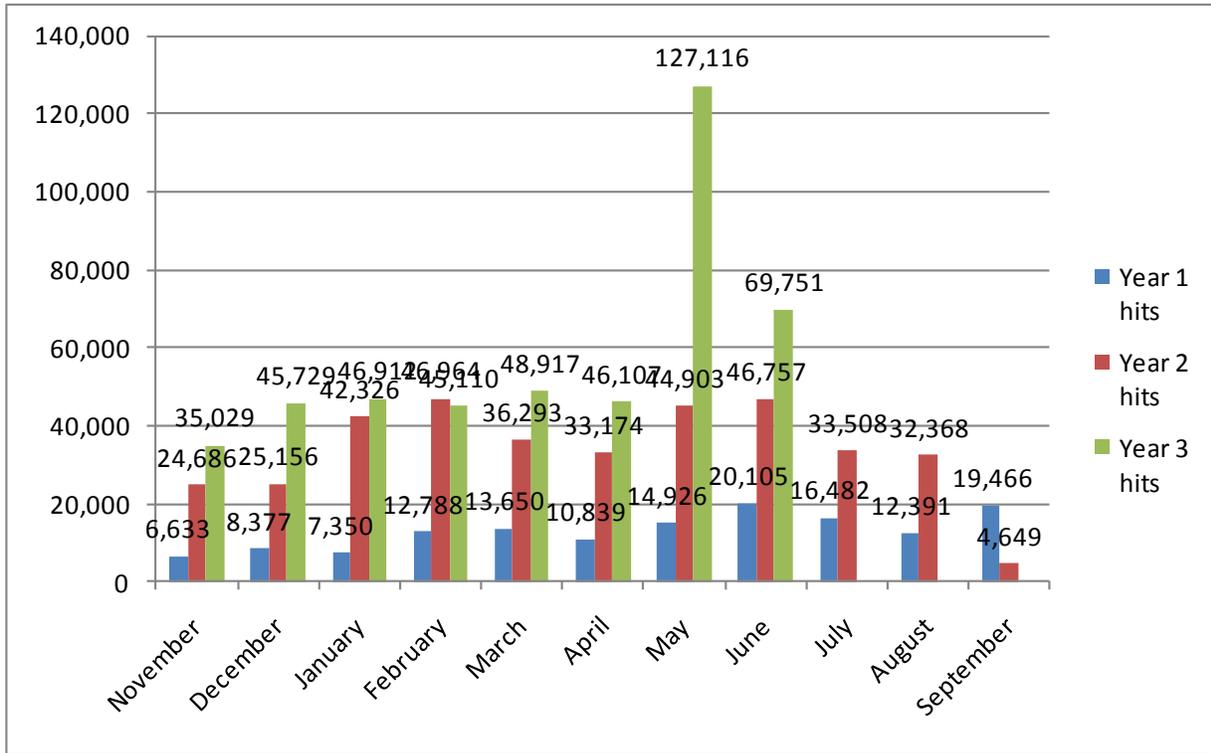
**FIGURE 3: COMPARISON OF TOTAL FILES DOWNLOADED BY MONTH**



In November 2008, hits to the LGPA website totaled 6,633; in May 2011, hits totaled 127,116, an increase of about 20 times. During the third year, hits increased steadily with a sharp rise in May and June (more than 120,000 for May and about 70,000 hits for only the first week of June). Most visited pages include Programs, Publications (both English and Albanian), Small Grants Program (English and Albanian), Achievements, Partners, Success Stories (both English and Albanian), and Press (English and Albanian).

Top search strings include *local governance in Albania*, *qeverisja vendore* (local governance), *Bashkia* (municipality), *LGPA ARD*, *USAID Albania*, *bashkitë shqiptare* (Albanian municipalities), *local factors of economic growth*, *Albania local development*, *site:www.lgpa.al*, *Municipality of Lezhë*, *economic growth until now*, *Fier municipality*, *LGPA in Albania*, *maps of Kukës*, *Shkodra*, *Bashkia Gramsh*, *urban planning*, and *territorial development*.

