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PERFORMANCE EVALUATION OF THE PLANNING AND LOCAL GOVERNANCE PROJECT (PLGP)

FINAL REPORT

AUGUST 2014

This publication was produced for review by the United States Agency for International Development. It was prepared by Democracy International, Inc.

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MID-TERM PERFORMANCE EVALUATION OF THE PLAN- NING AND LOCAL GOVERN- ANCE PROJECT (PLGP)

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GLOSSARY

Local Government Unit (LGU) is the term used to describe both municipalities and communes – but not regions. A municipality typically is a city or urban center, while communes are typically, but not always, rural. Municipalities and communes are separate territorial and political jurisdictions.

Own-Source Revenue is the term used to describe revenue from taxes and fees that LGUs raise locally, independent of national government revenue or fee transfers.

Expenditure Assignments, Functions, or Competencies are the terms used interchangeably to describe the activities or services carried out by LGUs in the division of responsibilities between the national government and LGUs.

Deconcentration is the term used to describe geographic or physical decentralization of national ministries and agencies while retaining authorities at the central level. While it is sometimes called “decentralization,” this is a misnomer.

Decentralization is the term used to describe the division of authority between national and sub-national units of government in which the subnational units take on robust service delivery functions, enjoy a good measure of governance autonomy, and have significant fiscal authority.

Fiscal Decentralization is the term used to describe the division of fiscal authority between national and subnational units of government in which the subnational units have significant taxing powers.

Property Tax is the term used to describe levies on real property (i.e., immovable property), normally land and built structures. In Albania, rural agricultural land is subject to tax. Urban land is not taxed; only the improvements (buildings and other structures) are subject to taxation. Various forms of taxation are used, including: a flat tax per property, a tax based on the square meter area of the property’s “footprint” on the ground, and a total area-based tax taking into account all the stories of the building. An *ad valorem* system based on the assessed value of the property is not used. Property taxes are imposed by LGUs, but rate limits are set by the national government.

Immovable Property Registry Office (IPRO) is the term used to describe the national office where titles to real property are registered with the state. In Albania, the property registry office is a centralized function of the national government, but IPRO also has a number of regional offices.

Small Business Tax is the term used to describe a gross receipts or turnover tax imposed on businesses up to a certain level of activity. Previously collected by LGUs, the national government took over the collection function was taken over in 2014, with revenue (minus an administrative fee) to be remitted to the LGUs.

Intergovernmental Finance is the term used to describe fiscal (taxing and expenditures) relationships between the national government and subnational units of government.

Intergovernmental Transfers is the term used to describe revenue sharing between levels of government, typically by transfers from the central level to lower levels. They may be unconditional (i.e., “no strings attached”) or conditional, meaning their use is subject to certain conditions set by the government making the transfer.

Geographic Information System (GIS) is the term used to describe a software tool that is able to capture, store, analyze, and manage geographical data for physical planning and can produce detailed digitized maps for multiple uses.

Region is the term used to describe the 12 subnational jurisdictions that exist between the local and national level. Regions have limited authority, no taxing power, and very limited funding, so they exist more on the map than in actual functions and funding. In Albanian, the name for a region is *qark*.

Non-revenue water is the term used to describe the amount of water produced by the water company system that does not yield any receipts (revenue) to the company. It is normally expressed in percentage terms and derives from system leakage, illegal (unregistered, unbillable) connections, and unpaid bills by water company customers.

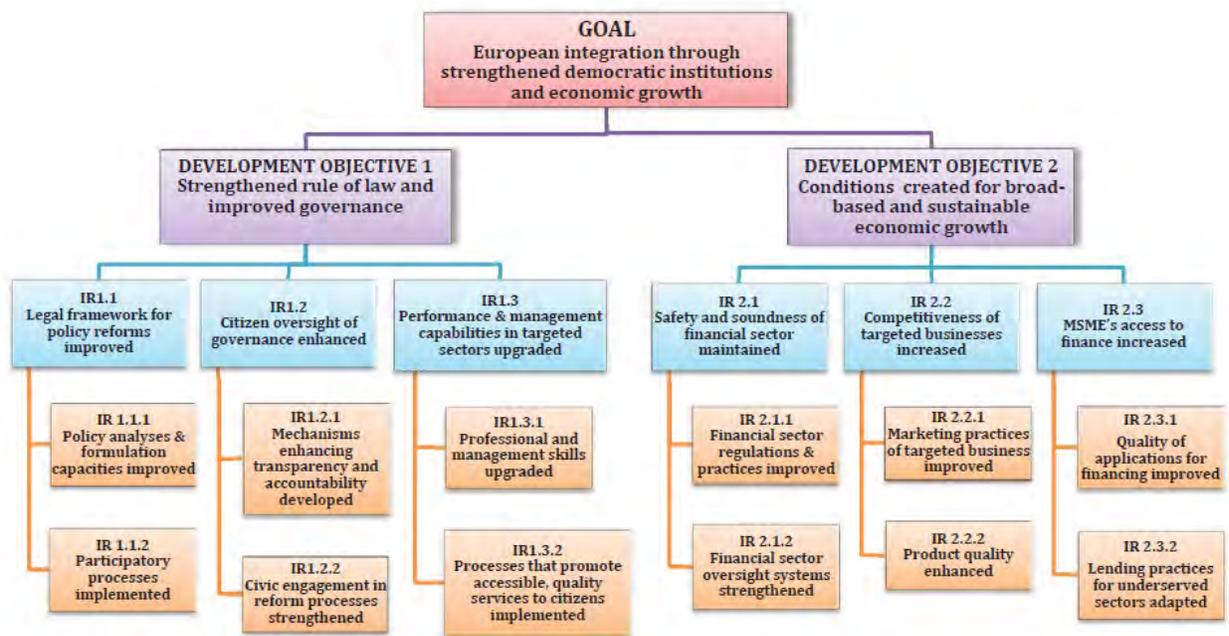
Territorial Administrative Reform is the term used to describe the consolidation process in which the 373 existing LGUs are expected to shrink to a number closer to 50.

ACRONYMS AND ABBREVIATIONS

CAP	Citizen Advisory Panel
COP	Chief of Party
DI	Democracy International, Inc.
DP	Democratic Party
DWG	Decentralization Strategy Working Group
ERRU	Water Regulatory Authority
EU	European Union
GIS	Geographic Information System
GNTF	General National Territorial Plan
GOA	Government of Albania
ICT	Information and Communication Technology
IMF	International Monetary Fund
IPA	Instrument for Pre-accession Assistance
IPRO	Immovable Property Registry Office
JAP	Joint Action Plan
KfW	KfW (Germany) Development Bank
LDP	Local Development Plan
LGU	Local Government Unit
MOF	Ministry of Finance
MOSLI	Ministry of State for Local Issues
MUDT	Ministry of Urban Development and Tourism
NGO	Nongovernmental organization
NTC	National Territorial Council
NTPA	National Territorial Planning Agency
PLGP	Planning and Local Governance Project
PPP	Public-Private Partnerships
SDC	Swiss Development Cooperation
SP	Socialist Party

TA	Technical Assistance
USAID	United States Agency for International Development
SOW	Statement of Work
STAR	Support for Territorial Administrative Reform
UNDP	United Nations Development Programme

USAID/ALBANIA RESULTS FRAMEWORK



Critical assumptions:
 Goal USAID funding is not reduced below the 2014 level
 The path to EU accession remains open
 DO1 GoA commitment to reform in law and governance continues
 DO2 Major financial crises are avoided

PLGP RESULTS FRAMEWORK

Objective	Component	Expected Results
1. The GOA implements effective government decentralization policies and legislation through collaboration with local governments and non-governmental organizations.	1. Support the GOA's work to implement effective government decentralization policies and legislation	<ul style="list-style-type: none"> Improved enabling environment for policy reform and planning in local governance Reform processes more participatory and transparent
2. Local governments improve their performance, accountability, transparency, and ability to involve citizens in decision making.	2. Improve the efficiency, transparency and accountability of local government operations	<ul style="list-style-type: none"> Enhanced citizen oversight and transparency in local governance Mechanisms enhancing transparency and accountability developed
3. The GOA and local governments effectively plan, manage, and finance public services, consistent with EU standards.	3. Improve local government management and oversight of selected public utilities to provide services in accordance with EU standards.	<ul style="list-style-type: none"> Upgraded performance and management capabilities in local governance Professional and management skills upgraded Services to citizens more accessible and qualitative in compliance with EU standards More efficient operations and resource management Defined authorities and developed performance standards in compliance with EU standards
4. The GOA and local governments improve their ability to develop, coordinate, and manage territorial planning.	4. Strengthen the capabilities of the GOA and local governments to plan and manage urban and regional growth	<ul style="list-style-type: none"> Improved planning and implementation capacities in national and local level Increased public participation in and oversight by civil society groups, businesses and other NGOs into territorial planning processes

EXECUTIVE SUMMARY

The \$9.3 million USAID Planning and Local Governance Project (PLGP), now in its third year of a five-year life, is a sound project performing well, but PLGP now has come to a strategic decision-making crossroads due to the game-changing impact of the upcoming territorial administrative reform. This report evaluates PLGP performance to date, but perhaps more importantly, analyzes the changed enabling environment and makes recommendations for how to adapt the project to achieve new goals made possible by the territorial administrative reform if it is also accompanied by fiscal decentralization reforms.

PLGP works at both the national and local government levels, partnering with 15 selected Local Government Units (LGUs), 13 municipalities and two communes, as well as with the Ministry of Urban Development and Tourism (MUDT), its National Territorial Planning Agency (NTPA), the Ministry of State for Local Issues (MOSLI), and to a lesser extent, the Office of Registry of Immovable Property (IPRO) and the Ministry of Finance (MOF).

PLGP is managed in four components that aptly describe the project's objectives:

1. Support effective decentralization policies and legislation;
2. Improve local governance;
3. Improve management of local services, especially water utility companies; and
4. Assist the Government of Albania and LGUs to plan and manage urban and regional growth.

However, for purposes of the evaluation analysis the terms of reference for the evaluation team pose four key questions looking at the project in a slightly different but more integrated way. These questions rather than the project components form the framework for the report. They are:

- To what extent have PLGP activities resulted in increased participation and transparency in decentralization reform processes, local governance accountability and territorial planning?
- Based on perceptions of outside stakeholders, do the selected municipalities have better performance as a result of the approaches and implemented activities than they otherwise would have had in operational effectiveness, resource management and services to citizens/businesses?
- What were the challenges (internal and external, including the recently launched territorial administrative reform) faced by the project and lessons learned?
- To what extent did PLGP activities result in decentralization process improvements (national-level impacts)?

The report is organized in a way both to answer the key questions and to highlight activities in the project's four components. Findings, Conclusions, and Recommendations then follow. As readers of the Executive Summary are most interested in the Findings and Recommendations rather than the analysis in the body of the report, the principal findings and recommendations are set forth below, paraphrased slightly for brevity:

FINDINGS AND CONCLUSIONS

- PLGP is a sound project to date, well-staffed and managed, and highly regarded by clients and counterparts; PLGP is meeting its deliverables thus far;
- Territorial Administrative Reform is a “game changer” that calls for a revised PLGP decentralization/improved local governance strategy and stated objective; PLGP support for successful implementation (with fiscal decentralization) will be critical to success;
- PLGP’s approach to decentralization reform has been effective, using a well-structured, participatory approach with stakeholders to invigorate and inform a critical policy dialogue process;
- Fiscal decentralization is the “Achilles heel” of the decentralization process that could cause it to fail; highest level policy dialogue is needed to convince decision-makers within the government of Albania (GOA);
- The Action Plans with partner LGUs are well conceived and meeting most output targets, but performance results are still at preliminary stages;
- Implementation of needed reforms to the property tax – LGUs’ greatest untapped own-source revenue – will be a difficult, complex and lengthy process;
- Citizen Advisory Panels (CAPs) are performing surprisingly well, empowering civic participation and interaction with local authorities;
- Municipal Councils, though important to democratic local governance, are not seen as performing their broad statutory functions well, and near-term prospects are not encouraging, leaving mayors almost alone as the main change agent in improving local governance;
- Water utility companies are not providing minimum adequate service and are crippled by dysfunctional governance structures and lack of investment capital; changes needed beyond current company management improvements are outside USAID’s “manageable interests;”
- PLGP showed valuable flexibility in responding quickly to the GOA on territorial reform. Getting the fiscal decentralization issue on the GOA agenda is a notable result. Support to MOSLI will be crucial to launching the reform well and will be an ongoing requirement;
- MUDT, NTPA, and MOSLI, are institutionally thin and weak, and at this stage not up to the challenging tasks ahead; the need for PLGP technical assistance is ongoing;
- PLGP is caught in a “time squeeze” by the reforms, forcing major strategic decisions about changes to the project but with insufficient time or funding left to execute the changes fully. In any event, prompt USAID decisions for the future course of PLGP are needed.
- The enabling environment for policy reform is extremely favorable and argues in favor of new strategic engagement, but sophisticated policy conditionality is also needed. A longer project life and additional funding would be needed to achieve revised objectives.

