



## FINAL REPORT FOR THE LGDA PERFORMANCE MONITORING PLAN

### Local Governance and Decentralization in Albania (LGDA)



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# FINAL REPORT ON PERFORMANCE MONITORING PLAN

## LOCAL GOVERNMENT AND DECENTRALIZATION IN ALBANIA PROGRAM

### I. OVERVIEW

A key characteristic of the performance monitoring system for LGDA has been the use of performance measurement tools for both programmatic reasons and for monitoring the project itself. The national and city surveys, for instance, played important roles both in monitoring project effectiveness and in enabling individual cities to gauge and target their own performance. In addition, each city carried out its own performance monitoring that in a real way comments on the effectiveness of LGDA in helping cities reach their outcomes. In each of these cases, an emphasis was placed on using the performance information actively to assess progress and adjust course as necessary. Because of this dual role of performance information, we provide in this report a broader presentation on performance data than we would in a case that only targets project performance *per se*.

The project's Primary Indicators monitored the achievement of the broad purposes of the program: improved autonomy of local governments, evidenced by higher proportions of discretionary revenues, and increased own revenues; compliance with the EU charter; and greater responsiveness and effectiveness of local government indicated through increased citizen satisfaction with services, and greater trust in local governance. These indicators are discussed more fully in section IV.A. below.

In this report we provide in the next section, the results framework that forms the context for the performance monitoring plan. We then present a description of data sources and the data collection methodologies used, followed by a description of key findings for each category of indicators.

Annexes include additional performance indicators, detailed data from Service Improvement Plans, and reports on survey results.

#### LGDA PERFORMANCE MONITORING PLAN Objectives

**For USAID** – How is LGDA performing? What are project results? What is the status of decentralization? Are local governments becoming more accountable to citizens?

**For the LGDA Team** – How is our project doing? What activities should be modified to strengthen the overall impact of the program? How might we redirect our efforts?

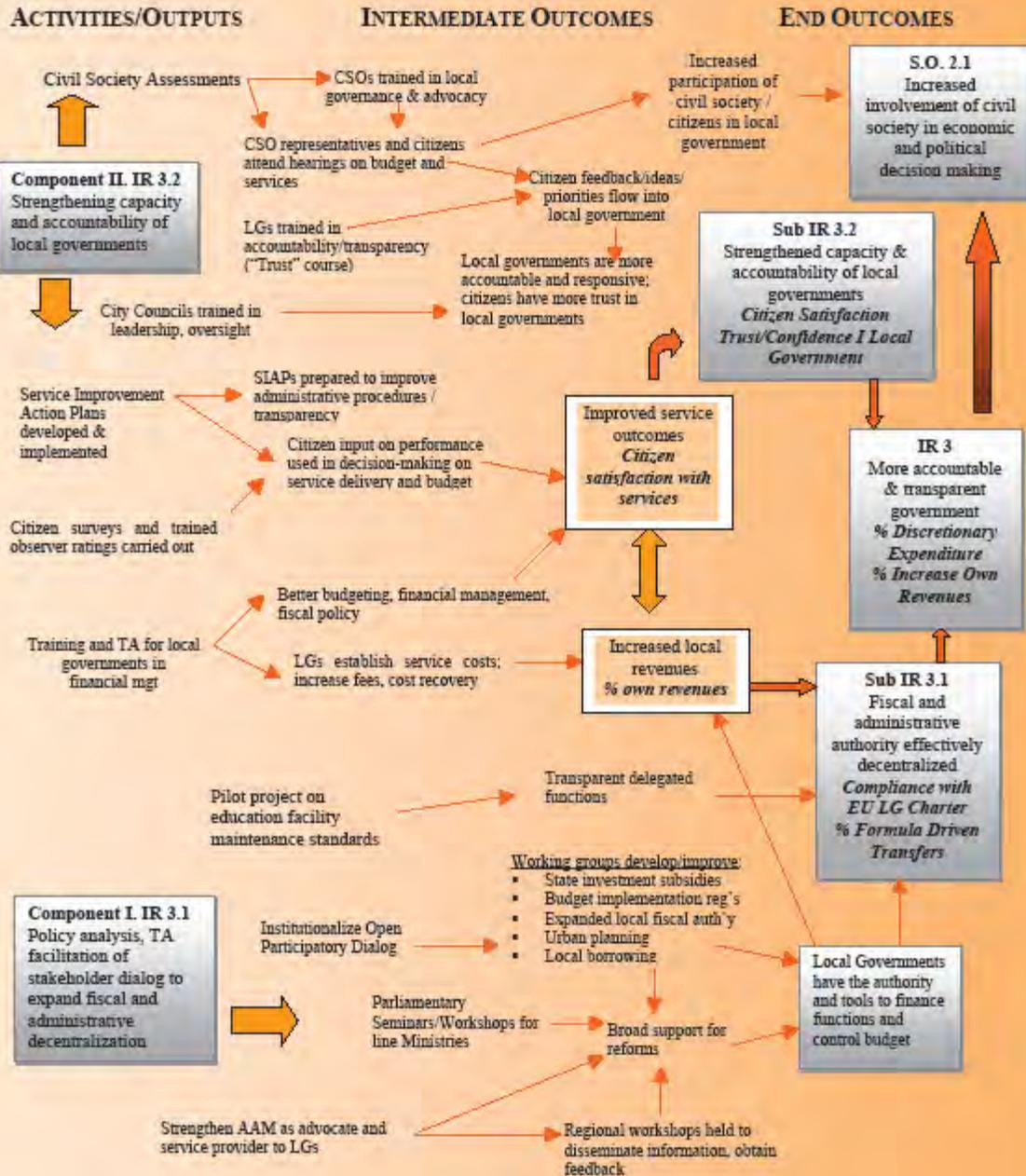
**For Municipalities** – How well are we performing in providing good services? What are the priorities of our citizens? Where should we focus our resources?