**FIGURE 4: COMPARISON OF TOTAL HITS BY MONTH**

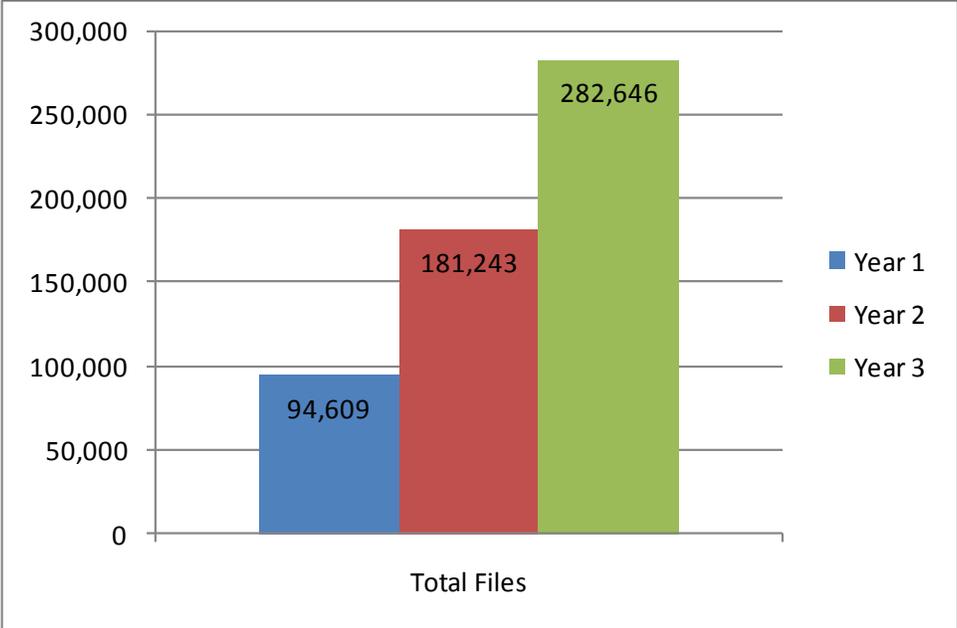


**TABLE 2: THREE-YEAR COMPARISON OF DOWNLOADS, VISITS, FILES, AND WEBSITE HITS**

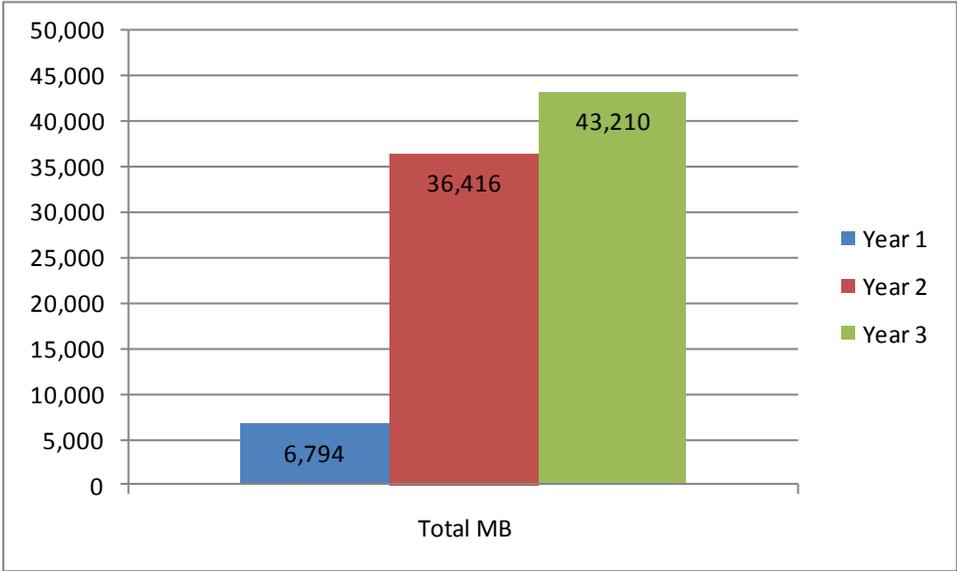
Year	Total MB	Total Visits	Total Files	Total Hits
Year 1	6,894	6,828	95,609	144,007
Year 2	39,701	13,963	209,917	417,784
Year 3	43,210	54,354	282,646	507,039

Figures 5–8 compare the data presented in the Table 2.

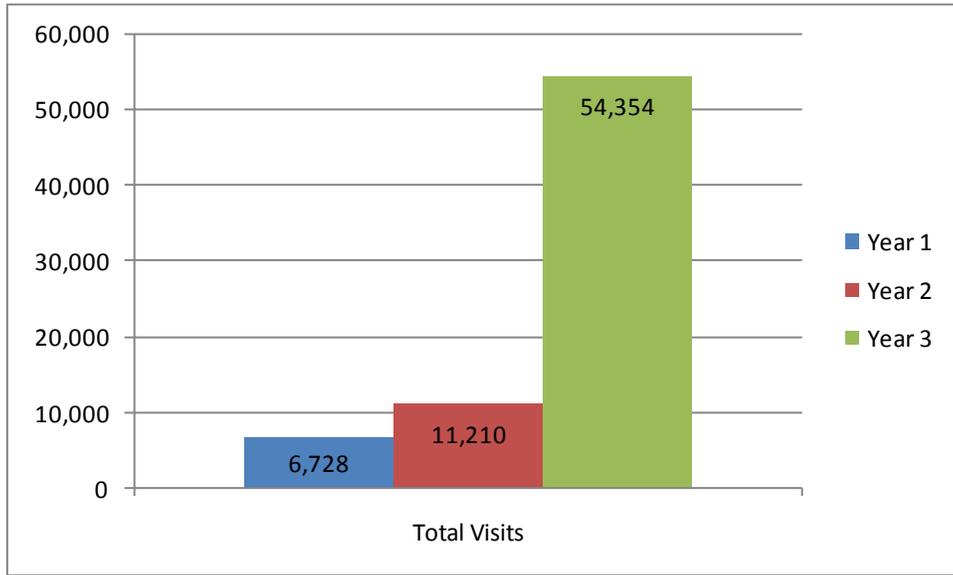
**FIGURE 5: COMPARISON OF TOTAL DOWNLOADED FILES.**