RECOMMENDATIONS

- Continue strong engagement with the decentralization/territorial reform process, with special emphasis on fiscal improvements and municipal consolidation planning activities;
- U.S. Embassy, USAID and other donors should make clear to the GOA that full support for decentralization/territorial reform is contingent on fiscal decentralization, especially reliable, higher levels of unconditional transfers to fund enhanced LGU functions;
- To keep pace, USAID should make prompt decisions on modifications to PLGP in view of the imminent launch of major territorial administrative reforms;
- Increase relative support to national institutions as requested by the GOA, but maintain right balance with LGUs – feasible only with additional time and funding for PLGP;
- Revise overall strategic objective for PLGP to be “improved local governance through successful decentralization/territorial planning/territorial reform in (three to five) model municipalities” (“proof of concept”);
- PLGP should unify “national” and “local” objectives more strategically – deeper engagement with fewer municipalities alongside national-level counterparts (“proof of concept”);
- Reduce current list of partner LGUs and limit range of ongoing activities in order to emphasize selected ‘Model Municipalities’ – fewer training courses, more on-the-job training;
- Recognizing their long-term importance to effective democratic local governance and the impact of territorial reform, increase the level of engagement with restructured municipal councils in 2015, modifying the approach where needed to overcome partisan divisions;
- Continue to support CAPs but focus mainly on long-term sustainability and networking;
- Set clear targets for improved LGU tax collection, with special emphasis on a modernized property tax and collection system; in spite of complexities and difficulties, the importance of property tax reform should make it a key priority in the revised strategy of PLGP going forward;
- Sharply reduce level of effort with water companies due to problems beyond USAID’s manageable control (except in selected “model municipalities”);
- Use the Support for Territorial Administrative Reform (STAR) project as a policy dialogue forum for key issues, including local electoral law;
- Use more gender-specific analysis tools in activity design; and
- Monitoring mechanisms should be tied more to results rather than mainly to outputs.

INTRODUCTION AND METHODOLOGY

PROJECT DESCRIPTION

The Planning and Local Governance Project (PLGP) is a five-year, \$9.3 million local governance and decentralization funded by the United States Agency for International Development (USAID) and implemented by Tetra Tech ARD. The project was designed in 2011, started in 2012, and is due to end in January 2017. The project team works with national-level ministries and agencies, such as the Ministry of Urban Development and Tourism (MU DT), the Ministry of State for Local Issues (MOSLI), and the National Territorial Planning Agency (NTPA), to promote decentralization reforms, and with 15 selected municipalities¹ to improve local governance and service delivery.

The project consists mainly of expert technical assistance (training, reports, studies, study tours, etc.) and a small amount (\$700,000) for purchase of information and communication technology (ICT) hardware and software. It is a “knowledge” and “know-how” transfer project to increase Albanian human capital and professional skills at both the national and local levels.

The project has four components:

C1. Support Effective Decentralization Policies and Legislation – This component’s activities focus mainly on national-level policy issues surrounding decentralization. This includes a white paper on fiscal decentralization and other policy papers relating to intergovernmental transfers, local government unit (LGU) own-source revenues, and facilitation of a working group on decentralization policy. Conferences, workshops, and other trainings support these policy objectives. Similar activities are designed to improve data and information sharing between the central government agencies and LGUs and participation of civil society groups in decisions affecting local communities.

C2. Improve Local Governance – This component’s activities focus mainly on improvements in LGU internal operations, including public hearings, e-governance applications, tax administration, asset inventory and management, budgeting, financial management, and ICT systems. Most of these activities consist of technical assistance (TA), seminars, workshops, and trainings for LGU employees. Other activities include the creation of local Citizen Advisory Panels (CAPs) to interface with LGU officials and training and materials for municipal council members.

C3. Improve Management of Local Services (Municipal Water Utility Companies) – This component’s activities focus mainly on improving the performance of municipal water utility companies through formal business plans, cost recovery strategies, training for company staff and LGU oversight staff, training supervisory board members nationwide in their roles and responsibilities, and preparation of a handbook on European Union (EU) standards. Other activities include customer

¹ More precisely, PLGP works with 15 LGUs - 13 municipalities and two communes; work with Durres is emphasizes the water company, and work with Tirana emphasizes property tax issues. The other 11 municipalities are Berat, Elbasan, Fier, Kamza, Korca, Kucova, Lushnje, Patos, Saranda, and Vlora, Vora. The two communes are Kashar and Paskuqan.

service plans, a “customer bill of rights,” and other actions to improve communication among LGUs, the water regulatory agency, and interested nongovernmental organizations (NGOs).

C4. Assist the government of Albania (GOA)/LGUs to Plan and Manage Urban and Regional Growth – This component’s activities focus mainly on urban planning at the national level and with LGUs. This includes training assistance to LGU planning units for territorial planning and land development. More recently, other major activities include support to the NTPA for preparing the General National Territorial Plan (GNTP) and significant technical assistance to MUDT and NTPA for planning and implementing national territorial planning law.

EVALUATION PURPOSE AND METHODOLOGY

The purpose of this mid-term performance evaluation is to provide USAID/Albania with rigorous, evidence-based analysis of development outcomes and performance of PLGP interventions to date. The evaluation also intends to provide the Mission with forward-looking recommendations to improve or modify current interventions. In this case, the evaluation is oriented somewhat toward the future due to the significant enabling environment changes affecting the project that were unforeseeable at the time the project was designed (2011) and implementation began (2012). Evaluation findings and recommendations outlined in this report review the quality of “process” assistance as well as substantive outcomes.

METHODOLOGY

The PGLP evaluation is predominantly qualitative and based on in-depth individual and group interviews. The procedure for identifying the interviewees is outlined below:

First, the evaluation team listed the PGLP participating municipalities from biggest to smallest in terms of population. Second, based on potential scenarios of territorial administrative reform, the team reduced the list of municipalities to those considered not likely to be absorbed after the territorial reform was approved. This reduced the list from 15 to 13 municipalities: Berat, Durres, Elbasan, Fier, Kamez, Korca, Kucova, Lushnja, Patos, Saranda, Tirana, Vora and Vlora. Third, a list for each participating municipality identified the breadth (number of components in which they participated) and depth (the intensity of participation) of participation. *Fourth*, because there was little variability in certain variables, such as a mayor’s gender (only the mayor of Patos is a woman), whereas Tirana and Patos are the largest and the smallest municipalities, respectively, it was decided that these two municipalities would be part of the sample of the evaluated PGLP municipalities. *Fifth*, two scenarios detailed logistical variables that could affect the number of interviewed beneficiaries and types of interventions that could be surveyed. Then, eight or 53 percent of participating municipalities or 66 percent of 12 municipalities that most likely will stand after the territorial administrative reform takes place were selected for site visits and evaluative interviewees. That number also was roughly equivalent to the logistical feasibility of two field trips and available LOE days. Those municipalities are: Tirana, Durres, Lushnja, Patos, Vlore, Saranda, Elbasan, and Korca. The municipalities of Gjirokaster and Pogradec, which are not PGLP participating municipalities, were selected as “quasi control” cases. The municipality of Pogradec participated in the previous USAID local governance program, whereas the municipality of Gjirokastra did not. The purpose of selecting these two municipalities was to see whether there were any obvious differences in local governance between the participating and nonparticipating municipalities, and if PGLP brings additional value to the participating municipalities compared to those that have received USAID local govern-

ance aid in the past. Due to logistical reasons, meetings in Gjirokaster did not occur, and it was excluded from the group.

The interviewing tool was that of semi-structured interviews. For each component of PGLP, questions of high, medium and low interest for this evaluation were identified. The interviewing procedure started with a presentation of the reasons and objectives of the evaluation, and an invitation to the interviewees to present their views about the nature and usefulness of their collaboration with PGLP. After this initial overview, the team asked the structured questions starting from those of high interest to those of low interest if time permitted. Interviewees' statements about the usefulness or lack thereof, of the PGLP were followed up with questions to flesh out and support these statements with concrete examples.

There was an attempt to collect quantitative data to estimate the usefulness of training provided by the PGLP through an e-survey. PGLP provided lists of participants for each training, which included information about the training they participated in, the municipality where they came from, position, phone numbers, and e-mail addresses. In order to be able to estimate the usefulness of specific trainings in addition to trainings in general, the sample of surveyed trainees was stratified initially by training. . Trainings were divided by the PGLP components. Trainings/workshops whose participants e-mail addresses were missing in large numbers were excluded from the survey in order to decrease biased results. Among those that had the most complete lists of e-mail addresses for participants, the following trainings were randomly selected:

1. Tirana Workshop on Administration of Local Taxes (One response)
2. 2014 Budget for the Local Government Units (One response)
3. Geographic Information System (GIS) Training for Local Government Officials
4. Land Development Instruments Training for Local Governments
5. Training on Territorial Land Management Instruments for Central Government Officials
6. Training on Relations with the Customers (Three responses out of 23 trainees that received the survey e-mail)

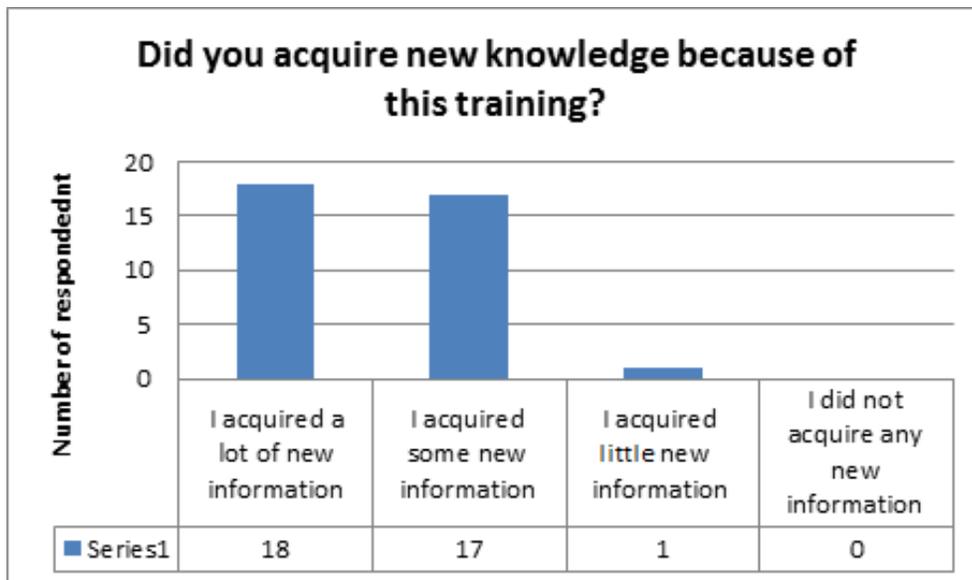
Each participant in these trainings for which there was an e-mail address (126: 55 or 44% male and 71 or 56% female) received a SurveyMonkey link uniquely tied to the survey and their e-mail address. Due to mistakes in e-mail addresses provided, 32 e-mails bounced back, six of which were duplicates. One hundred trainees received a survey link. Response rate was very low (36 percent), regardless of the reminder e-mails sent out every other day, and announcements for checking their e-mail sent by PGLP. The bulk of responses came from the GIS Training for Local Development, Land Development Instruments Training for Local Governments, and Training on Territorial Land Management Instruments for Central Government Officials. Only one trainee of Tirana Workshop on Administration of Local Taxes, one trainee of 2014 Budget for the Local Government Units, and three trainees of Training on Relations with the Customer responded to the survey. Due to the very low response rate, no analysis can be statistically meaningful either for any individual training or for all training in general. Sixty-one percent of respondents are female and thirty-nine percent of respondents are male. See Annex C for further visualizations of survey results.

The first question of the survey regarding the content of training was: "Did you acquire new knowledge because of this training?" This question was designed to measure input/output value.

Fifty percent of respondents stated that they acquired “a lot of information” and 47 percent stated that they received “some new information.”

Only about 17 percent of respondents state that knowledge received in PGLP trainings are not or are little applicable to their work. Eighty-three percent state that such knowledge is either very applicable or somewhat applicable to their work.

Sixty-four percent of respondents state that they have used knowledge received in the PGLP training in their work, and 36 percent state that they have not used such knowledge. This question is designed to measure actual outcomes/useful results of the inputs.



Participants expressed overall satisfaction about the way training was delivered. All participants were either very satisfied (64 percent) or satisfied (36 percent) with the way trainers provided knowledge and taught skills that enabled trainees to reach the objectives of the training.

KEY EVALUATION QUESTIONS

USAID has asked Democracy International, Inc. (DI) to focus its investigation on four key questions:

1. To what extent have PLGP activities resulted in increased participation and transparency in decentralization reform processes, local governance accountability and territorial planning?
2. Based on perceptions of outside stakeholders, do the selected municipalities have better performance as a result of the approaches and implemented activities than they otherwise would have had in operational effectiveness, resource management and services to citizens/businesses?
3. What were the challenges (internal and external, including the recently launched territorial administrative reform) faced by the project and lessons learned?
4. To what extent did PLGP activities result in decentralization process improvements (national-level impacts)?

EVALUATION REPORT ORGANIZATION

The traditional evaluation report looks at the stated components of a project, reviewing and analyzing them in order, combining the components to get a good overall picture of the project, then making findings and recommendations. The organization of this report does not follow that template. Instead, consistent with the Statement of Work, the report is organized to address the four key questions in order, with the project's four components woven in to provide the analysis and arguments for the findings and recommendations. The treatment of particular aspects of the various components is marked in the text wherever relevant.

Question 1 regarding increased participation and transparency cuts across all four components. Question 2 regarding the performance of municipalities deals almost exclusively with Components 2 and 3. Question 3 regarding challenges and lessons learned cuts across all four components. Question 4 refers to process improvements with national level impact related to the decentralization process, which is mainly Component 1. However, given the unforeseen territorial reform process now underway, we treat Question 4 as being as much related to the territorial reform process and urban planning as to the decentralization process. The two processes are closely interrelated but at this stage cannot be considered as a single integrated process even if that should be the case. Thus, Question 4 cuts across all four components. Questions hereafter are referenced as "Q" followed by number (1-4), and components are referenced as "C" followed by number (1-4).

Again, for reference purposes for the reader, the four project components are listed below as they are titled for management and implementation:

C1: Support Effective Decentralization Policies and Legislation;

C2: Improve Local Governance;

C3: Improve Management of Local Services, Especially Water Utility Companies; and

C4: Assist the Government of Albania and Local Government Units to Plan and Manage Urban and Regional Growth.