## **II. RESULTS FRAMEWORK AND OUTCOME SEQUENCE CHART**

LGDA is designed to help achieve Strategic Object 2.1 “Increased Involvement of Civil Society in Economic and Political Decision-Making”, through Intermediate Result 3: More Accountable and Transparent Government.” LGDA specifically worked on two sub-Intermediate Results, Sub IR 3.1, Fiscal and Administrative Authorities Effectively Decentralized,” and Sub IR 3.2, Strengthened Capacity and Accountability of Targeted Local Governments.

On the next page we provide a full Outcome Sequence Chart for LGDA, which depicts the way in which these two sub-IRs work together to achieve the objectives of the project. The LGDA activities are grouped on the left of the page, under each of the two Components (with Component II shown at the top for convenience). The chart illustrates with arrows the way that the different activities in the project (to the left of the chart) link together, leading toward the end outcomes sought (on the right) – namely IR 3, Sub IRs 3.1 and 3.2, and the key outcomes of increased local revenues and improved services. These key outcomes are monitored by the Primary Indicators, which are shown in italics in the respective boxes.

## LGDA PROJECT OUTCOME SEQUENCE CHART



### **III. DATA SOURCES AND COLLECTION METHODOLOGIES**

The LGDA Performance Monitoring System tapped five main data sources – project records, government records from both the national government and individual partner municipalities, surveys (both at the national and at the local level), and trained observer ratings. We describe some of these sources below.

#### ***A. Project Records***

The LGDA project team kept detailed records throughout the project of all project activities, recording training sessions, noting participation levels, tracking the progress of legislation, for example. In addition, LGDA tracked many of the activities local governments undertook throughout the project period, using that information both to provide guidance to the local governments and to gauge project effectiveness.

#### ***B. Government Records***

Central government provided useful financial data from both national and local levels, to aid in tracking fiscal decentralization and fiscal performance of local governments. These served both to assess progress internally, and to obtain data for primary indicators.

Municipal records were used extensively by each city during the implementation of their Service Improvement Action Plans, and LGDA used those data selectively to help assess individual city progress, and to gain a picture of overall improvements. One example is the use of data on collections and cost recovery (see Annex B for data in the Cleaning Service arena). Another use of municipal information was in assessing progress in revenue collections and in success attaining the fiscal decentralization objectives of both the project and the decentralization strategy, such as through data on discretionary revenues, local own sources, and local expenditures.

#### ***C. Citizen Surveys***

##### **National Survey**

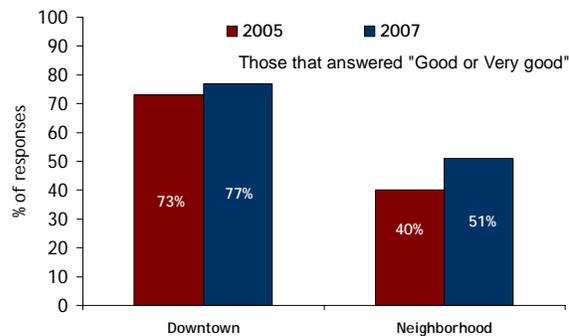
The Urban Institute introduced the National Local Government Survey in 2005 and followed it up with a survey in 2007. The National Survey gauges citizen perception and experience along two dimensions: Local Government Capacity and Local Government Accountability. To look at project success in building local capacity, the survey measures citizen satisfaction with their quality of life, quality of local services, city financial management, city council activity, customer service, and the responsiveness of local government to citizen needs. In measuring change in perceptions of accountability, the survey measures citizen trust in local government to make decisions fairly, manage local finances, apply policies and procedures fairly and to provide accurate and useful information to the public.