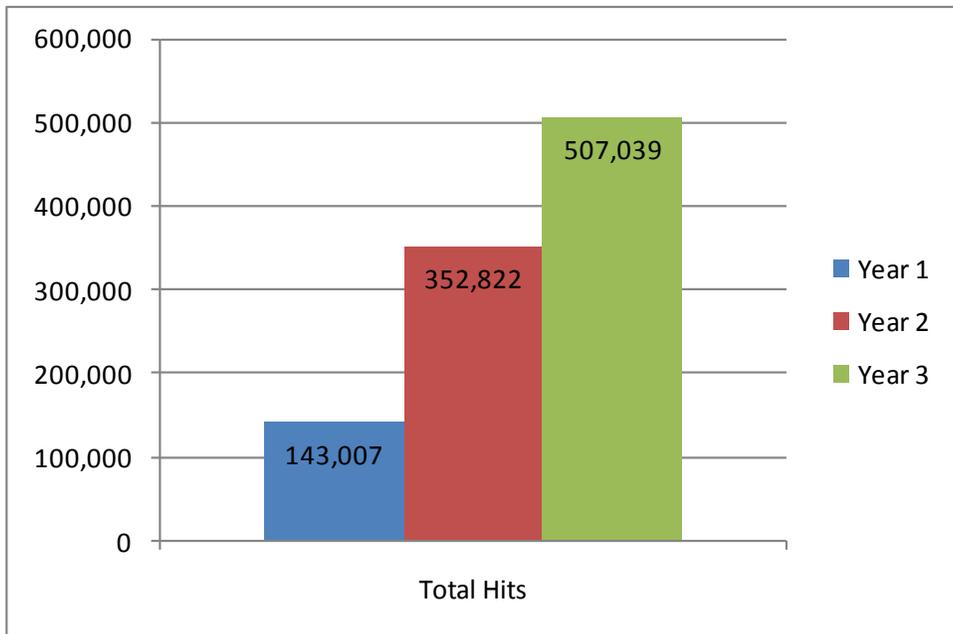
**FIGURE 6: COMPARISON OF TOTAL DOWNLOADED MBYTES (MB).**



**FIGURE 7: COMPARISON OF TOTAL NUMBER OF VISITS.**



**FIGURE 8: COMPARISON OF TOTAL NUMBER OF HITS.**



# ANNEX C: REPORTS AND INFORMATION PRODUCTS

## COMPLETED DURING YEAR 1

- Feasibility Study and Design Plan for the Sports Center in Korçë–published September 2008;
- Shkodra promotional materials for the Industrial Park–published September 2008;
- Final Selection of Target and Control Municipalities–Memorandum submitted December 14, 2007;
- Local Government Services, Accountability and Local Economic Growth, first national survey–published June 2008;
- Overview of Albanian Local Government for Borrowing Purposes; Financial Data on USAID Local Governance Program in Albania’s (LGPA) 10 Target Municipalities–published May 2008;
- Performance-Based Management Plan (PBMP)–approved March 6, 2008;
- Public Procurement Training Materials–published June 2008;
- Small Grants Manual–approved May 2008;
- Training on the Legal Framework and Role of National Registration Center (NRC)–published June 2008;
- Year 1 Annual Implementation Report–published October 27, 2008;
- Year 1 Work Plan–approved March 6, 2008; and
- Year 2 Work Plan–approved November 3, 2008.

## COMPLETED DURING YEAR 2

- Best Practices Manual–published September 17, 2009;
- Catalogue of Municipal Assets in Gramsh–published December 15, 2008;
- Catalogue of Municipal Assets with Economic Value in Korçë–published June 26, 2009;
- Catalogue of Municipal Assets with Economic Value in Lezhë–published June 25, 2009;
- Energy Efficiency Plans for Korçë, Lezhë, Gramsh, and Kukës–published June 2009;
- Feasibility study for Fushë-Krujë agriculture market–published January 15, 2009;
- Feasibility study for Gramsh slaughterhouse–published January 14, 2009;
- Fier Water Company Business Plan–published March 18, 2009;
- Guidelines on Local Government Borrowing–published April 15, 2009;

- Himara Tourism Survey–published September 17, 2009;
- Korçë Statistical Bulletin–published June 18, 2009;
- Kukës Business Survey–published May 28, 2009;
- Librazhd Cleaning Service Improvement Action Plan–published December 29, 2008;
- Local Budget Monitoring Manual for the Municipality of Kukës–published October 2009;
- Local Government Services, Accountability and Local Economic Growth, second national survey–published September 15, 2009;
- Monitoring Manual of Development Strategy of Fier City–published May 14, 2009;
- Municipal Asset Management Toolkit–published March 19, 2009;
- Participatory Budgeting Reports for Municipalities of Librazhd and Fushë-Krujë–published March 2009;
- Pogradec Business Survey–published May 13, 2009;
- Report on Monitoring of the Joint Business-Municipality Action Plan Implementation in Pogradec–published March 2009;
- Revenue Trends for Local Government Units in Albania–published September 2009;
- Revised Performance Based Management Plan (incorporating base data through December 31, 2008) –published March 2009;
- Shkoder-Bushat Regional Solid Waste Management Issue Paper–published March 2009;
- Shkodra business survey–published April 10, 2009;
- Tax Administration Guidelines–published January 23, 2009;
- Visual Improvement Study for Fier–published April 29, 2009;
- Year 2 Annual Implementation Report–published November 4, 2009; and
- Year 3 Work Plan–approved October 15, 2009.

### **COMPLETED DURING YEAR 3**

- Analyses and Recommendations on the Preparation of the Secondary Legislation to the Law 10119 on Territorial Planning–published June 2010;
- Bushat/Shkodra/Lezhë Regional Solid Waste Management Business Plan–published March 2010;
- Capital Investment Plan for the Municipality of Fushë-Krujë–published December 2009;
- Capital Investment Plan for the Municipality of Kukës–published December 2009;
- Consumer Relations Training Module–published December 2009;
- Cost Analyses and Service Improvement Action Plan for the Municipality of Himara–published December 2009;