PROJECT REVIEW BY KEY QUESTIONS/COMPONENTS

QUESTION 1: *To what extent have PLGP activities resulted in increased participation and transparency in decentralization reform processes, local governance accountability, and territorial planning?*

It must be noted at the outset that the performance measure has to do with “increased participation and transparency.” It is a process metric. It does not refer to decentralization reform, LGU accountability, and territorial planning outcomes or results *per se*, but rather as to whether participation and transparency in those areas have increased as a result of project activities.

DECENTRALIZATION REFORM PROCESSES

The project laid out a detailed approach to “support effective decentralization policies and legislation” (CI). This involved first producing a high-quality experts’ report on fiscal decentralization² to provide a solid foundation for debating the intergovernmental fiscal issues that are critical to any successful decentralization. Numerous central and municipal government officials in Tirana and LGU and CAP representatives around the country cited the report as an important document that framed the issues well and set the terms of the debate going forward. The report cited other countries’ experiences with these same issues to show valuable points of comparison and lessons learned, an example itself of good practice.

PLGP followed up the report with a national conference on fiscal decentralization that brought together more than 100 interested stakeholders from both the national and municipal government as well as civil society. Before the conference, project staff visited several municipalities around the country to seek input on the conference. After the conference, PLGP sponsored regional roundtable meetings to stimulate continued local-level participation in national-level discussions about fiscal changes. In the team’s interviews, more than 25 respondents in six municipalities visited cited the PLGP dialogue methodology as valuable in increasing communication and information sharing between the national government and LGUs.

The process was exemplary in widening the scope of participation as well as the transparency of discussion on key fiscal decentralization issues. As one interviewee stated, “PLGP got this key issue back on the table in the decentralization discussions.” Unfortunately, the process did not culminate in hoped-for decision-making supportive of decentralization by 2013. The government then in office was preoccupied with other issues, especially upcoming national elections, and was reluctant to engage in serious policy dialogue on the subject. Momentum was lost as a result, but the new government that came into office in September 2013 has shown renewed interest in fiscal decentralization, and PLGP staff has restarted technical discussions with counterpart Ministry of Finance staff who USAID considers responsive to these issues. The fiscal decentralization dialogue takes on added importance in view of the Rama government’s strong push for radical territorial administra-

² “White Paper on Fiscal Decentralization in Albania” (Draft), Tetra Tech ARD, October 2012.

tive reform yet this year, discussed in more detail later in the report. In fact, the new government's stated policy commitment to decentralization led PLGP to help initiate a new, inclusive, participatory dialogue process with central and local governments, formalized in the Decentralization Strategy Working Group (DWG) to advance decentralization reforms (C1). PLGP organized a new national conference in March at which issues and priorities were discussed and an action plan to prepare a draft decentralization strategy by this July was approved. The national conference was preceded by a roundtable of mayors bringing together the 15 partner LGUs and an additional three LGUs assisted by the Swiss development cooperation. Following the conference, PLGP supported MOSLI in organizing meetings with line ministries to get their input for the strategy. PLGP also supports a technical secretariat to coordinate all of these efforts, including with interested donors.

The examples cited above are solid evidence of a structured, well-organized support to a policy dialogue process that, if concluded successfully, will yield concrete results in decentralization policies and legislation. PLGP thus is playing a key role in helping the GOA achieve its policy reform objectives in decentralization, with both process assistance and substantive technical inputs at all stages. Having focused earlier on the narrower goal of fiscal decentralization, PLGP is now able to address not only that issue but also the complete national decentralization strategy and reform effort in a process with greater participation and transparency. The overall process now also includes territorial administrative reform (C4), discussed further in Q4. This represents a major advance for USAID's democratic governance objectives nationally.

One area of work, however, did not fare well. Information sharing inside government and between levels of government and with civil society is notoriously constrained in Albania. Through regional meetings and workshops, PLGP has tried to improve the consultative process and formalize it as part of the national policy dialogue process on decentralization issues. This was meant to culminate in creation of the Consultative Council as a recognized forum for consultations. The new GOA has stated its intention to create such a council, but no action has been taken yet.

LOCAL GOVERNANCE ACCOUNTABILITY

PLGP followed selection criteria working down a list of the 35 LGUs with the largest populations, having first agreed to a geographic division of labor in LGU work between the Swiss Development Cooperation (in the north) and USAID (in the south). PLGP followed best practice processes in visits to and discussions with potential partners, eventually signing formal MOUs with selected LGUs outlining mutual commitments (C2). The MOUs contained provisions relating to increased participation and transparency in LGU activities, such as public hearings and posting information on LGU websites.

PLGP was instrumental in introducing another innovative citizen participation mechanism – the CAP (C2)—in 14 partner LGUs (one in a non-partner LGU). Following an inclusive process, PLGP helped set up what might be called “blue ribbon commissions” or “good governance committees” of local civic leaders interested in playing an active role in local government affairs. Ranging in size from about 25 to 50 members, the CAPs, once organized and active, enter into an MOU with the mayor's office that formalizes their relationship and pledges mutual collaboration on local governance. PLGP staff gives them continuing follow-up civic engagement technical assistance on how to function effectively as civic organizations.

The team met with two CAP representatives (chosen democratically for their leadership roles by the CAP members) in four LGUs visited during field site visits. They were unanimously positive and enthusiastic about how this new process of interaction with local authorities has increased trans-

parency and civil society participation and influence. This applies especially to a more open municipal budgeting process, with active input on spending priorities and improvement projects. The mayors interviewed also expressed satisfaction with the CAPs, saying they are serving a useful advisory role and creating a better, more open communication line for city officials with citizens in setting priorities and reaching consensus on issues. Municipal councils in some cases are also actively involved with the CAPs, inviting them to public hearings and taking them into account in performing their legislative and oversight functions.

The CAPs thus far operate on a strictly non-partisan basis, which is very important to their public credibility and their ability to work across political party lines with mayors and councils. Mayors of different parties cite CAP as being based solely on the merits of an issue. Though CAPs can be viewed at this stage as a PLGP success story, concerns for the future nevertheless remain. CAP participation is totally voluntary and unpaid, and CAPs receive no funding to carry out or commission activities, such as studies, reports, or projects, of their own. CAPs are quite new, and their sustainability over time is not yet proven. It is probably not desirable to turn them into grant-making organizations, but perhaps small offices and a part-time staff member could help to make them more permanent and visible to the community. City governments could also provide this type of financial support.

Replicability on a larger scale appears feasible, but PLGP could not take on that task without diverting scarce resources from current clients. Networking and promotion of the model by current CAPs with minor input from PLGP staff might be enough to leverage the impact of CAPs. Some nonparticipating municipalities and citizens groups have already expressed interest. The underlying capacity and interest can be tied to the growing strength and maturity of civil society in Albania's democratic process, which has notably received important support from USAID and other donors in the past 20 years. That enabling environment has improved remarkably.

A fuller discussion of the broad range of assistance activities in support of service delivery and LGU performance (C2, C3) that focuses more on substantive results (based on subjective perceptions of outside stakeholders) rather than process can be found below (Q2).

TERRITORIAL PLANNING

As noted above, PLGP was designed in 2011 and began activities in 2012. At that time, USAID recognized that better territorial planning at the LGU level (C4) was needed to deal with the impact of rapid development and a frenzied pace of commercial building and home construction, much of it illegal or at least unregistered. Development impact fees had also become a major source of revenue for LGUs, and the allure of that income and "rents" that often went with it proved difficult to subordinate to proper physical planning or zoning controls.

PLGP activities contemplated training LGU staff in use of modern planning tools such as GIS and assistance in updating mapped local territorial development plans (LDPs). They also expected to be involved with regional development planning issues. Objectives focused on work at the local level with the selected LGUs and involvement at the national level. At the national level, PLGP has supported the GoA with drafting and implementing planning legislation and in preparing the long-overdue General National Territorial Plan (GNTP). PLGP has supported national and local planning authorities in doing practical examples of urban space design and management that can be funded, implemented, and replicated. Support to LGUs has mainly taken the form of trainings for the partner LGUs on legislation implementation, and coaching LGUs in delivering products related to planning and land management. Both will be important going forward, as the territorial administrative

reform will increase the size of the LGUs, and thus also make their territory land management problems much more complex to deal with.

Suddenly, after the elections in late 2013, the landscape for territorial planning in the project (C4) changed dramatically, with significant implications for the project. The newly elected Socialist Party (SP) government stated its intention to carry out a radical territorial administrative reform, cutting the number of LGUs from 373 to between 35 and 45³, a reduction of more than 300, or approximately 89 percent. Communes will be consolidated with urban municipalities to form much larger land areas and populations. The map of the entire country will be redrawn. For the first time in Albania's democratic history, this plan is also feasible politically, as the SP coalition commands an absolute majority in parliament.

The full implications of this momentous change are discussed later (Q3, Q4, C4), "merging" the decentralization issue and the territorial planning issue. Here, the discussion focuses again on whether PLGP activities, especially those related to national territorial planning alongside the territorial administrative reform process, resulted in greater participation and transparency for those directly involved in the process and the public at large.

The GOA has been open and public about its plans, releasing at least five different potential maps for consideration. The reform proposal and necessary legislation is being worked on intensively in parliamentary committee, although the opposition Democratic Party (DP) bloc has chosen not to participate officially. USAID and PLGP responded positively to an urgent GOA request to provide technical support for the territorial reform and the related decentralization effort, showing praiseworthy flexibility and timeliness in its response. Final decisions are expected very soon from the prime minister's office for submission to Parliament for approval.

PLGP support is following a methodology similar to that already underway with the decentralization process (C1). PLGP is providing significant technical assistance and expertise to the key national government institutions tasked, respectively, with territorial planning and territorial administrative reform: MUDT (newly created) and NTPA, and MOSLI (newly created).

PLGP has helped organize and staff the working groups, provide basic institutional development assistance through technical assistance and training to the three institutions, and promote information sharing with local actors. According to central government respondents, the process has improved participation and transparency inside the workings of government, but it is not particularly visible to the public at this stage. Their greatest interest is the new map, with those options known to the public. The final decisions will be made in the prime minister's office and later in parliament.

QUESTION 2: *Based on perceptions of outside stakeholders, do the selected municipalities have better performance as a result of the approaches and implemented activities than they otherwise would have had in operational effectiveness, resource management and services to citizens/businesses?*

It should be noted at the outset that the municipal performance measure (C2 and C3) has to do with "perceptions of outside stakeholders" rather than any actual measurement of performance. It

³ Ultimately, the number of LGUs was reduced to 61.

should also be noted that the term “outside stakeholders” is a relative term, meaning that it may apply to one level of government versus another, executive offices versus legislative, companies versus supervisory councils, and CAPs (civil society) versus governmental bodies, rather than only to disinterested citizens or people outside government.

Q2 also asks whether PLGP “approaches and implemented activities” have led to better performance in selected areas in selected municipalities than they otherwise would have had, i.e. without such assistance. The question as put is impossible to answer scientifically due to lack of any reliable baseline data, lack of any control group of municipalities, and lack of time and resources for survey research. (See the discussion under Methodology and Limitations in Part I).

CAPACITY BUILDING WITH LGUS

A review of implemented activities (as distinct here from approaches) covers a long list of activities carried out by PLGP, including training. This component’s activities focus mainly on LGU internal operations improvements and include public hearings, e-governance applications, tax administration, asset inventory and management, budgeting, financial management, and support for ICT systems. Most of these activities consist of technical assistance, seminars, workshops, and trainings for LGU employees. Other activities include the creation of local Citizen Advisory Panels to interface with LGU officials and training and materials for municipal council members. These last two are treated separately for emphasis.

Respondents (mayors, LGU staff, CAP members) in all eight municipalities almost unanimously reported satisfaction with training received and wanted to see it continue. There was great eagerness for more in-depth GIS training; however, its utility at this point is questionable because none of the municipalities visited had committed yet to spend the money necessary to purchase the software package and were hopeful PLGP would buy it for them.

The team was not in a position to review all trainings in detail. The interviews with respondents in site visits touched on asset management, tax administration, public-private partnerships, property tax collection issues, and territorial plans, among others. In an input/output sense, the capacity building activities have been successfully implemented to date, but it is still too early in the process to be able to demonstrate outcomes in terms of improved municipal performance in these areas. Completed asset inventory in several municipalities is a measurable result associated with training and technical assistance. As the measure to be applied to performance improvements at this stage is “based on the perception of outside stakeholders,” the opinions expressed by respondents at the national level in Tirana and at the local level in LGUs visited clearly indicated positive views of the inputs.

MUNICIPAL COUNCILS

This report gives special attention to municipal councils as an underrepresented target group in PLGP. Municipal councils have important *de jure* legislative and decision-making powers in Albania’s governance institutional framework, but *de facto* they are often not exercised or ignored in practice. Albania has a long history of abusive centralization of power in the hands of the executive or parties controlling the executive at both the local and national levels. This has reinforced a historically dominant authoritarian political culture. In order to enable LGUs not only to be effective and efficient in management of local affairs and service delivery but also to be more democratic, the councils should be considered important balancing actors in a context where most mayors (with certain consensus-building exceptions) appear to seek to monopolize decision-making powers in

their own hands. The councils' representational legitimacy with the public is weak, and the closed party list electoral system further blurs accountability to the voters.

In all partner LGUs, the mayor clearly is the main PLGP counterpart and seen as the primary change agent and driver of reforms. Given that better performance of a city's (and municipal water company's) administrative and service delivery functions is the main objective of PLGP's trainings and other technical assistance, this is understandable. The fact that the mayor is the only directly elected LGU official makes him or her a natural focal point for leadership and accountability.

In fact, in most cities visited and in the opinion of most respondents, the municipal councils are considered either dysfunctional or almost so due to low levels of competence, polarized political party positions, or the mayor's dominating role, e.g. Saranda and Vlora. In no other city but Saranda was the team able to schedule meetings with municipal councilors from the opposition coalitions. PLGP has tried to reach councilors, mainly through mayors or mayors' appointed PGLP coordinators, to involve them in the project. But, as reported by PLGP staff and interviewees in different municipalities, councilors have been a difficult target group to convince to participate in the project. There is little evidence that even councilors that have attended PGLP trainings have used the high-quality manual produced by PGLP or other materials provided in trainings.