The survey carries three main aims:

- Provide USAID, Albanian policy makers and other stakeholders with information that helps identify needs, establish priorities, and assess the impact of local government technical assistance.
- Allow local governments to benchmark their performance against a national average, set targets for future improvement, and track progress made toward achieving local priorities.
- Provide USAID, Albanian policy makers and other stakeholders, including LGDA management staff, with information to understand how well the Albanian decentralization project is attaining its main goal of improving the quality of life of local communities.

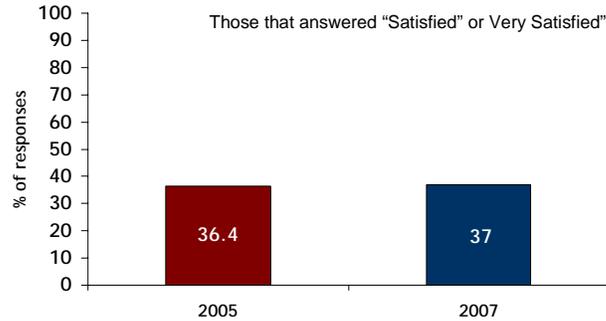
Because data are collected for more than one year, policy and decision makers can evaluate change over time to see whether programs are working well or spot opportunities for reallocating resources to poorly performing areas. For example, in Chart 1, it is evident that the quality of downtown and neighborhood roads has improved in a two-year period, and it is equally clear that downtown roads (typically considered as the main road that bisects the downtown government and business center as confirmed in survey tests) enjoy a higher opinion than arterial roads. Many local governments use this information to support resource allocation for roads outside the city center, as well as use it to gauge maintenance or further improvement of the quality of the downtown roads. Central government officials may use this information—and other data like it on other services—to think about the design and implementation of conditional and unconditional transfer schemes.

**Chart 1. Citizen ratings of road conditions: downtown vs. neighborhood roads**



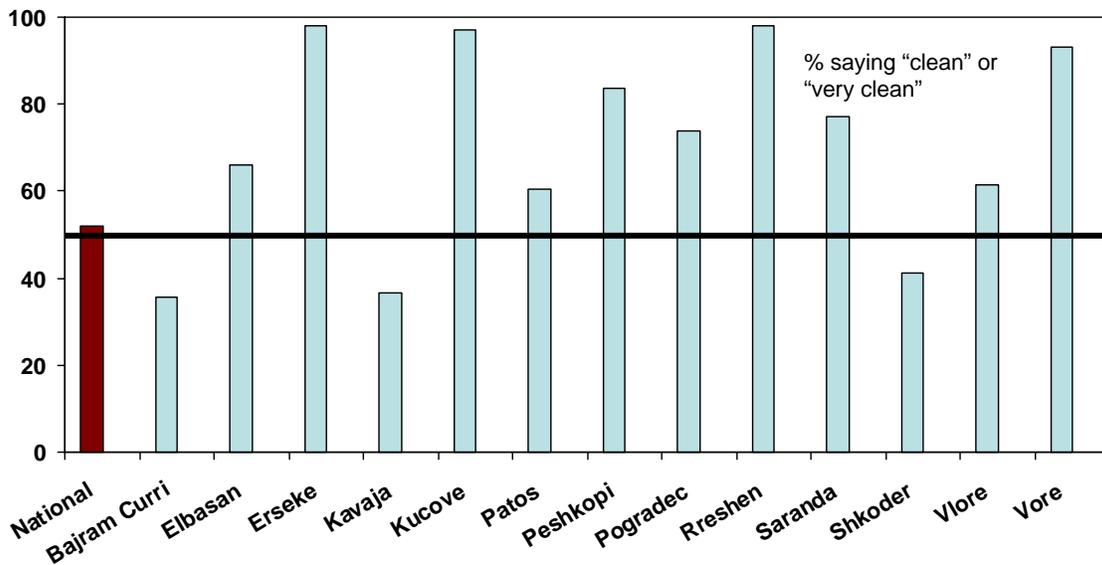
The following chart provides information to decision makers at all levels that citizens are dissatisfied with the work being done on parks and green areas and that the service area is likely to warrant further attention. Similarly, this kind of information signaled to LGDA that parks were an important service area for Albanian local governments to address.