- Draft Secondary Legislation for the National Territory Planning Law–published November 2010;
- Energy Audits in Korçë and Lezhë–published December 15–16, 2009;
- Feasibility Study, Lezhë Industrial Zone–published September 2010;
- Fier Business Survey–published October 7, 2009;
- Fier Incubator Feasibility Study–published December 2009;
- Fier Regional Tourism Brochure–published October 31, 2009;
- Final Report on Monitoring of Municipal Budget Implementation in Kukës–published March 2010;
- Findings and Incubator Business Plan–published February 2010;
- Fushë-Krujë Regulatory Plan–published March 2010;
- Gramsh Municipal Services’ Cost Analyses and Improvement Action Plan–published December 2009;
- Guideline on Local Government Asset Management–published September 2010;
- Kukës Regulatory Plan–published March 2010;
- Lezhë Water Company Business Plan–published December 9, 2009;
- Librazhd Catalogue of Municipal Assets–published March 2010;
- Librazhd promotional brochures–published September 2010;
- Manual and Access Database on Municipal Public Information Office of Himara–published December 2009;
- Manual on Municipal Public Relations–published February 2010;
- Municipal Code of Ethics–published October 14, 2009;
- Municipal Statistical Bulletin for the Municipality of Korçë–published October 2009;
- Municipality of Pogradec, Catalogue of Municipal Assets–published November 17, 2009;
- Property Tax: An Instrument for Innovative Financing at the Local Level in Albania–published September 2010;
- Report on Environmental Training in Librazhd–published in December 2009;
- Revised Performance-based Management Plan–published November 19, 2009;
- Revised Year 2 Performance Based Management Plan (incorporating base data through December 31, 2008)–published March 2009;
- Service Improvement Action Plan and Investment Guiding Plan for the Municipality of Gramsh–published September 2010;
- Short-term Asset Management Action Plans for Municipalities of Gramsh, Korçë and Lezhë–published September 2010;
- Social Housing PPP Study for the Municipality of Korçë–published October 2009;

- Templates & Procedures for Successful Local Government Borrowing—published September 2010;
- Why and How to Organize a Job Fair—published December 2009;
- Year 3 Annual Implementation Report—published November 19, 2010; and
- Year 4 Work Plan—approved October 27, 2010.

## **COMPLETED DURING YEAR 4**

- Draft Secondary Legislation for Implementation of the National Territorial Planning Law—published November 30, 2010;
- Gramsh promotional brochure—published May 2011;
- Immovable Property Tax-An Innovative Tool to Increase Local Revenues—published October 2010;
- Implementation of Municipal Performance Improvement Action Plans for the Municipalities of Librazhd, Lezhë, and Fushë-Krujë—published December 2010;
- Korçë Energy Efficiency Demonstration Project Report—published March 2011;
- Local Government Services, Accountability and Local Economic Growth, third national survey—published December 2010;
- PETS Reports for Municipalities of Elbasan, Korçë, Shkodra, Fushë-Krujë, Lezhë, and Pogradec—published March 2011;
- Project Completion Report—published June 2011; and
- Water Utilities’ Supervisory Board Training Manual and Guide—published March 2011.

## **SUCCESS STORIES**

- Success Story: Bulgarian Study Tour;
- Success Story: Fushë-Krujë Business Attitude Survey;
- Success Story: Fushë-Krujë First Municipal Loan;
- Success Story: Gramsh Municipal Assets’ Catalogue;
- Success Story: Gramsh Clean-up Day;
- Success Story: First Local Government Survey;
- Success Story: Korçë Municipality Participation in ExpoReal Fair;
- Success Story: Korçë Job Fair;
- Success Story: Korçë Municipal Loan;
- Success Story: Lezhë NRC Staff Training;
- Success Story: Local Economic Growth Committees;
- Success Story: Pogradec Tourism Information Office;

- Success Story: MoU Signing Ceremony;
- Success Story: Pogradec E-procurement Training;
- Success Story: Internal Study Tours;
- Success Story: Pogradec Handicraft Fair;
- Success Story: LGPA National Best Practices Conference; and
- Success Story: Sustainability of the Kukës Local Economic Growth Committee.

# ANNEX D: CONTACTS AND COUNTERPARTS

## (DONORS AND GOVERNMENTAL AGENCIES)

ORGANIZATION	CONTACT PERSON	E-MAIL	TELEPHONE
Ministry of Interior	Ferdinand Poni/Deputy Minister	fponi@moi.gov.al	068 20 69 551
	Afrida Damnori/Director of Economic Policies for LGUs	adamnori@moi.gov.al	069 41 11 744
Ministry of Finance	Dhurata Hoti/Head of Local Government Dept	dhhoti@minfin.gov.al	
	Milbana Tole/Debt Director	mtole@minfin.gov.al	
	Fran Brahimi/Director for Intergovernmental Relations	fbrahimi@minfin.gov.al	068 20 61 253
	Mimoza Peco/Director of Treasury	mpeco@minfin.gov.al	
	Ylber Bejzo/Accounting Director	ybejzo@minfin.gov.al	
Ministry of European Integration	Nezir Haldeda/Deputy Minister	sekretariazv1@minfin.gov.al	068 20 63 043
	Patris Hida (Kraja)/Director of IPA programs	Patris.Kraja@mie.gov.al	
	Jorida Tabaku/Deputy Minister	jorida.tabaku@mie.gov.al	069 20 84 508
Ministry of Economy, Energy and Trade	Greta Rakaj/Director for IPA–CBC programs	Greta.Rakaj@mie.gov.al	
	Enno Bozdo/Deputy Minister	ebozdo@mete.gov.al	
Parliament	Shrefedin Shehu/Member of Parliament (DP)	Shshehu@parlament.al	068 20 80 750
	Sybi Hida/Member of Parliament (DP)	shida@parlament.al	
	Florjon Mima/Member of Parliament (DP)	fmima@parlament.al	
Enti Rregullator Ujit/ERRU	Avni Dervishi/Chairman	avni.dervishi@gmail.com	068 20 80 306
OSCE	Darcie Nielsen/Head, Governance Program	darcie.nielsen@osce.org	069 40 10 041
World Bank	Evis Sulka/Public Finance Specialist/Macroeconomic & Public Debt Specialist	esulka@worldbank.org	
	Erion Luçi/Decentralization & Public Finances	eluci@worldbank.org	069 20 74 196
EBRD	Klajd Hasimi/Associate Banker	HasimiK@ebrd.com	
	Neritan Mullaj/Programme Director, Business Advisory Services (BAS)	neritan.mullaj@bas-albania.org	069 20 62 121