Even though that is the case and, in the opinion of most central government and LGU respondents, many councilors' competence and commitment to serve is problematic, it is important to long-term sustainable and effective democratic local governance that they remain an important PGLP target group, especially following the 2015 local elections, which will take place after the municipal consolidation due to territorial reform. A huge turnover in council membership is expected as well as a dramatic decline in the total number of sitting councilors after consolidation. This should be viewed as an opening for greater engagement with the newly elected councils.

As one possibility to increase councilors' participation, especially in cities where mayors and councilors have little communication, PGLP might continue to use mayors as the main interlocutor to reach its target groups. However, in cases where mayors either have no political clout on the municipal council or where the mayor is a polarizing actor, PGLP could identify other actors in local politics to play the interlocutor role with councilors. PGLP might approach the councilors' leaders from all party coalitions, and while maintaining a politically neutral approach, try to convince these leaders of their own interest in engaging with PLGP and plan activities in collaboration with them. Such a direct approach with the councilors could increase the likelihood of a smoother continuance of PGLP whether or not party power balances change after the local elections in 2015.

QUESTION 3: *What were the challenges (internal and external, including the recently launched territorial administrative reform) faced by the project and lessons learned?*

PLGP faced many challenges during the first two and a half years of the project. Some have been successfully dealt with, others less so. The most noteworthy challenges are discussed below.

DECENTRALIZATION DIALOGUE

The fiscal decentralization policy dialogue that began well in 2012 stalled as the 2013 national elections approached and the government gave priority to other major issues. The newly elected Rama government, however, in late 2013 expressed a strong commitment to a new decentralization strategy and major territorial administrative reform and the GOA requested PLGP assistance for its decentralization plans. The dialogue window reopened and PLGP got the opportunity to reincor-

porate fiscal decentralization into policy planning of a much more ambitious overall national decentralization effort. For the first time, pro-LGU decentralization, including fiscal decentralization, and territorial administrative reform, including increased attention to territorial planning, could be addressed at the same time in an integrated fashion in a USAID-funded local governance program. This is a challenge in a very positive sense for PLGP in its final two years (or beyond). However, whether or not the GOA will make the critically necessary, favorable final decisions regarding fiscal decentralization is still quite uncertain, both in the MOF and in the prime minister's office.

LGU REVENUE WEAKNESSES

This is perhaps the biggest challenge faced by the project to date and will continue to be a serious problem in the future. LGUs do not have anywhere near enough revenue (all sources) to provide quality services at the much higher level needed to even begin to approach European standards. While LGUs the team visited are already meeting more than 50 percent of budgeted expenditures from own-source revenues, which is quite remarkable, expenditure levels remain extremely low. Central government transfers have shrunk in recent years due to the economic crisis and fiscal stringency.⁴ Albania continues to rank low on key indicators such as LGU revenue as a percentage of GDP (2.5% in 2010, lowest in the Balkans),⁵ and LGU expenditures as a percentage of total public expenditure (8.8% versus an EU average of 25.7%).⁶

The current agreement with the International Monetary Fund (IMF) may make things worse as it endorses a hastily implemented *ad valorem* property tax (a virtually impossible task in the short-term given current institutional capacities and the state of the cadaster) as a solution to the fiscal crisis facing Albanian LGUs. A property tax will not be an adequate substitute for needed minimum levels of revenue transfers. The IMF agreement establishes a very strict fiscal framework, but it does not per se set limits on intra-governmental transfers, thereby leaving some policy flexibility on the subject to the GOA.

LGUs in the past year lost the authority to collect the small business tax, which had been a significant source of income. Under the new system, the GOA is committed to rebate this revenue to LGUs where collected. However, data from national government sources shows a lower level of revenue thus far in 2014 under the new collection system. However, the GOA has pledged to make additional unconditional transfers, if necessary, to cover any shortfalls.

During the construction boom, the development impact fee was another significant source of revenue for LGUs. The economic slowdown and a so-called "freeze" on local issue of new permits have sharply reduced this revenue flow. In any case, these fees do not represent net new revenue streams, as they are "one time only," and are meant to cover the additional costs and expenditures the LGU assumes as a result of the development. The PLGP tax expert estimates that the fees do not cover those costs, thus having an actual net loss effect.

⁴ The MOF/annual budget unconditional transfer formula equalization factors disadvantage the larger, urbanized municipalities such as those in the project, incentivizing them perhaps to increase own-source revenues out of necessity while at the same time "punishing" them for successful greater efforts to do so.

⁵ NALAS, "Fiscal Decentralization Indicators in South East Europe, March, 2012 (as cited in "White Paper," op. cit., p. 38).

⁶ Dexia, "Subnational Public Finance in European Union," July 2011 (as cited in "White Paper," op. cit., p. 25).

The construction boom in commercial and residential construction during the past 10-15 years has created huge added value in the real property sector. LGUs are assigned property tax levy and collection authority, but the Albanian property tax system can only be described as highly problematic at best. It is a huge untapped revenue source, the best long-term revenue stream for LGUs, but untangling the complex problems that limit its use will be a long, tedious process fraught with bureaucratic and political issues. Land titling of private property since the communist period is incomplete and unreliable. Many properties are technically illegal due to having been built without permits or on land with more than one title claimant. The national property registry agency (IPRO) records are incomplete, though PLGP is providing assistance with the digitization process; and many local IPRO offices refuse to share their data with LGUs – a clear violation of existing law. As a result, LGUs cannot properly map property and match with owners.

Urban land itself is not even taxed at all in spite of the fact that land values have increased dramatically in urban areas. The property tax is not *ad valorem*, thereby not capturing for tax purposes any of the increases in land and building values. In some LGUs with the least developed systems, the tax is a simple flat rate per property; in others, the system only takes into account the “footprint” of the property on the ground, regardless of the height and stories. Few LGUs take into account all the square area of the entire property, counting all floors.

Mayors and other interested stakeholders are well aware of this problem, and PLGP assistance is very much needed to make a modern property tax system a large, stable source of revenue for the consolidated LGUs that will take shape with the territorial reform. It will require a significant dedicated level of project time and resources. PLGP’s fiscal decentralization report and updates also caution against unrealistic expectations for revenue yield, citing regional and European data that show much lower figures than those LGUs in the U.S. enjoy.⁷

C4. SPATIAL PLANNING MORPHS INTO TERRITORIAL ADMINISTRATIVE REFORM

The sudden onset of territorial administrative reform, with urgent restructuring tasks in LGUs as they double or triple in land area and population, will be very challenging to them and to PLGP. Practically speaking, PLGP will have to deal with what were three or four times as many LGUs as they currently work with.

The national ministries and agencies tasked with implementing the reform—MUDET, NTPA, and MOSLI—are untested and in some cases brand-new creations. They are inadequately staffed and inexperienced. The evaluation team favors having PLGP concentrate on a small number of consolidated LGUs to try to demonstrate models that the decentralization/territorial reform process can be implemented successfully rather than an incremental approach with the current 15 partner LGUs. Tirana (with two current partner communes absorbed) and Durrës (with only water company involvement) can be eliminated, bringing the number of partners down to 10 as a starting point. This would make selection of three to five “model LGUs,” while maintaining some level of support to the other seven, which is feasible within PLGP’s scope.

⁷ “White Paper,” *op. cit.*, pp. 45-46.

WATER COMPANIES

The municipal-owned joint stock companies⁸ have a poor performance record in all but a few cities, including the partner LGUs in PLGP. They receive special attention in this report in view of the generally negative conclusions reached about that assistance package. The water companies, from the perspective of the evaluation team, have basic structural and governance problems beyond USAID's "manageable interest," i.e., a need for major capital investment, complete corporate restructuring as city and rural commune companies are merged, significant high levels of "nonrevenue water," and supervisory councils that in most cases are dysfunctional.

Water supply in almost all the LGUs is inconsistent and not continuous. Only one of the partner LGUs (Korca) supplies water 24/7 to all customers within its service delivery area, and that municipality received major investment funding from donors, especially KfW, beginning more than 15 years ago and completely upgraded its pipe network and equipment. Korca, known for its strong civic culture, also has ensured that the supervisory council is well qualified. Fier, Vlora, Patos, and Saranda provide water for just several hours a day and cut off service to sections of their service area on a rotating basis. Durres, the second largest city in the country, has a major water shortage problem, especially during the summer tourist season, when water cut-offs are frequent and prolonged. Even Tirana, the capital, has difficulty providing continuous service to outlying communes it serves. In the cases of Patos, Vlora, and Elbasan, for example, hours per day of water service are 2.87 hours, 12.6 hours, and 11.8 hours, respectively.⁹

In five of six municipalities visited on two team field trips, the water companies interviewed have infrastructure, e.g., underground pipes, valves, pumping stations, pressure regulators, etc. dating from the 1960s that is beyond its useful life and urgently needs replacing. Yet the strict limits on LGU borrowing make it extremely difficult to secure financing for investment projects. The leading donor in the municipal water sector is KfW, which has an active program combining capital investment with management and financial performance benchmarks.

The territorial administrative reform will force mergers of municipal and commune water companies, which will need complete corporate restructuring such as stock reissuance, asset valuation and allocation, division and assumption of liabilities, and the like. New business plans will be required in all cases. Instead of 11 companies, PGLP will have to deal with more than 50 initially. At the national level, PLGP assistance to the Water Regulatory Authority (ERRU) should continue, as a major turnover in commissioners is expected soon and ERRU will need support to orient them to the sectoral issues, challenges, and opportunities that will arise post-territorial reform.

However, the most striking evidence of the degraded basic condition of the water companies visited (Korca excluded) is the high level of so-called non-revenue water, i.e. the difference between the imputed value of all water supplied by the company and the actual revenue received for that water by the company. In the cases of Vlora, Lushna, and Patos, non-revenue water is 80.9%, 70%, and 31%, respectively. This means that the companies are getting revenue from amazingly low percentages of what they pump, a major contributor to their large operating deficits. Leakage from worn-out pipes, the high number of illegal (unbilled) connections, and unpaid customer bills cause this situation.

⁸ Some companies are still in the process of transferring ownership from the central government to the LGU.

⁹ Data in this section taken from PLGP C3 reporting as well as interviews with seven water company directors.

The evaluation team gained only limited access to supervisory councils and therefore has to rely on numerous interviewee comments rather than hard evidence to support the view that the supervisory councils in most cases are ill prepared and unqualified to carry out their corporate governance responsibilities effectively. The councils were said to meet infrequently in many LGUs, to rubberstamp mayoral or company management proposals, or actually to be ignored at times in decision-making that falls within their authority. Appointments were said to be treated as political patronage with little expectation that members will assume serious responsibilities. Staffing the councils with better-qualified technical people, a common stated objective, may lead to better oversight but this is not an entirely satisfactory approach to public utility governance, which needs to balance public and private consumer interests.

Drinking water and sewerage admittedly are critical human needs, including in the partner LGUs, but PLGP does not commit to measurable water supply improvements, reduction in non-revenue water, or any capital investment goals that will impact customers (citizens) in the areas where these needs are most strongly felt. Business plans, customer relations, trainings on billing and EU standards, for example, do not meet the most basic customer, company, or LGU needs. This is not to criticize the contractor or its sub-contractor, who have done a good job of delivering agreed inputs. It is to argue that the inputs/outputs cited and PMP indicators used are only marginally relevant to the fundamental problems facing the companies and their LGU owners and therefore give a misleading picture of the health of the companies and the worthiness of the PLGP inputs.

Looking at the indicators for C3 shows that they allow “successful outcomes” for the activities without ever dealing with the fundamental problems of the companies or needs of customers. At the very least, the weak performers can be weeded out as part of the project restructuring, but water companies in “model LGUs” should get intensive, hands-on assistance, including help with access to capital needs financing, so they can be part of the overall “proof of concept” successful implementation of territorial reform. Durres is an outlier, given the relationship with the \$80 million World Bank project, and should be considered separately. On the national level, the PLGP assistance to Water Regulatory Authority (ERRU) through Component 3 should continue. In the near future, there will be turn-over of Commissioners under the current Chairman, Avni Derishi. He will need PLGP support to orient these new Commissioners to the sector and the issues, challenges, and opportunities that could present themselves under the TAR.

DIFFICULT TRANSITION IN YEAR 4

PLGP will need to modify its work plans if USAID decides to provide full support to territorial reform as a central element of the decentralization process. USAID and PLGP will have to decide to what extent to maintain current activities – number of partner LGUs and level of effort—versus concentrating on a smaller number of “model municipalities” as recommended here. In any event, the operating principle should be to try simultaneously to take full advantage of the momentous opportunity presented by territorial administrative reform and decentralization reform both advancing together. These are strategic choices.

MUNICIPAL COUNCILS

Municipal councils have been discussed extensively under Q2. Work to date with them was not seen by respondents as very successful except at an input/output level for number of trainees and production of a manual, or even seen as particularly important. The Councilors Manual, a useful document, and a training course for councilors do not seem to have had much effect. In some cases, for example, Korca and Patos, the mayor and the council have a constructive working relation-

ship. The real problem throughout LGUs runs deeper, and PLGP has not addressed this directly. Overall, the councils tend to be large and unwieldy (30-80 members) and do not have professional staff support; and seats represent political patronage more than anything else. Party bosses draw up the slates, and voters have to choose from closed party lists with virtually no idea who they are voting for. Municipal consolidation should at least reduce the exaggerated number of councils and council members, but the lack of citizen identification with their representatives will likely worsen.