**Chart 2. Citizen ratings of parks and green areas**



The National Survey also allows local governments to benchmark their performance against the national cohort or against one another. Many participating LGDA local governments took advantage of this and presented such results to their city councils and citizens in highly publicized public meetings. In all cases, the city was encouraged to present both negative and positive results, which they complied with, enhancing their accountability to the public, as well as lending credibility to the survey process.

**Chart 3. Citizen perceptions of city cleanliness: comparative results**

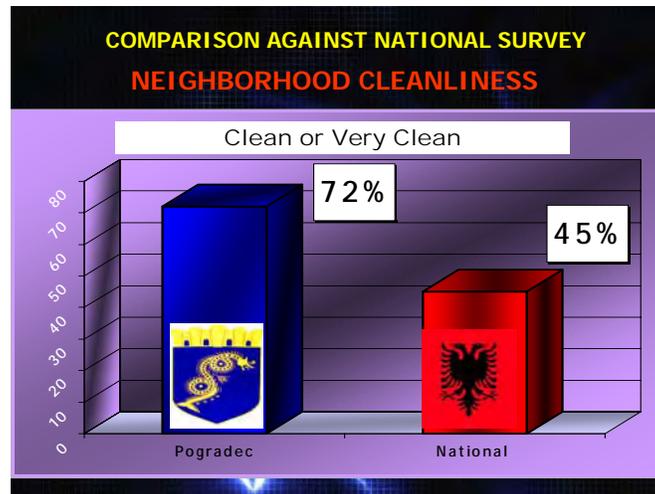


In Chart 3 cities not only compare their results against the national average, but are able to benchmark against other cities. This allows lower performing cities to seek best practice information from higher performing cities, and also provides motivation for all cities to either maintain or improve their position relative to others. As Albanian cities increasingly gain momentum in spurring local economic development, this is prime

information for them to use to attract investors, businesses to relocate, and a quality workforce.

The following chart depicts a real-life example of how one city utilized such results to inform the public on budget decisions.

**Chart 4. City of Pogradec, sample presentation slide on survey results**



### City Level Surveys

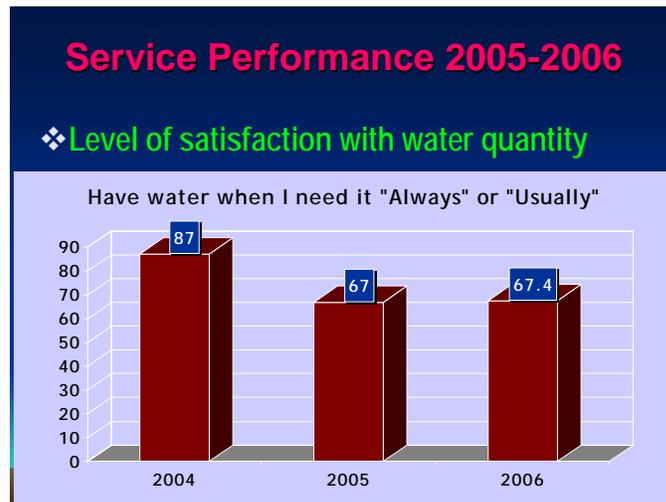
The Urban Institute, under USAID programs, has been carrying out citizen surveys at the city level since 2000. These have proven to be highly useful for the cities—both elected and management staff—in order to assess citizen satisfaction and more effectively target improvement efforts, and a valuable depiction of local government effectiveness in delivering services to their citizens.

UI piloted this practice in Albania in 2000 with four local governments (Elbasan, Korca, Lushnja and Baldushku commune) under a USAID program, and expanded the effort in 2004 (under LGAD) to an additional 9 cities. Under LGDA this practice was extended to 13 cities, with an additional 10-20 cities conducting some form of user or household survey on their own. (UI conducted trainings for municipal managers around the country on how to conduct simple, low-cost, yet statistically significant, citizen surveys using their own staff or citizen volunteers and civil society organizations, in order to support these efforts.)

The survey findings have been used by these municipalities to assess the levels of citizen satisfaction generally, to identify service priorities, and to track progress of the improvements they were making in service delivery, especially those carried out under Service Improvement Action Plans (SIAP). They have also been used widely in communicating with the citizenry on what citizens are getting for their tax dollars. It is

anticipated that this type of communication will help increase citizen trust in government to be accountable, honest, and transparent in its decision-making activities, especially as Albanian municipalities have been forthright about presenting the good results with the bad.

**Chart 5. City of Erseke, excerpt from public hearing presentation on the budget: results on water quality**



The City of Erseke used the survey results in the chart above to develop their 2007 budget, and identified the following targets (for both outputs and outcomes) they would seek in FY 2007 to improve citizen satisfaction with their water supply.