ORGANIZATION	CONTACT PERSON	E-MAIL	TELEPHONE
GIZ	Ismail Beka/Deputy Country Director/Program Manager	ismail.beka@GIZ.de	069 20 29 117
	Luan Dervishij/Tourism Coordinator	luan.dervishej@giz.de	
	Ledi Goxhaj/Expo Real Coordinator	Ledi.goxhaj@GIZ.de	
Agency for Inventory and Transfer of Public Assets	Dhurata Çupi Director	dh_cupi@yahoo.com	069 20 74 149
Elbasan Municipality	Qazim Sejдини/Mayor	sejdiniq@yahoo.com	067 20 34 095
	Diamanta Vito/Economic development	diamantavito@yahoo.com	069 20 54 622
	Elda Bako/Director of Finance		069 40 54 947
	Serafin Papa/Deputy Mayor		069 21 08 924
	Ervin Bebeti/Project specialist	bebetiv@aol.com	
Fier Municipality	Baftjar Zeqaj/Mayor	kryetari@bashkiafier.gov.al	069 20 82 400
	Florian Mucaj/Deputy Mayor	f.mucaj@bashkiafier.gov.al	068 20 91 023
	Flamur Mato/Deputy Mayor	flamur_mato@yahoo.it	068 23 92 317
	Antoneta Dhima/Finance Director	dhimaneta@yahoo.com	
Fushë-Krujë Municipality	Ismet Mavriqi/Mayor		068 20 200 66
	Engjëll Çollaku/Head of Municipal Council (MC)		068 20 08 664
	Dashmir Çela/Deputy Mayor		069 20 77 302
	Musa Seferi/Head of Tax Office		068 40 72 919
	Nasipe Lluka/Prime Tax Inspector		069 21 18 056
	Xhevahire Xhafa/Head of Finance Office		068 35 65 691
	Sajmir Seferi/Information Office	saimirseferi@hotmail.com	
Gramsh Municipality	Kastriot Zera/Mayor		068 40 27 922
	Arti Vecani/Deputy Mayor		068 40 27 904
	Roland Coniku/Head of Eco Development		
	Sejat Merzheku/Finance Director	sejatm@yahoo.com	
	Aferdita Doka/Tax Director		069 24 35 450
	Dhurata Çimo/Asset Office		068 39 12 787
	Flutura Çekrezi/Legal expert		068 40 27 914
Korçë Municipality	Niko Peleshi/Mayor	npeleshi@gmail.com	068 20 74 554 068 20 70 745
	Sotiraq Filo/Deputy Mayor	sotiraqfilo@yahoo.com	068 20 74 553
	Sofjola Kotelli/Head of Economic Development	skotelly@gmail.com	068 20 74 553

ORGANIZATION	CONTACT PERSON	E-MAIL	TELEPHONE
	Vilma Petro/Head of Policy Dept		068 26 76 915
	Valbona Ziko/Head of Finance	valbonaziko@yahoo.com	
Kukës Municipality	Hasan Halilaj/Mayor	hasanhalilaj@yahoo.com	068 20 40 668
	Lekë Deda/Finance Director	leke_deda@yahoo.com	
	Uran Çengu/Pajtim Duraku	juristi_07@hotmail.com	
Lezhë Municipality	Viktor Tushaj/Mayor	mayor@lezha.org	068 20 20 974
	Arjan Barbullushi/Deputy Mayor	zvkrjetari@lezha.org	069 20 35 140
	Preke Miraj/Finance Director	financa@lezha.org	
	Bib Gjoni/Tax Director	taksat@lezha.org	
	Pjeter Kola/Economic Development	kabineti@lezha.org	
	Mark Lleshi/Asset & Urban Planning	urbanistika@lezha.org	
	Pashk Smaçi/Service Director		
Librazhd Municipality	Kastriot Begaj/Mayor		068 20 16 010
	Brikena Agastra/Finance Director	b.agastra@yahoo.com	
Pogradec Municipality	Artan Shkëmbi/Mayor	artan.shkemi@yahoo.com	068 20 20 242
	Erjon Vesho/Deputy mayor	erjon.vesho@yahoo.com	068 40 19 403
	Arjana Çorbaxhi/Head of Finance office		069 31 00 412
Shkoder Municipality	Lorenc Luka/Mayor	lorencluka@yahoo.it	069 20 87 805
	Ridvan Troshani/Deputy Mayor	ritvan.troshani@yahoo.it	068 90 03 005
	Ahmet Omi/Deputy Mayor	omiahmet52@yahoo.com	069 20 38 406
	Ridvan Sokoli/Head of Economic development department	ridvansokoli@yahoo.com	069 20 68 817
	Teuta Haxho/Finance Director		069 40 54 150