Arguably, getting to the root of the problem is beyond PLGP's "manageable interest," much as we have argued in the case of the water companies; and PLGP might better try to avoid working with them as "high risk/low gain" clients. The LGU executive branch (mayor and city employees) is seen as a much more useful client. However, the indisputable fact is that (absent statutory change) LGUs are legally established using what in the United States would be called a "weak mayor-strong council" system, and fully functioning councils are essential if LGUs are to become stable, democratic governance entities in the long run in a decentralized system. Would that the team had clear recommendations for making council work a highlight of PLGP going forward, but the lesson learned should be that this task must be addressed more seriously, even if difficult.

GENDER

PGLP has been mindful of gender consideration during the project. One of the three Albanian municipalities with a woman mayor is part of the project. Women's participation in PGLP activities is, in general, on equal terms with that of men. There is high participation of women in the PGLP trainings. This, however, can be an artifact created by the large number of women occupying positions as specialists or as heads of sectors in local government administrations. The CAPs, which have been launched and supported by PGLP, are a better testimony to PGLP gender concerns. Data shows that 53 percent of CAP members across the participating municipalities are women. In every city, at least one of the CAP coordinators is a woman.

However, in order to deepen gender work, PLGP can introduce mechanisms that empower women to a greater degree. One concrete way is to create "women-dominated multiplication/replication teams." In order to share best practices, PGLP can launch such teams, which can be focused on a narrow issue, such as tax collection, water company management, territorial planning, or municipal councilors' roles. PGLP can identify women from one or several municipalities who are competent professionals and have the respect of their colleagues; provide them training of trainers (ToT) assistance; and send out these all-women or woman-dominated teams to train their colleagues in other municipalities.

Alternatively, PGLP could use an integrated approach in which one all-women or woman-dominated replication team consists of professionals on each issue: one on tax collection, one on water company management, one on territorial planning, one on municipal councilors' roles, etc., who share best practices in an integrated way. Between all-women and woman-dominated teams, the latter may be more empowering than the former, avoiding negative reactions from male colleagues.

Regardless of which mode is deemed more likely to succeed, PGLP can identify the most professionally prepared specialists (men and women) across all municipalities it works with and form women-dominated teams with women team leaders. Such an approach can give women more visible, recognized leadership roles. In this way, they can be empowered to become agents of change based on their skills and expertise alone, not based on their gender. From our observation there is no lack of skilled women at the local level who can be part of such an endeavor.

PUBLIC-PRIVATE PARTNERSHIPS (PPPs)

This approach has not been widely used yet. Parking concessions appear to be the most favored experiment. The three PPP trainings in the water sector would seem not to recognize the unappealing state of most of these companies for private involvement. The German KfW private concession for the water company in Elbasan was viewed as a dismal failure (the company has already defaulted on two loan payments, although current operations have improved under new management). If the team's recommendation to focus on a very limited number of "model municipalities" is acted on, PPPs should become a part of any improvement plan, and this would include the water company in those municipalities.

LGU ASSOCIATIONS

The absence of an effective local government association or mayors' association seriously undermines the ability of LGUs to project their voice and advance their interests at the national level. LGUs can also not look to any self-owned association to promote best practices or provide any services or materials to member LGUs. Unfortunately, this is another intractable Albanian partisan political problem. PLGP understandably has steered clear of the competing and dysfunctional associations. This is another case of an "unmet challenge" thus far. PLGP may have enough credibility to attempt to broker a reconciliation between the competing groups, but this does not appear to be worth the effort unless national political party leaders are willing to openly support the initiative in the best interests of consolidated municipalities after territorial reform, which seems unlikely.

QUESTION 4: *To what extent did PLGP activities result in decentralization process improvements (national-level impacts)?*

It should be noted that the performance measure has to do with "decentralization process improvements." Again, it is a process metric. It does not refer to decentralization reform (including territorial administrative reform) outcomes or results *per se*, but rather to whether PLGP activities led to improvements in the national-level decentralization process, with such process improvements referred to as "impacts." Nonetheless, certain outputs of the process already can be considered as measurable results impacts that go beyond process improvements.

DECENTRALIZATION POLICIES AND LEGISLATION

The discussion in question 1, above, about PLGP's approach to supporting greater participation and transparency in decentralization reform processes (including territorial reform) under components 1 and 4 to a great extent also answers the question posed here about process improvements. The methodology is the same. The well-organized, well-structured process and other assistance activities have clearly led to a more productive process as a result.

Looking more to outputs of the process also responds to question 4's greater interest in measuring tangible "national-level impacts" (results) of the improvements. Many of these, however, were originally designed with the more limited planning objectives of the original C4 in mind rather than new government's ambitious initiatives in decentralization, planning, and national territorial administrative reform. The more recent activities are based on a signed Joint Action Plan (JAP) dating from October 2013 responding to MUDT's request to support the ministry and NTPA.

TERRITORIAL PLANNING

Assistance to NTPA for developing the framework for the General National Territorial Plan (GNTP) resulted in approval by NTC of the Scope of Work for the GNTP based on the plan pre-

pared by NTPA with support of PLGP. PLGP provided technical support for revisions to the national Territorial Planning Law, which has been completed and sent to parliament for approval. Revision of the planning legislation has been completed.

The NTPA Action Plan (for implementing the planning law) is completed and approved. The NTC regulation has also been completed and approved. NTPA internal regulations and a Code of Ethics are prepared. NTPA and MUDT job descriptions are prepared. NTPA and MUDT institutional analysis is completed. Preparation of the Restructuring Document of NTPA was completed and approved by the Prime Minister (C4). All of these are significant measurable outcomes helping to achieve project objectives.

The core activities of planning assistance to LGUs (C4) take on added importance with the territorial administrative reform. Partner LGUs will have much greater population and land area, and they will have to learn to deal with rural land spatial development issues and development controls. They will need to seek approval of their new general plans and prepare new LDPs. As with other elements of the project, the evaluation team is convinced that full-scale territorial planning in a smaller number of model municipalities is desirable for “proof of concept” that the reform process can be successful. The GOA will need to show what successful implementation looks like in order to maintain momentum for changes that will take a decade to become internalized across the country.

To a great extent, the decentralization/territorial reforms are just now approaching final review and approval and the start of a challenging implementation phase is imminent. Policy and legislative “achievements” to date cannot really be defined as successes until they have proven effective on the ground in the real world. Even if territorial administrative reform captures the headlines, the territorial planning process (C4) is distinct and is the critical input to making the new boundary and jurisdictional system work properly. PLGP is now entering that process, and it should not let its grasp exceed its reach. That may be its most important “lesson *to be learned*” throughout the rest of the project.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FINDINGS AND CONCLUSIONS

1. To date, PLGP is a sound project, well staffed and managed, and highly regarded by its clients and counterparts. PLGP is meeting its deliverables.
2. Territorial Administrative Reform is a “game changer” that calls for a revised PLGP decentralization/improved local governance strategy and stated objective; PLGP support for successful implementation (with fiscal decentralization) will be critical to success;
3. PLGP’s approach to decentralization reform has been effective, using a well-structured, participatory methodology with stakeholders to invigorate and inform a critical policy dialogue process.
4. Fiscal decentralization is the “Achilles’ heel” of the decentralization/territorial reform process and could cause it to result in failure. Although there has been good collaboration with the MOF at the technical level, high-level support is very uncertain. High-level policy dialogue is needed to ensure that pro-LGU fiscal decentralization decisions are made at the highest GOA levels.
5. The action plans with partner LGUs are well conceived—generally meeting output targets by topic: budgeting, revenue and tax collection, asset management, financial management, and information technology—but performance results are still at early stages.
6. Implementation of needed reforms to the property tax system—LGUs’ greatest untapped own-source revenue—will be a difficult, complex, and lengthy process.
7. Citizen Advisory Panels are performing surprisingly well, empowering civic participation and two-way interaction with local authorities.
8. Municipal councils, though important to democratic local governance, are not performing their broad statutory functions effectively, and near-term prospects are not encouraging, leaving mayors almost alone as the main change agent in improving local governance.
9. Water utility companies are not providing minimum adequate service, but the business plans show management progress in some areas, varying widely by city. Their most basic problems—dysfunctional corporate governance structures and lack of investment capital—require changes beyond current management improvements but are beyond PLGP’s manageable interest.
10. PLGP showed valuable flexibility in responding quickly to the GOA on territorial reform. Getting the fiscal decentralization issue on the GOA agenda is a notable result. Support to NTPA, MUDT, and MOSLI has been crucial to launching the reform and will be an ongoing requirement.
11. At this time, MOSLI, MUDT, and (to a somewhat lesser extent) NTPA are very thin institutionally and not fully up to the challenging tasks ahead.
12. Going forward, prompt strategic decisions are needed from USAID, the preeminent donor in local government assistance, as territorial reform is imminent. USAID’s comparative advantage

in this area is very strong, well accompanied by the Swiss project, the Swiss-chaired sectoral donor coordination group, and the pooled funds UNDP-managed STAR program.

13. USAID and PLGP are now caught in a “time squeeze,” with territorial reform rollout in July/September 2014, local elections in June 2015 with the attendant need for a new start with new players, and PLGP’s termination date in January 2017. PLGP Year Four is unavoidably a “transitional year,” and Year Five is too short a time frame to achieve newly revised goals by the end of the project.
14. The enabling environment for policy reform is extremely favorable and argues in favor of new strategic engagement, but sophisticated policy conditionality is also needed. A longer project life and additional funding would be needed to achieve revised objectives.

RECOMMENDATIONS

1. PLGP should continue strong engagement with the promising decentralization/territorial reform process, with special emphasis on fiscal improvements and municipal consolidation planning activities.
2. The U.S. government and other donors should make clear to the GOA that full support for decentralization/territorial reform is contingent on fiscal decentralization reforms, especially higher, more reliable fixed formula levels of unconditional transfers to fund enhanced LGU functions.
3. To keep pace, USAID should make prompt decisions on modifications to PLGP in view of the imminent launch of major territorial reforms.
4. PLGP should increase relative support to national institutions as requested by the GOA, but maintain the right balance with LGUs—feasible only with additional time and funding for the project. PLGP should also advocate with the GOA to politically and institutionally strengthen the MUDT, NTPA, and MOSLI, so they become able to perform their crucial new tasks more effectively.
5. Revise overall strategic objective for PLGP to be “successful decentralization/territorial reform in three to five model municipalities,” based on comprehensive, integrated change management improvement plans with “report card” targets using European standards (“proof of concept”).
6. PLGP should unify national and local objectives more strategically—deeper engagement with fewer municipalities alongside national-level counterparts (“proof of concept”).
7. The project should reduce current list of partner LGUs and limit range of ongoing activities in order to emphasize selected “model municipalities,” with fewer training courses and more on-the-job training.
8. Recognizing their long-term importance to effective democratic local governance and the impact of territorial reform, PLGP should increase the level of engagement with restructured municipal councils in 2015, modifying the approach where needed to overcome partisan divisions. Legally mandated data sharing by IPRO at the LGU level should be insisted upon immediately for property tax development purposes, in spite of data limitations, while other ICT work advances.

9. The project should continue to support the CAPs, but should focus mainly on long-term sustainability and networking.
10. PLGP should set clear targets for improved LGU tax collection, with special emphasis on a modernized property tax and collection system. In spite of inherent complexities and difficulties, the importance of property tax reform should make it a priority in the revised strategy of PLGP going forward.
11. The project should sharply reduce the level of effort with water companies due to problems beyond USAID's manageable control (except in selected "model municipalities").
12. In the context of the USAID-funded (donor pooled fund) STAR project—not PLGP—and in an effort to improve the representational public legitimacy and level of competency of local councils in newly consolidated municipalities, USAID should support local electoral reform.
13. The project should use more gender-specific analysis tools in activity design.
14. Monitoring mechanisms should be tied more to results rather than mainly to outputs.

ANNEX A: SCOPE OF WORK

Task Order AID-182-TO-13-00001
 IQC-AID-OAA-1-10-00004

C.11 SCOPE OF WORK FOR PLGP

Planning and Local Governance Project in Albania

C.11.1 General Data

Title	Planning and Local Governance Project (PLGP) in Albania
Award Type and #	Contract # AID-182-C-12-00001
Implementer	Tetrattech - ARD
Award value	\$9,279,232
Life of Program	Jan 2012 – Jan 2017
COR	Suzana Cullufi

C.11.2 Background

PLGP Project is designed to directly support USAID’s local governance and decentralization program area in Albania. The goal of the *Planning and Local Governance Project (PLGP)* is to provide technical assistance and training to the Government of Albania (GOA) and to Albanian local government institutions – to help the GOA and local governments successfully implement decentralization legislation, policies and reforms.

To achieve PLGP’s goal stated above, the project has the following four objectives and corresponding program components and expected results:

Objective	Component	Expected Results
1. The GOA implements effective government decentralization policies and legislation through collaboration with local governments and non-governmental organizations.	1. Support the GOA’s work to implement effective government decentralization policies and legislation	<ul style="list-style-type: none"> Improved enabling environment for policy reform and planning in local governance Reform processes more participatory and transparent
2. Local governments improve their performance, accountability, transparency, and ability to involve citizens in decision making.	2. Improve the efficiency, transparency and accountability of local government operations	<ul style="list-style-type: none"> Enhanced citizen oversight and transparency in local governance Mechanisms enhancing transparency and accountability developed
3. The GOA and local governments effectively plan, manage, and finance public services, consistent with EU standards.	3. Improve local government management and oversight of selected public utilities to provide services in accordance with EU standards.	<ul style="list-style-type: none"> Upgraded performance and management capabilities in local governance Professional and management skills upgraded Services to citizens more accessible and qualitative in compliance with EU standards More efficient operations and resource management Defined authorities and developed performance standards in compliance with EU standards
4. The GOA and local governments improve their ability to develop, coordinate, and manage territorial planning.	4. Strengthen the capabilities of the GOA and local governments to plan and manage urban and regional growth	<ul style="list-style-type: none"> Improved planning and implementation capacities in national and local level Increased public participation in and oversight by civil society groups, businesses and other NGOs into territorial planning processes

The Purpose of this performance evaluation is to provide rigorous, evidence-based and independent analysis on PLGP's performance at the mid-term of the project. Specifically, the performance evaluation will serve to examine the processes, outcomes and the effectiveness of the project activities implemented to date; to determine whether the project has achieved the expected results according to the plan, to identify gaps in performance against targets, and to provide recommendations for better performance in the final years of the project.