**2007 OBJECTIVES**  
Water Supply Service

**QUANTITY**  
outputs

- Install 900 water meters for households
- 80% of households will be provided with water meters

**2007 Objectives**  
Water Supply Service

**QUALITY**  
outcomes

- 85% of households will be supplied water without interruption

Further below in this report, we provide some key findings from the survey effort as they relate to monitoring program impact. For more detailed results, see Annexes D, E, and F, which contain a presentation on the 2007 National Local Government Survey, a

comparative survey report that provides results for the latest national and city surveys, and the full report on the 2007 National Survey.

#### ***D. Trained observer ratings***

Trained observer ratings were first introduced in Albania in 2000, were used actively in a number of cities during the LGAD program, especially with respect to rating the condition of educational facilities, street litter, and road conditions. During LGDA, trained observer ratings were used even more widely, and extended to additional service areas, including street lighting and parks/green areas. These ratings require a group of raters with one or two days of training to carry out regular and systematic ratings using a predetermined rating scale. This monitoring tool made it possible for Albanian local governments to get useful information quickly and cheaply to help both improve services and monitor their effectiveness.

The Table presented here provides a list of Albanian cities that have used trained observer ratings.

Sometimes carried out by citizen volunteers, the trained observer ratings have the added benefit of involving citizens in monitoring and strengthening the accountability of local governments. In Lezhe and Fier, youth groups became involved, conducting the monitoring and reporting to the Local Councils the results of their efforts.

In the education arena, TORs rapidly became a critical tool, enabling local governments to assess physical conditions of school facilities. Their findings helped inform the national government of performance levels, and providing actionable information to city governments to help them make important allocation decisions to ensure that priority repairs were made. The Ministry of Education and Science has found this approach to be very effective and will be rolling it out to other local governments around the country. (See the Completion Report for a complete description of this activity.)

<b>Table 1</b>		
<b>Albanian Cities using Trained Observer Ratings</b>		
<b>City</b>	<b>Service Rated</b>	<b>Who were Raters</b>
Berat	Schools	City staff, teachers, parents
Bushat	Schools	City staff, teachers, parents
Elbasan	Street cleaning	Students
	Schools	City staff, teachers, parents
Fier	Street cleaning	Volunteers, NGO staff, youth
Kucove	Street cleaning	
Kukus	Roads	Teachers
Lezha	Street cleaning	Youth Parliament
	Schools	City staff, teachers, parents
Patos	Street cleaning	Volunteers
Pogradec	Schools	City staff and school parents
	Parks, beach	Staff and students
Puka	Cleaning	Youth
Rreshen	Roads/sidewalks	Citizens
	Schools	City staff, teachers, parents
Rubik	Schools	City staff, teachers, parents
Saranda	Street cleaning	
Shkoder	Roads	City staff and citizens
	Schools	City staff, teachers, parents

## **IV. SUMMARY OF FINDINGS**

### ***A. Primary Indicators***

LGDA employs 6 primary indicators to measure progress toward Intermediate Result 3 (IR 3) – “More Accountable and Transparent Government” – under SO 2.1, “Increased Involvement of Civil Society in Economic and Political Decision-Making.” (See Annex 1 for the results of Primary Indicators and definitions of each indicator.) Each of these indicators shows LGDA’s progress toward achieving USAID’s objectives.

### IR 3: More Accountable and Transparent Government

	Dec 31, 2004 Baseline	Dec 31, 2005 Target	Dec 31, 2005 Actual	Dec 31, 2006 Target	Dec 31, 2006 Actual
Indicator 1	<i>Percent of Total Local Government Expenditures under Full Local Government Discretion at the End of the Fiscal Year (supplemented by Total Dollar Amount under Discretion)</i>				
Share of Total (%)	46%	46%	50%	54%	53%
Value (\$ Millions) <sup>1</sup>	\$161	\$161	\$192	\$189	\$205
Indicator 2	<i>% Increase in Revenues from Local Taxes and Fees: Year on Year</i>				
Year-to-Year (%)	7%	7%	13%	10%	22%

*Fiscal Decentralization.* The achievements of the LGDA in the realm of fiscal decentralization are best summarized by Indicator 1 under IR 3 above - Total Local Government Expenditures Under the Full Local Discretion at End of the Fiscal Year. Under LGDA there has been measurable progress in fiscal decentralization as measured by “net local discretion.” The table below shows that this measure increased from 41 percent in 2003, to reach almost 54 percent in 2006.<sup>2</sup> The big jump in net local discretion occurs in 2002 when Albania introduced the allocation by formula of unconditional transfers from the State budget to individual local governments. It continued to grow under LGDA with reforms to the system of transfers and local taxes and fees.