## (NON-GOVERNMENTAL AND PRIVATE SECTOR)

ORGANIZATION	CONTACT PERSON	E-MAIL	TELEPHONE
AAM	Fatos Hodaj/Executive Director	aam@albmail.com	069 20 67 845
AAC	Agron Haxhimihali/Executive Director	aac@abcom.al	04 225 9318
Albanian Association for Local Autonomy	Bledar Cuci/Director	bcuci@localautonomy.al	068 20 54 515
ASET	Fatmir Mema	fmema@yahoo.com	069 20 95 495
AAB	Endrita Xhaferraj/General Secretary	secretariat@aab-al.org	
Alfa Bank	Orfea Dhuci/Manager Wholesale Business Unit	wholesale.albania@alpha.gr	
ATACT	Mimoza Shuli Executive Director	perlahotel@yahoo.com	068 40 19 494
Çelësi	Ylli Sula, General Manager	ysula@celesi.com	068 20 57 070
CSDC	Ereandra Taipllari, Director	csdckor@icc-al.org	0693067440
AAP	Anila Arapi, Executive Director	anilaarapi@caap-al.org	0682010880
Co-PLAN	Dritan Shutina/Director	dritan_shutina@co-plan.org	069 20 32 957
	Rudina Toto/Program Manager	rudina_toto@co-plan.org	069 20 60 167
	Anila Gjoka/Project Manager	anila_gjoka@co-plan.org	069 20 74 760
CDC	Çiljeta Simaku/Executive Director	cdckorça@gmail.com	069 20 84 929
DATECH	Elton Thanasi/Director, Technology & Information	e.thanasi@datech-soft.com	069 20 64 123
DIDC	Zyrjan Alushi/Executive Director	zyrjanalushi@yahoo.com	069 20 97 016
EEC	Edi Hido Executive Director	ehido@eec.org.al	069 20 81 956
IWP	Shpresa Blaceri , Executive Director	intelektintelekt@yahoo.com	069 24 60 234
IWS	Zenepe Dibra Executive Director	zdibra@yahoo.it	069 21 85 291
Intensa Sanpaolo Bank	Ardiana Sokoli/Chief of Business Officer	ardiana.sokoli@intesasanpaolobank.al	
IDRA	Auron Pasha/Executive Director	idra@idra-al.org	04 227 4767
IDM	Erisa Çela, Program Manager	ecela@idmalbania.org info@idmalbania.org	069 20 42 444
IRR	Zef Gjeta/Manager	zgjeta@hotmail.com	068 20 38 266
Lorenzo & Co	Lorenc Zani/Executive Director	info@lorenco-co.com	069 20 95 123
MSR	Shpetim Nishani/Executive Director	shpetimn5@yahoo.com	069 40 26 007
National Commercial Bank (BKT)	Pekhan Isipek/Director, Commercial & Corporate Banking	pisipek@bkt.com.al	
NVS	Besnik Ajazi/Executive Director	besnikajazi@gmail.com	068 32 30 486
PA	Juliana Hoxha/Executive Director	partners@partnersalbania.org	04 225 4881/3
ProCredit Bank	Flutura Veipi/Deputy Chief Executive Director	f.veipi@procreditbank.com.al	

ORGANIZATION	CONTACT PERSON	E-MAIL	TELEPHONE
Raiffeisen Bank	Elona Koçi (Llaci)/Head of Public Institutions Local & Central	elona.llaci@raiffeisen.al	
RDA Fier	Dhimitraq Marko/Executive Director	marko@albmail.com	068 22 71 939
RDA Korçë	Aurel Grabocka/Executive Director	rdaKorçë@yahoo.com	068 20 34 464
RDA Tirana	Ilir Rrembeci/Executive Director	ilirrda@albmail.com	069 20 86 323
Tirana Bank	Adriana Jorgji/Corporate Banking Manager	ajorgji@tiranabank.al	
URI	Zana Vokopola, Executive Director	zvokopola@uri.org.al	068 20 51 098
	Edlir Vokopola/Director	evokopola@uri.org.al	069 20 82 941
ValuAdd	Philip Giantris/Executive Director	VALUADD@aol.com	069 20 95 708
WSSAA	Elisabeta Poci/Managing Director	shukalb@afb.net.al	04 224 5101

# ANNEX E: CITY-BY-CITY ACHIEVEMENT MATRICES

## ELBASAN, FIER, FUSHË-KRUJË, GRAMSH, AND HIMARA

ACTIVITY	NATIONAL COVERAGE	ELBASAN	FIER	FUSHË-KRUJË	GRAMSH	HIMARA
<b>COMPONENT 1</b>						
Prepare Regulatory Plan				Yes		
Prepare Partial Plan for Development			Transportation Terminal	North Ring Road study		
Territorial Planning Awareness/Training	Secondary Legislation prepared	Yes	Yes	Yes	Yes	
TIOs		Yes				
Municipal Borrowing Technical Support	Borrowing Handbook, Templates for Borrowing, and Treasury Instructions for Banks and LGUs	Loan disbursed		Loan signed but not disbursed	Loan negotiated but not allowed by MoF	
Budget training (Annual, Mid-term, & Capital Budgeting)	Training materials	Yes; Dev strategy with CIP incorporated	Yes	Yes; prepared CIP	Yes; prepared CIP	
Develop Strategy Report		Funded publication & assisted preparation of revised strategy				
IPA Application Training and Assistance		Yes			Yes	
PPP Projects		Tourism Information Office	Bus terminal feasibility study and Earth Day	Agricultural Market feasibility study	Slaughterhouse feasibility study; solid waste improvement project with bank; and kindergarten & preschool with private entity on apartments & commercial areas	
<b>COMPONENT 2</b>						
Tax Office Assistance (Hardware, Software, Training)	Manual on Local Taxes	Yes	Yes	Yes	Yes	