The evaluation will focus on both management and technical aspects of the program and its implementation. The evaluation will assist USAID in determining the degree of the success in current programs and identifying lessons learned for the development of future programs.

Qualitative and quantitative data will be used to illustrate the processes and outcomes of the program. Data generated from the evaluation should be specific to each of the programs and provide solid evidence for conclusions and recommendations that will be made by the evaluation team(s).

It's expected that the Evaluation Team will not simply provide an accounting of performance against targets, but provide an independent analysis on why targets were met or overachieved. Of particular interest will be the analysis of the reasons behind any gaps between expected and actual performance, including the identification of the likely source(s) of these gaps (design, project management, changes in operating environment, success factors, etc.). This analysis will inform future decisions regarding the project's focus by the Mission, particularly by the Democracy and Governance Office.

C.11.4 Evaluation Questions

In conducting the performance evaluation for the PLGP program, the Evaluation Team will provide detailed answers to the following questions:

1. To what extent have PLGP activities resulted in increased participation and transparency in decentralization reform processes, local governance accountability and territorial planning?
2. Based on perception of outside stakeholders, do the selected municipalities have better performance, as a result of the approaches and implemented activities, than they otherwise

would have in operations effectiveness, resources management and services to citizens/businesses?

3. What were the challenges (internal and external) faced by the projects and lessons learned?
4. To what extent the PLGP activities resulted in decentralization process improvements (national level impacts)?

The report will summarize the findings from interviews, discussions, and evaluations of relevant PLGP reports, studies and assessments. Pitfalls and gaps, if any, should be analyzed, justified and addressed by recommendations. The evaluators are encouraged to be as specific as possible in its recommendations, so as to best inform our Mission for the sake of prompt reaction if needed. Recommendations should be action-oriented, practical and specific, with defined responsibility for the action.

The evaluation (data collection, analyses and reports) should reflect the cross-cutting issues of gender and environmental considerations.

C.11.5 Suggested Methodology and Study Tasks

The general methodology for the Evaluation is described in the section C.4 at page 4 above. In addition to that the Mission is looking for additional suggestions on the methodologies, data collection instruments for conducting the evaluation, and it is anticipated that the Contractor will provide a more detailed explanation of the proposed methodology, for carrying out the work and appropriate to the Evaluation questions.

The evaluation team will first complete a desk study that will be used to establish an understanding of PLGP's activities and environment before the field work. Based on this understanding, the team will prepare a work plan that will be presented to the Mission prior to arrival in-country. The work plan will include a design matrix that demonstrates how the team plans to answer each evaluation question (data collection methods, sources, methods of analysis, limitations, etc). The methodology will include a mix of tools appropriate to evaluation's research questions.

C.11.6 Team Composition

The evaluation team will consist of four members: three technical specialists (one US and two Albanian experts), and an interpreter/administrative assistant. The US expert will serve as the Evaluation Team Leader.

The evaluation experts shall demonstrate familiarity with USAID's Evaluation Policy <http://www.usaid.gov/evaluation/USAIDEvaluationPolicy.pdf>

Specific responsibilities and requirements for each of the Evaluation team members include the following:

- a) **Evaluation Team leader/Social scientist:** This expert will serve as the team leader and will ultimately be responsible for the management of the team, the coordination of team activities, and the submission of the final report. The incumbent must have extensive and documented relevant prior experience in leading evaluation of development projects and programs in the

local governance area, designing evaluations, and writing evaluations reports. S/he should possess experience and knowledge related to similar reforms in countries in transition, preferably Western Balkans countries. The proposed individual will meet the minimum level of academic and the work experience qualifications required for the Senior level expert.

- b) **Evaluation Team Member/Social scientist (locally hired):** This member of the evaluation team will serve as the local expert and will support the team lead in team coordination and management. Documented experience in conducting performance evaluations and at least 10 years of relevant development experience in the area of local governance and decentralization is required. S/He should have experience in evaluating development programs especially governance projects. This team member is expected to have excellent knowledge and professional background that demonstrates extensive experience and understanding of Albanian context, Albanian local governance and planning, and decentralization policies and participatory governance. S/he should be fluent in English and in Albanian. S/He will meet the minimum level of academic and the work experience qualifications required for the Junior level expert.
- c) **Evaluation Team Member/Social scientist (locally hired):** This team member will serve as the expert in participatory and transparent processes in local governance operations, assets management and services provided and will support the team lead in team coordination and management. S/He should have extensive and documented local government and local assets management experience as well as experience in local governance programming designed to improve local governance performance. Experience in conducting program performance evaluation and knowledge related to local governance and local assets management in the Balkan region would be especially valuable. S/he should be fluent in English and in Albanian. S/He will meet the minimum level of academic and the work experience qualifications required for the Junior level expert.
- d) **Interpreter/administrative assistant:** This team member will provide logistical, administrative, clerical and translation support to the team throughout the evaluation. Special attention should be paid to this team member's ability to translate technical language as it relates to the local governance, decentralization, assets management and participatory processes terminology.

C.11.7 Schedule and Timeline

USAID/Albania anticipates having this evaluation conducted in September- November 2014. The number of working days will include up to four days of pre-arrival preparation and up to ten days of post in-country work for writing and finalizing the evaluation report. A six-day workweek for the Evaluation Team(s) and travel days will be authorized accordingly for expatriate Evaluation Team members. USAID/Albania will provide assistance with scheduling appointments and meetings. The Level of Effort for the technical team members is 20 days and for the Team Leader 28 days. Deadline for submission of deliverables and a suggested breakdown is shown in Table 2.

Table 2: Deadlines for submission of deliverables and Suggested Breakdown of Level of Effort

Activity	Deliverable	Submission time	Responsible	Level of Effort (# of Working Days)				
				Team Leader	Team Member 1	Team Member 2	Assistant/translator	Person Days
Preparatory work (review of background documents and drafting the Evaluation Plan)	Signed of Statement of Conflict of Interest	At <u>first day</u> when assignment for the evaluation starts	Evaluation Team Leader					
	Work Plan, including: <ul style="list-style-type: none"> Evaluation Design Document The anticipated schedule & logistical arrangements, delineating roles & responsibilities 	Prior to arrival of the Evaluation Team in-country	All Evaluation Team	4	3	3	0	10
Data Gathering (Including in-country trips)	Regular briefings for USAID representatives	As it will be decided, but no less than <u>two per week</u>	All Evaluation Team	15	15	15	15	60
Preliminary analysis (in country), Including USAID/Albania debriefing	A power point presentation or an outline of the Evaluation Report–no more than 5 pp	<u>One day</u> prior of debriefing	Evaluation Team Leader	3	3	3	0	9
Drafting & submitting final report Including feedback, expenses report, and final submission.	Draft Final Evaluation Report	<u>Eight working days</u> after departure of Evaluation Team Leader from Albania	Evaluation Team Leader					
	Feedback from USAID/Mission and implementing partner	<u>Four working days</u> after submission of draft report	USAID's Evaluation COR					
	Final Evaluation Report (electronic and hard copy)	No later than <u>two working days</u> after receipt of comments from USAID	Evaluation Team Leader	10	2	2	3	17
	All data collected during the evaluation (electronic and hard copy)	No later than <u>two working days</u> after departure of Evaluation Team Leader from Albania	Evaluation Team Leader					
Total of Days				32	23	23	18	96

ATTACHMENT 1. STATEMENT OF WORK

CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT

- The evaluation report should represent a thoughtful, well-researched and well-organized effort to objectively evaluate what worked in the project, what did not and why.
- Evaluation reports will address all evaluation questions included in the scope of work.
- The evaluation report will include the scope of work as an annex. All modifications to the scope of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology or timeline need to be agreed upon in writing by the technical officer.
- Evaluation methodology must be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides will be included in an Annex in the final report.
- Evaluation findings will assess outcomes and impact on males and females.
- Limitations to the evaluation will be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings will be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information have to be properly identified and listed in an annex.
- Recommendations have to be supported by a specific set of findings.
- Recommendations must be action-oriented, practical and specific, with defined responsibility for the action.

ATTACHMENT 2. STATEMENT OF WORK
SUGGESTED OUTLINE FOR AN EVALUATION REPORT

Element	Approximate Number of Pages	Description and Tips for the Evaluation Team
Title Page	1 (but no page number)	Essential. Should include the words "U.S. Agency for International Development" with the acronym "USAID," the USAID logo, and the project/contract number under which the evaluation was conducted. See USAID Branding and Marking Guidelines (http://www.usaid.gov/branding/) for logo and other specifics. Give the title of the evaluation; the name of the USAID office receiving the evaluation; the name(s), title(s), and organizational affiliation(s) of the author(s); and the date of the report.
Contents	As needed, and start with Roman numeral ii	Essential. Should list all the sections that follow, including Annexes. For multi-page chapters, include chapter headings and first- and second-level headings. List (with page numbers) all figures, tables, boxes, and other titled graphics.
Foreword	1	Optional. An introductory note written by someone other than the author(s), if needed. For example, it might mention that this evaluation is one in a series of evaluations or special studies being sponsored by USAID.
Acknowledgements	1	Optional. The authors thank the various people who provided support during the evaluation.
Preface	1	Optional. Introductory or incidental notes by the authors, but not material essential to understanding the text. Acknowledgements could be included here if desired.
Executive Summary	3	Essential
Glossary	1	Optional. Is useful if the report uses technical or project-specific terminology that would be unfamiliar to some readers.
Acronyms and Abbreviations	1	Essential, if they are used in the report. Include only those acronyms that are actually used.
I. Introduction	5-10 pages, starting with Arabic numeral 1.	Optional. The two sections listed under Introduction here could be separate, stand-alone chapters. If so, a separate introduction may not be needed.
Description of the Project		Essential. Describe the context in which the USAID project took place— e.g., relevant history, demography, political situation, etc. Describe the specific development problem that prompted USAID to implement the project, the theory underlying the project, and details of project implementation to date.

The Evaluation Purpose and Methodology		Essential. Describe who commissioned the evaluation, why they commissioned it, what information they want, and how they intend to use the information (and refer to the Annex that includes the Statement of Work). Provide the specific evaluation questions, and briefly describe the evaluation design and the analytical and data collection methods used to answer them. Describe the evaluation team (i.e., names, qualifications, and roles), what the team did (e.g., reviewed relevant documents, analyzed secondary data, interviewed key informants, conducted a survey, conducted site visits), and when and where they did it. Describe the major limitations encountered in data collection and analysis that have implications for reviewing the results of the evaluation. Finally, refer to the Annex that provides a fuller description of all of the above, including a list of documents/data sets reviewed, a list of individuals interviewed, copies of the data collection instruments used, and descriptions of sampling procedures (if any) and data analysis procedures.
II. Findings, Conclusions, and Recommendations	20-30 pages	Essential.
Annexes		
Statement of Work	Some are essential and some are optional as noted	Essential. Lets the reader see exactly what USAID initially expected in the evaluation
Evaluation Design and Methodology		Essential. Provides a more complete description of the evaluation questions, design, and methods used. Also includes copies of data collection instruments (e.g., interview guides, survey instruments, etc.) and describes the sampling and analysis procedures that were used.
Interviewed List of Persons		Essential.
List of Documents Reviewed		Essential. Includes written and electronic documents reviewed, background literature, secondary data sources, citations of websites consulted.
Dissenting Views Reviewed		If needed, include if a team member or a major stakeholder does not agree with one or more findings, conclusions, or recommendations.

ATTACHMENT 3- STATEMENT OF WORK

Disclosure of Conflict of Interest for USAID Evaluations Instructions:

Evaluations of USAID projects will be undertaken so that they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest. For external evaluations, all evaluation team members will provide a signed statement attesting to a lack of conflict of interest or describing an existing conflict of interest relative to the project being evaluated.

Evaluators of USAID projects have a responsibility to maintain independence so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. Evaluators and evaluation team members are to disclose all relevant facts regarding real or potential conflicts of interest that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the evaluator or evaluation team member is not able to maintain independence and, thus, is not capable of exercising objective and impartial judgment on all issues associated with conducting and reporting the work. Operating Unit leadership, in close consultation with the Task Order Contracting Officer (TOCO,) will determine whether the real or potential conflict of interest is one that should disqualify an individual from the evaluation team or require recusal by that individual from evaluating certain aspects of the project(s)

Real or potential conflicts of interest may include, but are not limited to:

1. Immediate family or close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.
2. Financial interest that is direct, or is significant/material though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.
3. Current or previous direct or significant/material though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.
4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.
5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.
6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.