#### Evolution of Net Local Discretion – 2001 – 2006

	2001	2002	2003	2004	2005	2006
Total Local Government Revenues (Thousand lek)	25,464,738	26,680,899	30,716,760	36,491,428	37,584,168	38,232,390
Discretionary Revenues	7,999,963	12,255,385	14,968,691	16,667,824	18,680,657	22,159,373
Of which						
Locally Generated Revenues	1,995,837	2,597,048	6,265,801	6,687,454	8,066,052	9,824,735
General Transfers	5,658,853	9,276,082	6,554,081	6,611,177	7,300,000	9,800,000
Shared Taxes	345,272	382,255	2,148,808	3,369,194	3,314,605	2,534,638
Ratio (percent)						
Discretionary Revenues/Total revenues <sup>a/</sup>	31.4%	45.9%	48.7%	45.7%	49.7%	58.0%
Unfunded mandates <sup>b/</sup>	2,178,981	1,680,827	1,772,069	1,609,473	1,520,318	1,739,751
As a percent of total local revenues	8.6%	6.3%	5.8%	4.4%	4.0%	4.6%
Net local discretion (percent total local revenues)	22.9%	39.6%	43.0%	41.3%	45.7%	53.4%

a/: Discretionary revenues are those sources about which local governments autonomously make allocation and spending decisions

b/: Includes expenditures paid with local discretionary revenues for functions mandated or delegated by the central government.

<sup>1</sup> Conversion ALLek to US Dollars based on official average exchange rate: Bank of Albania [www.bankofalbania.org](http://www.bankofalbania.org)

<sup>2</sup> Excluding pass-through transfers for education and health wages.

***Sub IR 3.1 Fiscal and Administrative Authorities Effectively Decentralized***

	Dec 31, 2004 Baseline	Dec 31, 2005 Target	Dec 31, 2005 Actual	Dec 31, 2006 Target	Dec 31, 2006 Actual
Indicator 1	<i>Number of paragraphs of the European Charter on Local Self Governance with which the laws of Albania are in Compliance – Total and Core</i>				
Paragraphs in compliance (#)	26	26	26	26	26
Core paragraphs compliance (#)	14	14	14	14	14
Indicator 2	<i>Percent of Total Value of All Lek Transfers to Local Governments by Formula</i>				
Share of Total (%)	25%	25%	28%	37%	38%

*Compliance with the European Charter.* A comparative analysis prepared in April 1998 when Albania began to discuss the signature and ratification of the European Charter for Local Self Governance (ECLSG) found that Albania was then in compliance with 7 articles of the Charter, of which 4 were core articles. A 2002 LGAD report found that by then Albanian legislation was in full compliance with 19 paragraphs of the European Charter. Of these 11 were the core required paragraphs. At that time the main area in which Albanian legislation was to some extent but not completely in compliance concerned Article 9 regarding local finance issues. The intensive work under USAID local government programs in the areas of local finance – for example local taxes and fees, shared taxes and borrowing – is likely to have contributed to Albania’s success in reaching full compliance.

The Indicator regarding compliance with the European Charter on Local Self Government was included in USAID’s monitoring requirements under LGAD, and has remained part of the monitoring framework because of its importance, although the target was fully attained by 2004.

**Sub IR 3.2 Strengthened Capacity and Accountability of Targeted Local Governments**

<i>Indicator 1: Percent of Citizens that Rate Satisfaction with City Services as High or Very High</i>						
Service Area and Specific Question	2005			2007		
	Overall	Neighborhood	Center	Overall	Neighborhood	Center
Water (“usually” or “always” have sufficient amount when you need it)	65%			73.4%		
Sidewalk conditions (Good or very good)	53%			66.6%		
Cleanliness (city rated clean or very clean)	47%	45%		51.4%	51%	
Road conditions (Good or very good)		40%	74%		50.6%	77%
Parks and Green Areas (Satisfied or very satisfied)	36%			37%		
Street lighting at night (About right)		30%			46.3%	
Traffic Congestion (Not a problem)	16%			20.3%		
<i>Indicator 2: Percent of Citizens Surveyed Who Say They Have a Great Deal of Trust and Confidence in the Local Government’s Ability to Solve Local Problems</i>						
Citizens Surveyed	2005			2007		
	51%			55%		

*Citizen Satisfaction with Services.* Indicator 1 for Sub I.R. 3.2 is presented in the form of specific indicators for each of the most important local services. The source is the National Local Government Survey carried out in 2005 (to serve as a baseline) and in the spring of 2007. As mentioned above, the same survey instrument was used in individual cities to provide performance information for management and decision-making purposes. Therefore, LGDA can provide results for each of these specific indicators for a number of individual target cities, across time, and in some cases over several years.