ACTIVITY	NATIONAL COVERAGE	ELBASAN	FIER	FUSHË-KRUJË	GRAMSH	HIMARA
Tax IT System Reports-Presentation Sessions to the Mayor, City Council Members, and Municipal Managers		Yes	Yes	Yes		
Procurement Training			E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff
NRC Business Registration Training			Yes	Yes	Yes	Yes
IT Needs Assessment			Yes	Yes	Yes	Yes
Property Tax Study and Action Plans	Report on Property Tax	Action Plan				
Annual Local Fiscal Package Brochures		Yes	Yes	Yes	Yes	
Cash Register Data-Information	Secondary Legislation-paragraph for LGU access was added					
GTD Cash Register Data Transfer	Established system for data transfer					
Internal Study Tour on Local Tax Admin. in Lezhë					Yes	
Internal Study Tour on Property Tax/Local Tax Admin. in Vlore				Yes		
Training for Water Company Supervisory Council Members		Yes	Yes	Yes	Yes	
<b>COMPONENT 3</b>						
Survey on Citizens' Perceptions	Three annual surveys	Yes (one year)	Yes	Yes	Yes	Yes (two years)
Establish & Maintain Local Economic Growth Committee			Yes	Yes	Yes	established

ACTIVITY	NATIONAL COVERAGE	ELBASAN	FIER	FUSHË-KRUJË	GRAMSH	HIMARA
Public Information Office/One-Stop-Shop	Manual prepared		Yes	Yes		Yes
Website Development and Training			Training	Training & Development	Training & Development	
Promotional events and publications			Olive Oil Day; regional tourism brochure		Promotional brochure	Olive Oil Day
Local Business Attitude Survey			Yes	Yes		Yes
Advanced Participatory Methods Training			Yes	Yes	Yes	
Training for NGO partners			Yes	Yes	Yes	
SBA formation & support		Yes				
<b>ASSET MANAGEMENT</b>						
Assist with Asset Registration	Toolkit for Asset Management				Yes	
Assist with Creation of Asset Management Department	National Guideline	Yes	Yes	Yes	Yes	
Assist with Transfer of Forest and Pasture Lands				Yes		
Service Company Business Plans			Water Company Business Plan			
Energy efficiency/conservation						
Cleaning Service Improvement & training			Clean-Up Day and awareness training		Clean-Up Day, awareness training, and financial analysis	
<b>SMALL GRANTEES</b>						
RDA Fier			Development Strategy Indicators			
Lorenzo & Co.; Asset Registration in Gramsh					Asset Registration	
RDA Tirana				Participatory Budgeting		
IRR				Agricultural Market Study	Slaughterhouse Study	

ACTIVITY	NATIONAL COVERAGE	ELBASAN	FIER	FUSHË-KRUJË	GRAMSH	HIMARA
MSR						
ValuAdd			Business Plan for Water Company			
NVS			Urban public spaces study			
CSDC						
AAM	Assistance with Best Practices Conference & Handbook					
EEC						
PA	Manual on local government integrity					
DIDC						
IWP						
CDC	Handbook					
RDA Fier						Information office and business survey
ASET	Handbook			Information office		
MSR					Budget training	
WSSAA		Training on Customer Relations	Training on Customer Relations	Training on Customer Relations	Training on Customer Relations	
CAAP			Business Incubator			
IWS						
Librazhd Municipality & CAAP						
IDM				Performance improvement study		
Gramsh Municipality & CAAP					Clean up Day	
Fier Municipality			Clean-Up Day			
ATACT						
MSR		PETS study				
ASET				PETS study		
IDRA						

ACTIVITY	NATIONAL COVERAGE	ELBASAN	FIER	FUSHË-KRUJË	GRAMSH	HIMARA
EEC						
Fier Municipality			One-Stop-Shop			
<b>FORECAST Assistance</b>						
Study Tour: Bulgaria (Economic Development)			Yes (two)			Yes (one)
Study Tour: Czech Republic (Asset Management)		Yes (one)	Yes (one)		Yes (two)	
Study Tour: Poland (Local Tax Administration)		Yes (one)	Yes (two)	Yes (one)	Yes (one)	
Study Tour Follow-on Grants		Market Development project	Municipal Theater Improvement			
<b>US Embassy Assistance</b>						
Small Grant			Neighborhood Park Improvement			

### KORÇË, KUKËS, LEZHË, LIBRAZHD, POGRADEC, AND SHKODRA

ACTIVITY	NATIONAL COVERAGE	KORÇË	KUKËS	LEZHË	LIBRAZHD	POGRADEC	SHKODRA
<b>COMPONENT 1</b>							
Prepare Regulatory Plan			Yes				
Prepare Partial Plan for Development		Sports Planet Complex and Social Housing PPP	Commercial center relocation study	Industrial zone study and Environmental review for Reg. Plan			Legal study on industrial zone development
Territorial Planning Awareness/Training	Secondary Legislation prepared	Yes	Yes	Yes	Yes	Yes	Yes
TIOs		Yes				Yes	Yes
Municipal Borrowing Technical Support	Borrowing Handbook, Templates for Borrowing, and Treasury Instructions for Banks and LGUs	Loan disbursed	Loan negotiated but not allowed by MoF	Loan disbursed	Loan not approved by Municipal Council	Loan disbursed	
Budget Training (Annual, Mid-term, & Capital Budgeting)	Training materials	Yes	Yes; prepared CIP	Yes	Yes	Yes; prepared CIP	Yes