[END OF SECTION C]

ANNEX B: LIST OF INTERVIEWEES

- June 12* Mr. Sherefedin Hoxha, Democratic Party Parliamentary Group
- June 12* Mrs. Jonida Gaba, Deputy Director of the National Territorial Planning Agency
- June 12* Mr. Avni Dervishi, Chairman of the Water Regulatory Authority of Albania (WRAA)
- Mrs. Etleva Demiri, Head of Technical and IT Department, (WRAA)
- June 13* Mr. Dritan Shutina, Executive Director of Co-Plan
- June 13* Mr. Bledar Dollaku, Local Coordinator, KFW
- June 13* **Durrës** - Meeting with the Water Authority Representatives
- Mrs. Stela Nenada, Head of Finance and Coordinator
- Mrs. Daniela Sherro, Hydro-technical Engineer
- Mrs. Pranvera Kume, Lawyer
- Mrs. Edlira Hysa, Accounting/Sales
- Mrs. Rozarta Pura, Human Resources
- June 14* Mr. Philip Giantris, Director of Valu-Add Management Service
- June 16* Ilirjan Muho, Director of Immovable Property Registration Office
- June 16* Eglantina Gjermeni, Minister of Urban Development and Tourism
- Adelina Greca, Director of the National Territorial Planning Agency
- Jonida Gaba, Deputy Director of the National Territorial Planning Agency
- June 16* Andia Pustina, Director, General Directorate of Tax and Tariffs, Tirana Municipality
- June 17* Vladimir Malkaj, Cluster Manager, UNDP
- June 17* Bled Cuci, Minister of State for Local Issues
- Enea Hoti, Advisor to the Minister of State for Local Issues
- June 18* **Lushnje** - CAP Coordinators: Skender Gega, Ermelinda Myzeqari
- Mr. Albert Divjaka, Head of Water Utility Company
- Mr. Fatos Tushe, Mayor of Lushnje
- Mrs. Teuta Korreshi, Deputy Mayor
- Mr. Gentian Nushi, Deputy Mayor

		Erion Vodo, City Council Secretary Elida Gjermeni, Deputy Chairman, City Council Ylli Myftiu, Member of the City Council Asllan Haxhiu, Chairman of the City Council
<i>June 18</i>	Patos	Mrs. Rajmonda Balilaj, Mayor of Patos Petrit Elmazaj, Executive of Water Utility Aferdita Laska, Tax Director, Minicipality of Patos Vilma Zhupaj, Deputy Mayort of Patos Vangjel Nushi, Director of Public Services, Minicipality of Patos Elda Goxhaj, Public Relations
<i>June 19</i>	Vlore	Mr. Ilir Banushi Deputy Mayor for Economic Affairs CAP Coordinators: Alketa Dhimitri, Robert Murataj MRs. Varvara Gjika, Chief of Finance, Water Utility Company
<i>June 20</i>	Sarande	Mr. Stefan Cipa, Mayor of Saranda Mr. Jorgo Mitro, Deputy Mayor Elvira Lako, Chief of Finance, Water Utility Company
<i>June 23</i>	Elbasan	Mr. Qazim Sejdini, Mayor of Elbasan Mrs. Diamanta Vito, General Director of Economic and Strategic Development, Municipality of Elbasan Mrs. Ardiana Kasa, CAP Coordinator Mr. Altin Cenolli, Director of Water Utility
<i>June 24</i>	Korce	Mr. Sotiraq Filo, Mayor of Korça Gjergji Cikopana and Ereandra Taiplari, CAP Coordinators Elia Pendavinji, Korça Water Utility
<i>June 25</i>	Pogradec (Control City)	

Paskalino Ziko, Deputy Mayor

Dritan Hamzallari, Deputy Mayor

June 25

Mr. Ervin Mete, Deputy Minister of Finance

June 25

Valbona Karakaçi, Program Manager HELVETAS Swiss Cooperation

ANNEX C: PERFORMANCE OF COMPONENT THREE

RELEVANCE

QUALITY OF OBJECTIVES

The purpose of Component 3 is to “improve local government management and oversight of selected public utilities to provide services in accordance with EU standards.” The main objective of this component supports the project’s goal “to provide technical assistance and training to the Government of Albania and to Albanian local government institutions – to help the GOA and local governments successfully implement the decentralization legislation, policies and reforms.” C3 also complies with the Development Objective (DO) 1 of the Albania Country Development Cooperation Strategy, 2011-2015 (CDSC) asking for a “strong focus on strengthening the relationship between the central and local governments in order to improve planning, create the framework for development of a national territorial plan, and [to] assure more efficient and transparent delivery of key public services that touch the daily lives of all citizens, e.g., water, sewerage, energy, and education.”

PROJECT APPROACH

The PLGP delivered TA to 15 LGUs (12 municipalities and 3 communes) PMs selected through a well-designed procedure and signed Partnership Agreements (MoU), hereinafter referred to as PM. Consequently, the 11 water utilities (WUs) serving the PMs became part of the project.

The project was designed and implemented following a demand driven approach with a very participative and a bottom up process involving all stakeholders concerned. Stakeholder participation aimed to enhance ownership and transparency in making decisions concerning stakeholder interests and potentially support PLGP implementation and follow up after project completion.

PROJECT DESIGN

PLGP support was divided in four components seeking to achieve four main results:

- Result I. Selected local governments effectively oversee jointly owned utilities;
- Result II. Supervisory Boards’ roles in selected local governments are better defined and performance improves;
- Result III. Selected local governments adopt policies and procedures for utilities that are consistent with EU standards; and
- Result IV. Selected local governments, GOA regulatory agencies, civil society groups and other NGOs improve communication and interactions.

In the evaluator’s opinion both results I and II converge in “improving the performance of the overseeing bodies (LG and Supervisory Councils or SCs, Water Regulatory Entity or WRE) to assure effective (rapid, accurate) decision making to the benefit of communities” . There is no expected result related to improvement of WUs water service performance. The WUs that

are core for delivering services to citizens have not been included in the results to be achieved.

QUALITY OF TA DESIGN

The TA design followed a results driven approach aiming to link activities/outputs with expected results. For each component, activities/outputs were defined by the expected contribution from implementation towards the achievement of each of the results.

Assessment of the C3 design reveals inconsistencies between defined activities/outputs and results to be achieved. For example, “Result I: Selected local governments effectively oversee jointly owned utility companies” was planned to be achieved through a set of activities/outputs including:

- Identify training and capacity building needs of local officials and WU managers to improve service delivery and implement QSIP;
- Develop WU management action plans in core partner communities;
- Prepare cost recovery strategies for utilities in partner communities;
- Train utility staff and local government staff overseeing utility operations in proposal writing for accessing IPA funds

Only one out three activities/outputs defined target the LGUs (with a non core activity), while others clearly target Water Utilities aiming to improve their performance in service delivery through improvement of management practices (strategic development, operational management), monitoring & reporting, and strengthening staff capacities.

Implementation of the above activities can hardly be expected to enhance the capacities of “local governments to oversee jointly owned utility”.

Activities/outputs under Result II are very well defined and target WUs supervisory bodies (Supervisory Councils and WRE).

Result III, “selected local governments adopt policies and procedures for utilities that are consistent with EU standards,” was planned to be achieved through the activities listed below:

- Review the current legal framework in Albania in areas of water, wastewater and possibly solid waste;
- Prepare Handbook on EU Environmental Laws, Standards, and Practices in the water, wastewater, and solid waste management fields;
- Conduct EU environmental policies/procedures training in partner communities and utilities.

The set of activities planned for RIII seem over ambitious and exceed the PLGP mandate and capacities, while confusing the tasks and responsibilities of institutions in charge. Reviewing and drafting laws according to EU policy is a central government responsibility.

Drafting a “Handbook on EU Environmental Laws, Standards, and Practices in the water, wastewater, and solid waste management” is not a relevant approach to disseminating knowledge about EU Laws and Directives. This kind of information is normally produced by

the respective Line Ministries, published on ministry websites, and subject to specialized and continuous updates. The LGU's could simply be advised on how to obtain this information.

The project planned to achieve Result IV, "selected local governments, GOA regulatory agencies, civil society groups and other NGOs improve communication and interactions", targeted customer services aiming to improve their operations and public communications.

Customer Services (CS) by function aim to assure consumer satisfaction by enhancing product image and developing customer loyalty. In reality, partner WUs, except for Korca and Pogradec, and other PM's face irregular water supply ranging from once in 48 hours supply in Patos to 3 times a day supply in Durres, Vlora and Elbasan. Therefore the WUs do not have a high quality product (regular water supply to the public) to promote, which impedes CS function.

Taking into account that the critical situation with non-bill payment contributes significantly to non-revenue water, the activities/outputs for C3.3 should have been planned in a larger supply. Parallel with establishment of contemporary CSs some simple activities such as awareness raising activities should have been planned. The PLGP phased intervention to establish and strengthen CSs in the first two years and address communication plans & activities in the third or fourth year does not seem efficient and makes it difficult to respond to the critical needs of the WUs.

Considering the lack of HR and capacities to manage effective awareness raising at the CSs level, PLGP could have outsourced any NGO to deliver simple and visible activities such as local TV and media communications, leaflets, door to door communication, strengthening the citizen network pressure (CSOs, school children, CAP's and Municipal Police) against abusers in cooperation with CS. This approach would have also enhanced the CSs capacity through the learning they would gain from working together for a common goal.

This component could also support WUs by facilitating lobbying efforts in cooperation with LGUs, water associations, and municipalities associations, to address policy measures by GoA against the water abusers.

EFFICIENCY

There is evidence that PLGP has made very good progress in delivering planned activity/outputs on schedule. Additional activities were implemented upon beneficiary request, including three training sessions on public private partnerships. A list of activities delivered thus far, organized by component/result, is attached as Annex C.I.

COMPONENT 3.1

Activities/outputs were very well planned and delivered. Main outputs included:

Situational analysis for each of WUs was carried out by identification of the most significant factors and challenges hindering WU performance. Findings and recommendations were presented at the "Water Utilities Baseline Assessment Report & Action Plan, 2012 - 2015". Considering the PLGP mandate and resources, TA targeted four key "functional areas": General Management; Customer Services and PR Management; Financial Management; and Technical & Environment Management.

Four Business Management Plans (BPs) for Tirana, Durres, Vlora, and Korca and two "Assessment Reports" for Patos and Vora WUs were delivered. Preparation of BPs

has been a laborious requiring large amounts of data and analysis (social economic, detailed supply/demand analysis, SWOT) in order to (1) identify/prioritize the factors that contribute to the WUs performance and prioritize them; (2) address measures for improvement; and (3) develop targets to achieve financial sustainability and profitability at a later stage.

The BP's were presented to a large stakeholder audience composed of respective SCs, LGUs, WRE and WUs Managers and approved by SC. Implementation of BPs was accompanied by specific trainings, on the job training, and mentoring.

BPs and associated training activities have been highly recognized by WUs as "very good quality," "concrete management tools, directly applicable," and "road maps" for decision-making.

PLGP delivers TA in a highly efficient manner, especially considering PLGP's limited resources," and the volume and complexity of TA supply (BPs, trainings, and presentation activities).

COMPONENT 3.2

Activities/outputs were very well planned and implemented. Activities included: "Preparation of Manual for the WUs Supervisory Councils" and five trainings to partner and non-partner WUs, reaching an audience of 130 participants. An additional training on "Public Private Partnership in the Water Sector" was delivered with participation from members of SCs and management staff from 11 WUs and LGU officials, reaching an audience of 60 persons.

Outputs delivered have been recognized by WRE as "highly beneficial," though the same enthusiasm was not found amongst SCs.

COMPONENT 3.3

Only one training on "European Union Policies and Directives for Solid Waste and Wastewater" has been delivered so far to two locations (Tirana and Vlora) reaching an audience of 48 participants from LGUs and WUs.

COMPONENT 3.4

Activities/outputs planned were delivered on schedule and consisted of two customer service operational manuals developed for Korca and Lushnja; two training sessions (Tirana and Lushnja) to WU's Customer Service staff with 60 participants; and development of a "Guideline for Water Utility Website Information."

Beneficiary satisfaction. Beneficiaries were interviewed at 5 WUs, the Albanian WRE, 3 Supervisory Councils (SC) of Lushnja, Durresi and Saranda and councilors of two municipalities (Lushnja and Saranda) confirmed that the expert's team under C3 have produced and delivered very high quality final outputs.

The presence of the experienced and qualified Chief of Party and C3 Key Expert has been highlighted by various beneficiaries as an added value and key to the achievement of quality outputs.

EFFECTIVENESS

Effectiveness is assessed by the level to which project outputs have produced outcomes, which is normally measured by progress in processes and operations developed by the project. The effectiveness of C3 Activities/Outputs is different for different components, as following:

COMPONENT 3.1

Component 3.1 has had a high level of success as evidenced by high utilization of outputs developed by the project. Project outputs have been used extensively by WU staff and managers and have augmented WU success in implementing new tools and methods in financial management and sales management, in accordance with EU and International Standards. This has resulted in more effective planning and monitoring, decision-making, and reporting.

Activities/outputs delivered by Component 3.1 (Standard Performance Report Form) have been in use and are considered very beneficial by the Water Regulatory Entity (WRE). “Establishment of Water Supply Standards” (unified rules for the whole sector) and “Performance Monitoring System” developed by PLGP became the starting point WU’s Licensing and Tariff Negotiation processes. This has increased the transparency of processes and benefits of WUs.

Beneficiaries have unanimously recognized that Business Plans developed by PLGP changed their vision and developed strategic thinking. All WUs are using BPs as a “road map” to lead their actions and achieve defined targets. Trainings delivered have been considered very useful and beneficial to work at the WUs.

COMPONENT 3.2

Though beneficiaries interviewed recognized the high quality of activities/outputs delivered under this component, lack of SC commitment has not permitted implementation of project deliverables. This is due to the SC status as politically appointees and the highly politicized environment which generates a lack of willingness to play a role that benefits the community as a whole. The SCs of Korca and Lushnja were positive about PLGP’s contributions and progressing well in implementing the manual, while implementation did not go well in Vlora and Saranda. The SCs of Vlora and Saranda were noticeably uninterested in the project outputs.

COMPONENT 3.3

Only one training activity, “Guide to European Union Policies and Directives for Solid Waste and Wastewater” was delivered in two rounds to PMs. No progress could be expected from PMs and WUs in the short and medium term from this information-dissemination activity.

COMPONENT 3.4

Progress in implementation of outputs delivered varies by WU. The progress at Korca WU is very satisfactory. The customer service staff is progressing very well in performing their tasks by using the Consumer Services Operational Manual and trainings delivered by PLGP and based on communications and/or the awareness raising plan.