The data show that in all but one service area reviewed, parks and green areas, citizen satisfaction levels increased in a significant way in the two-year period. Further analysis reveals that of the 9 target cities in which LGDA carried out formal surveys over a two-year period, improvement is readily evident:

- 8 of 9 increased city satisfaction with city cleanliness
- 8 of 9 increased citizen satisfaction with condition of neighborhood roads
- 7 of 9 increased citizen satisfaction with parks and green areas
- 7 of 9 improved ratings on public information provision
- 6 of 9 improved citizen perceptions in receiving good value for municipal taxes and fees
- 6 of 9 improved citizen perceptions that local government accomplishes what it says it will do

- 6 of 9 improved citizen perceptions of corruption
- 5 of 9 increased citizen satisfaction with overall quality of life
- 5 of 9 increased # of citizens who say they have enough water when they need it

As mentioned above, several cities have data that provide performance information over a longer time, as well.

The Table below provides data for 19 Albanian municipalities in which survey data were collected to measure citizen satisfaction levels with the cleanliness of the city.

<b>Satisfaction: % of citizens rating the city as “very clean” or “clean” (Source: Citizen Surveys in cities)</b>								
	<b>Baseline 2003</b>	<b>Target 2004</b>	<b>Actual 2004</b>	<b>Target 2005</b>	<b>Actual 2005</b>	<b>Target 2006</b>	<b>Actual 2006</b>	<b>Target 2007</b>
Kucove	83	90	96	96	91	93		
Elbasan	30.8	40	41	50	53	60		
Pogradec			75	78	91	93		
Patos *			52	65	-	-		
Kavaje*			15	-	22	-	36.7	40
Prrenjas					39	50		
Gjirokastra					47	60	35	65
Sarande					56.3	70	77	80
Vlora					74	80	61.5	85
Fier					39	60	42.6	50
Bajram Curri					12	25	35.5	
Lezha					-	-	-	
Puka					53	80	32.5	
Bulqiza					24			
Berat							59.5	63
Vore							86	95
Peshkopi							83.5	90
Permet							38	70
Rreshen							41	60

As a measure of LGDA performance in the target cities, UI compared the 13 cities in which surveys were conducted in 2006 to the national results and found that LGDA target cities in general are performing higher than the national average:

- 11 of 13 higher ratings in condition of downtown roads
- 11 of 13 higher ratings in condition of sidewalks
- 10 of 13 same or higher ratings in overall quality of life
- 10 of 13 higher ratings in city cleanliness
- 10 of 13 higher ratings in public information provision
- 10 of 13 have more citizens who say the budget decisions reflect citizen priorities
- 9 of 13 higher ratings on neighborhood cleanliness
- 9 of 13 have fewer citizens saying there is widespread corruption

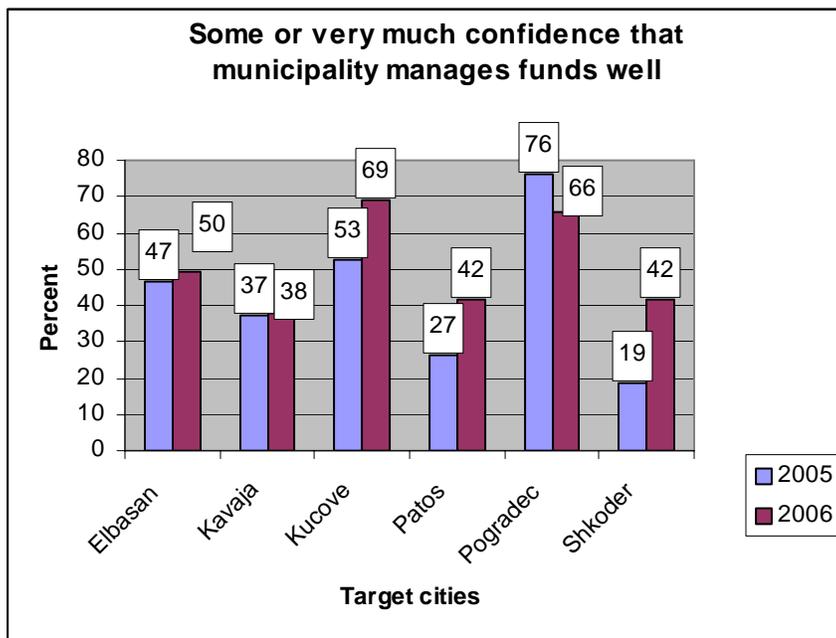
- 9 of 13 have more citizens with confidence in the city to manage funds well

*Local Government Accountability.* In 2007, 55 percent of the citizens surveyed said they have a great deal of trust and confidence in the local government’s ability to solve local problems, up from 51% in 2005. This one indicator is one among several that address citizen perceptions and attitudes toward their local government. Other findings drawn from the national survey include those below.