ACTIVITY	NATIONAL COVERAGE	KORÇË	KUKËS	LEZHË	LIBRAZHD	POGRADEC	SHKODRA
Develop Strategy Report							
IPA Application Training and Assistance		Yes	Yes		Yes	Yes	
PPP Projects		Sport Planet center feasibility study, Social housing feasibility study, and Winter festival	Industrial market feasibility study	Industrial park area feasibility study		Tourism Information Office	Tourism Information Office
<b>COMPONENT 2</b>							
Tax Office Assistance (Hardware, Software, Training)	Manual on Local Taxes	Yes	Yes	Yes	Yes	Yes	Yes
Tax IT System Reports-Presentation Sessions to the Mayor, City Council Members, and Municipal Managers		Yes		Yes		Yes	Yes
Procurement Training		E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff	E-Procurement training targeted local business community and procurement department staff
NRC Business Registration Training		Yes	Yes	Yes	Yes	Yes	Yes
IT Needs Assessment		Yes	Yes	Yes	Yes	Yes	Yes
Property Tax Study and Action Plans	Report on Property Tax		Action Plan	Action Plan			Action Plan
Annual Local Fiscal Package Brochures		Yes	Yes	Yes	Yes	Yes	Yes
Cash Register Data-Information	Secondary Legislation-paragraph for LGU access was added						

ACTIVITY	NATIONAL COVERAGE	KORÇË	KUKËS	LEZHË	LIBRAZHD	POGRADEC	SHKODRA
GTD Cash Register Data Transfer	Established system for data transfer						
Internal Study Tour on Local Tax Adm. in Lezhë					Yes		
Internal Study Tour on Property Tax/Local Tax Admin. in Vlore			Yes				
Training for Water Company Supervisory Council Members		Yes	Yes	Yes	Yes	Yes	Yes
<b>COMPONENT 3</b>							
Survey on Citizens' Perceptions	Three annual surveys	Yes	Yes	Yes	Yes	Yes	Yes
Establish & Maintain Local Economic Growth Committee		Yes	Yes	Yes	Yes	Yes	Yes
Public Information Office/One-Stop-Shop	Manual prepared						
Website Development and Training		Training	Training	Training	Training & Development	Training & Development	Training
Promotional Events and Publications		ExpoReal promotion material			Promotional brochure	Tourism information brochure	Expo Real promotion material
Local Business Attitude Survey		Yes	Yes			Yes	Yes
Advanced Participatory Methods Training		Yes	Yes	Yes	Yes	Yes	Yes
Training for NGO partners		Yes	Yes	Yes	Yes	Yes	Yes
SBA formation & support		Yes		Yes	Yes	Yes	
<b>ASSET MANAGEMENT</b>							
Assist with Asset Registration	Toolkit for Asset Mgt	Yes		Yes	Yes	Yes	
Assist with Creation of Asset Management Department	National Guideline	Yes	Yes	Yes	Yes	Yes	Yes
Assist with Transfer of Forest and Pasture Lands							

ACTIVITY	NATIONAL COVERAGE	KORÇË	KUKËS	LEZHË	LIBRAZH D	POGRADEC	SHKODRA
Service Company Business Plans				Water Company Business Plan and Business Plan for Bushat regional solid waste management			Business Plan for Bushat regional solid waste management
Energy efficiency/conservation		Energy audit and training, demonstration project		Energy audit & training			
Cleaning Service Improvement & training					Clean-Up Day, awareness training, and financial analysis	Clean-Up Day and awareness/recycling training	
<b>SMALL GRANTEES</b>							
RDA Fier							
Lorenzo & Co.; Asset Registration in Gramsh							
RDA Tirana				Participatory Budgeting	Participatory Budgeting		
IRR							
MSR					Cleaning Service Cost Analysis		
ValuAdd							
NVS							
CSDC		Statistical Bulleting for budgeting					
AAM	Assistance with Best Practices Conference and Handbook						
EEC		Energy Audit and Training		Energy Audit and Training			

ACTIVITY	NATIONAL COVERAGE	KORÇË	KUKËS	LEZHË	LIBRAZH D	POGRADEC	SHKODRA
PA	Manual on local government integrity			Integrity training			
DIDC			Performance Monitoring guide				
IWP						Business coordination and Lake Day event	
CDC	Handbook	Job fair					
RDA Fier							
ASET	Handbook						
MSR							
WSSAA		Training on Customer Relations	Training on Customer Relations	Training on Customer Relations	Training on Customer Relations	Training on Customer Relations	Training on Customer Relations
CAAP							
IWS							Handicrafts fair and training
Librazhd Municipality & CAAP					Clean-Up Day		
IDM				Performance improvement study	Performance improvement study		
Gramsh Municipality & CAAP							
Fier Municipality							
ATACT						Handicrafts fair and training	
MSR				PETS study			
ASET		PETS study					
IDRA						PETS study	PETS study
EEC		Energy conservation demonstration					
Fier Municipality							

ACTIVITY	NATIONAL COVERAGE	KORÇË	KUKËS	LEZHË	LIBRAZHD	POGRADEC	SHKODRA
<b>FORECAST Assistance</b>							
Study Tour: Bulgaria (Economic Development)		Yes (one)	Yes (two)	Yes (one)	Yes (two)	Yes (one)	Yes (one)
Study Tour: Czech Republic (Asset Management)		Yes (two)	Yes (one)	Yes (one)	Yes (one)	Yes (one)	Yes (two)
Study Tour: Poland (Local Tax Administration)		Yes (one)	Yes (one)	Yes (one)	Yes (one)	Yes (one)	Yes (one)
Study Tour Follow-on Grants		Student Research Room at Library					
<b>US Embassy Assistance</b>							
Small Grant							

**U.S. Agency for International Development**

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

**[www.usaid.gov](http://www.usaid.gov)**