There was no evidence of progress at the CSs of Saranda, Vlora and Dures. The director and customer service expert interviewed at Vlora did not know about the “Vlora Communication Plan” developed under the PLGP project.

The Customer Services at these WUs are perceived as collectors of customer claims and responsible for their clarification. 99% of Customer claims are related to quality of water supply, excessive bill amounts (due to a flat rate system) and technical problems. Considering that low quality water supply is a major problem, and that investment is the only solution, improvement of CSs while lacking a high quality product was considered low priority for almost all the interviewed WU Directors.

INTERIM RESULTS

The nature of CB activities does not enable production of results immediately after or in a short period. Nevertheless, some progress (outcomes) can be seen.

OUTCOMES I

- Trained WU staff progressing in implementation of PLGP output related planning processes, e.g. using Business Plan targets, addressing critical factors for improving performance (confirmed by 100% of interviewed staff).
- Financial Department, Sales Department, and Technical Department staff acquiring more operational management skills due to the knowledge gained from project outputs (confirmed by 100% of interviewed staff).

INTERIM RESULT I

- Quality of administrative and management operations improved due to using the management practices introduced by Project.
- Quality of monitoring and reporting improved due to introduction of the new monitoring system and monthly performance forms.
- Improved performance of analysis and management decisions based on performance forms.
- Improved WRE supervision to each of WUs and sector as whole due to utilization of standard performance reporting instrument developed by PLGP.
- Improved WRE licensing and tariff review process due to utilization of WU's standard performance reporting instrument developed by PLGP.
- Improved transparency in the licensing process as the criteria and regulations are applied to WU reported performance by using the WU's standard performance reporting instrument developed by PLGP.

OUTCOMES II

- Improved regulatory framework for SCs operation.

INTERIM RESULT II

- Except for Korca SC, no evidence of progress in other SCs from using the SC regulatory framework.

OUTCOMES III

- N/A

INTERIM RESULT III

- N/A

OUTCOMES IV

- CS of Korca WU is using the Customer Services Operational Plan.
- No progress at all by the rest of WUs.

INTERIM RESULT IV

- N/A

SUSTAINABILITY

Considering the short time period that has passed since output delivery, it is not possible to make a highly accurate assessment of project sustainability.

However, considering the satisfaction and commitment of WUs that are progressing in use of the outputs delivered by the project demonstrates some sustainability in Result I. The main threat to sustainability is staff turnover. According to the information received, replacement of high level managers is common after government rotation but it may also affect the management staff. For example, at Durresi WU, the turnover amongst the Management staff was 60 - 70% after government rotation.

Sustainability of Result II is hindered by lack of consensus within SCs. The upcoming LG aggregation process is expected to be accompanied by improvements in the legal framework and rules and regulations including these SCs. From this point of view, the probability for sustainability will increase in areas addressing Result II.

In the expert's opinion, Result III cannot be sustainable. To achieve sustainability the TA should embrace EU Standards in the project.

Result IV cannot be sustainable if CSs are not integrated with the WU Management package. Performance of WU and CSs are interlinked as CSs are part of WUs operations.

C3 CONTRIBUTION TO SOW

1. To what extent have PLGP C3 activities resulted in increased participation and transparency in decentralization reform processes, local governance accountability, and territorial planning?

- The PLGP C3 TA was based on a very bottom up and participatory approach which contributed to strengthening the stakeholder's consultation culture. Transparency increased in the areas related to C3 as a result of presentations by stakeholders which supported sharing opinions and making important decisions on medium and long term development targets for WUs, Monitoring WUs Performance based on quarterly Standard Performance Reporting Forms etc.

2. Based on perception of outside stakeholders, do the selected municipalities have better performance, as a result of the approaches and implemented activities, than they otherwise would have in operations effectiveness, resources management and services to citizens/businesses?

- The PLGP TA by nature addresses the WUs Administrative Management area which has little effect on WUs financial performance compared to the effect of potential in-

vestments. Nevertheless some improvement has been evidenced for the improvement of WU's financial performance but with limited impact on municipal financial performance.

3. What were the challenges (internal and external, including territorial reform) faced by the project and lessons learned?

- The core of territorial reform is PM aggregation which will affect WU aggregation. As a result, the market for WU services is expected to expand and change shape which will require potential support by PLGP TA in the Water Utility area. Considering the good reputation of C3 outputs such as BP's and Actions Plans, PLGP could assist in updating them and continue delivery based on replication of successful outputs and new ones as required.

4. To what extent did the PLGP activities C3 result in decentralization process improvements (national level impacts)?

- N/A

FINDINGS

- PLGP C3 Relevance can be assessed as satisfactory. While the C3 Objectives are highly relevant to the achievement of the PLGP Goal and contribute to the achievement of USAID Strategic Goals and Objective #1, C3 is not adequately designed to achieve its goals. PLGP used the result oriented approach in planning but did not adequately apply this in implementation. Expected results are not well defined and activities/outputs don't correspond to the achievement of the expected results; division into four components seems irrelevant. It would be better to divide into two priority areas: (1) strengthening overseeing bodies' capacities – including Interaction with GoA, LGU, CSO and (2) improving management, not performance.
- Overall, PLGP could improve WUs Management but not WUs Performance to provide quality water supply services to citizens as this is beyond its mandate and capacities.
- In terms of efficiency and resources /outputs/time, C3 produced all outputs planned and more on schedule. Considering the existing resource limitation, efficiency can be rated as highly satisfactory.
- The effectiveness of C3 TAs to date can be considered moderately satisfactory. The project developed/delivered high quality activities/output driven by demand and highly recognized by the beneficiaries of the specific sub components. The delivery approach through integrated package of activities/outputs was very efficient but in terms of the project as a whole, project delivery followed a horizontal approach.
- There is a mismatch between C3 component delivery and outcomes and interim results. Higher quality delivery was evidenced in Component 3.1 as well as higher quality outputs and interim results. This cannot be said of other components.

RECOMMENDATIONS

- Considering the upcoming territorial reform, municipal aggregation, and WU aggregation, the PLGP strategy should focus on smaller numbers of municipalities and reshaping the form of TA. In this context, the WUs' activities should be integrated into the remaining components.
- Lessons learned from previous PLGP TA should be developed and applied.
- TA to WUs should be based on successful outputs produced and delivered to date and trained staff/replication as well as development of new on demand outputs;
- As new conditions under WUs are favourable (market expanding), starting PPPs implementation to pilot PMs would be recommended.
- Improvement of project design quality by application of Results Framework Matrix linking Results with activities/outputs, outcomes, impact;
- Improvement of monitoring system by adopting an output-outcome results oriented approach based on measurable indicators, or objectively verified indicators.
- Consideration of the fact that implementation of investments to any/some WUs in the near future may disregard the PLGP assistance/outputs in the management area, as investors have their own management rules and procedures. From this perspective, PLGP should improve publicity of quality outputs in the WU area in "which PLGP competitive advantages are recognised" and "sell" them to potential donors (and/or investors, WB, KfW, EBRD).

ANNEX C.1: LIST OF ACTIVITIES

COMPONENT 3.1

- Four business plans developed for WUs of Durrës, Elbasan, Korça, and Vlora;
- Assessment reports drafted for two WUs: Patos and Vora;
- Continuous coaching and mentoring activities on development of WUs annual plans using business plan targets;
- Development of standard performance reporting forms for WUs; and
- Continuous coaching and mentoring of respective WU staff on carrying out performance analysis and drafting quarterly standard performance reporting.

COMPONENT 3.2

- Update the manual for the WUs' supervisory councils;
- Two trainings on the manual for the supervisory councils for 14 PMs and communes, with 60 participants in total;
- Three training courses on the manual for the WUs' supervisory councils for 40 non-PMs WUs, totalling 70 persons; and
- Three training courses in public-private partnerships in the water sector with members of SCs, management staff of 11 WUs, and LGU officials, totalling 60 persons.

COMPONENT 3.3

- Two trainings on the “Manual-Guide to European Union Policies and Directives for Solid Waste and Wastewater” with 48 participants in Tirana and Vlora.

COMPONENT 3.4

- Development of Korca and Lushnja customer service operational manuals;
- Development of Vlora communication plan;
- Two training sessions (Lushnja and Tirana) for WUs’ customer service staff, 60 persons in total; and
- Development of guidelines for water utility website information.

ANNEX C.2: RESULTS FRAMEWORK MATRIX

Goals/Expected Results	Outputs delivered	Outcomes	Interim Results
<p><u>Expected Result 1.</u></p> <p>Selected local governments effectively oversee jointly owned utility companies;</p>	<ul style="list-style-type: none"> ➤ Business Plans developed for four WUs (Vlora, Elbasan, Korca, Durres) ➤ Assessment reports drafted for two WUs, Patos and Vora ➤ Continuous coaching and mentoring activities on development of WUs Annual Plans using Business Plan targets ➤ Development of Standard Performance Reporting forms for WUs ➤ Coaching and mentoring respective WU staff on carrying out performance analysis and drafting quarterly standard performance reporting; 	<ul style="list-style-type: none"> ➤ Trained staff progressing in planning process using Business Plan's targets, addressing critical factors for improving the performance (Confirmed by 100% of interviewed staff) ➤ Financial Department, Sales Department and Technical Department staff progressing in Operational Management due to knowledge gained from the project ➤ WU Monitoring staff progressing in drafting/using Performance Monitoring System and Monthly Forms for Performance Analysis and Reporting ➤ Improved Regulatory Body supervision due standard Monitoring based on SPRF ➤ Improvement the WUs Licensing and Tariff review process ➤ Improved transparency in the 	<ul style="list-style-type: none"> ✓ Quality of Administrative and Management improved due to utilization of the management practices introduced by the project: ✓ Quality of Monitoring and Reporting improved due introduction of new Monitoring System and Monthly Performance Forms ✓ Improved Performance Analysis and Management decisions based on Performance Forms; ✓ Improved WRE supervision to each of WUs and sector as a whole due to utilisation of Standard Performance Reporting instrument developed by PLGP ✓ Improved WRE Licensing and tariff review process due to utilisation of WU's Standard Performance Reporting instrument developed by PLGP ✓ Improved transparency in the Licensing process as the Criteria's

		Licensing process	and Regulations are applied upon the WU Reported performance by using the WU's Standard Performance Reporting instrument developed by PLGP
<p><u>Expected Result II.</u> Supervisory Councils ' roles in selected local governments are better defined and performance improves;</p>	<ul style="list-style-type: none"> ➤ Update the “Manual for the WUs Supervisory Councils” ➤ Two trainings on “Manual for the Supervisory Councils” to 14 PMs and Communes (60 participants) ➤ Three training courses on the “Manual for the WUs Supervisory Councils” to 40 Non PMs WUs (70 persons) ➤ Three training courses in Public Private Partnership in the water sector with participation by members of Supervisory Councils, management staff of 11 WUs and LGU officials (60 persons) 	<ul style="list-style-type: none"> ➤ Improved regulatory framework for SCs operation 	<ul style="list-style-type: none"> ✓ N/A
<p><u>Expected Result III</u> Selected local governments adopt policies and procedures for utilities consistent with EU standards;</p>	<ul style="list-style-type: none"> ➤ Two trainings on “Manual-Guide to European Union Policies and Directives for Solid Waste and Wastewater (Tirana and Vlora) with 48 participants 	<ul style="list-style-type: none"> ➤ Increased information amongst participants on EU Policies and Directives for Solid Waste and Wastewater 	<ul style="list-style-type: none"> ✓ N/A

<p><u>Expected Result IV</u></p> <p>Selected local governments, GOA regulatory agencies, civil society groups and other NGOs improve communication and interactions;</p>	<ul style="list-style-type: none"> ➤ Korca and Lushnja “Customer Service Operational Manual” ➤ Development of Vlora Communication Plan ➤ Two training sessions (Tirana and Lushnja) to WU’s Customer Service staff (60 persons) ➤ Development of Guideline for Water Utility Website information 	<ul style="list-style-type: none"> ➤ Limited progress in implementation of PLGP CS related outputs 	<p>✓ N/A</p>
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ANNEX D: SURVEY QUESTIONS

Below is the mini-survey email questionnaire sent out by the evaluation team.

PGLP Training Evaluation Survey

***1. Cili është emri i njësisë vendore ose institucionit të qeverisë qendrore për të cilën/cilin punoni?**

***2. Cila është tema e trajnimit në të cilin keni marrë pjesë?**

***3. Gjinia. Përzgjidhni vetëm një përgjigje.**

Femër

Mashkull

***4. Sa vite pune keni në pozicionin aktual? Përdorni numra për t'i kthyer përgjigje kësaj pyetjeje.**

***5. A morët njohuri të reja në këtë trajnim? Përzgjidhni vetëm një përgjigje.**

Mora shumë njohuri të reja

Mora disa njohuri të reja

Mora pak njohuri të reja

Nuk mora njohuri të reja

***6. A janë të zbatueshme në punën tuaj njohuritë e marra në trajnimin e përmendur më sipër? Përzgjidhni vetëm një përgjigje.**

Nuk janë aspak të zbatueshme në punën time

Jane shumë pak të zbatueshme në punën time

Janë disi të zbatueshme në punën time

Janë shumë të zbatueshme në punën time

***7. A i keni përdorur njohuritë e marra në këtë trajnim në punën tuaj? Përzgjidhni vetëm një përgjigje.**

Po, i kam përdorur

Jo, nuk i kam përdorur

***8. Nëse iu përgjigjët pyetjes shtatë (7) “Po”, shkurtimisht, përshkruani një rast në të cilin i keni përdorur këto njohuri në kuadrin e punës suaj.**

***9. A jeni të kënaqur më mënyrën se si trajnuesja/i apo trajnueset/it i përcollën njohuritë dhe aftësitë e synuara nga trajnimi? Përzgjidhni vetëm një përgjigje.**

Shumë e/i kënaqur

I kënaqur

Pak i kënaqur

Aspak i kënaqur

Done

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