Indicator	2005	2007
Percent of citizens that agree or strong agree that “Local government budget decisions reflect priorities of citizens:	33%	41%
Percent of citizens that agree or strong agree that “I receive good value for municipal taxes and fees”	32%	39%
Percent of respondents who have trust and confidence in the ability of the local government to manage funds well	42%	54.3%

While in each of these cases there is room for improvement in the longer term, it is clear that progress has been substantial in the last few years.

These indicators have been monitored at the local level also, in selected municipalities. These data seem to bear out the overall very gradual upward trend, but upward movement is not universal. Data from selected cities in the chart below illustrate the mixed picture in 2005-2006 regarding confidence in the ability of local government to manage funds well.



Other project records supplement the picture by tracking not only the LGDA activities carried out with each city, but the activities that each city undertakes to try to increase citizen confidence and trust. For instance, LGDA's Information Dissemination Report records the number and type of civil society organizations identified in each city, the number and type of pamphlets on citizens' rights that are distributed, whether public announcements of local government meetings are made, and the number of council meetings per year (see table).

Cities	Number of Council Meetings held per Year					
	2005 Council Meetings/Year			2006 Council Meetings/Year		
	12	< 12	> 12	12	< 12	> 12
Erseke	✓			✓		
Pogradec	✓				✓	
Elbasan			✓			✓
Prrenjas		✓				✓
Peshkopi		✓			✓	
Gjirokaster		✓				✓
Sarande		✓		✓		
Permet			✓			✓
Berat			✓			✓
Fier		✓				✓
Vlore	✓			✓		
Patos	✓			✓		
Vore			✓			✓
Kucove			✓			✓
Kavaje			✓			✓
BajramCurri			✓			✓
Kukes	✓					✓
Shkoder	✓			✓		
Lezhe <sup>3</sup>	✓					
Puke			✓			✓
Rreshen			✓	✓		
Bushat	✓					✓
<b>Total</b>	<b>8</b>	<b>5</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>13</b>

## ***B. Other Project Indicators***

There are two other sets of important project indicators, those related to municipal capacity that were gathered through the Service Improvement Action Plans, and data related to the training programs.

### **1. Municipal Service Delivery**

SIAPs have been or are being carried out by a total of 48 cities – 24 target cities and 24 non-target cities – in the following service areas.

Service Areas	Number of SIAPs
Total	70 (31 in non-target cities)
Cleaning service	33
Parks and greenery	8

<sup>3</sup> City of Lezhe did not submit 2006 data.

Roads and sidewalks	9
Lighting	11
Water	5
Decoration	1
Cemetery	1
Facades	1
Tourism	1
<b>Total SIAPs</b>	<b>70</b>

- Almost half of SIAPs were in non-target cities, i.e., developed, approved, and implemented without direct LGDA assistance, but rather, with assistance from mentors or from other cities.
- Most of the SIAPs were carried out in cleaning services, perhaps the “easiest” service since improvement is visible and easy to measure, but in the last two years, more and more unusual services are being tackled, e.g., the most recent SIAP on tourism which Pogradec has undertaken.

The SIAPs themselves have yielded a tremendous amount of service-specific performance data for each city. In this report we provide only cross-city data on cleanliness (the most popular service for SIAPs) as an illustration of what data are available. (See Annex B.)

## 2. LGDA Training Activities

Over the course of LGDA, fourteen different trainings were given to a total of about 60 municipalities. This table summarizes the total number of participants, by year and by training course. More detailed information on training sessions is provided in Annex C.

<b>COURSE / TRAINING</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Successful Cities Course	147	179	
New Pilots Course	30		
Trust Building	185		
City Council I	143		
City Council II		56	
City Council III		41 (test)	67
Financial System and Management	152		
Trained Observer Ratings	83	102	
Civil Society Assessment	66		
Watchdog Course (civil society)	93		
Civil Society in Local Government		128	
Media Training		85	
Winning Proposal		102	
Data Collection Training			72
<b>Total per year</b>	<b>899</b>	<b>659</b>	<b>139</b>
<b>TOTAL training participants</b>	<b>1697</b>		

**ANNEX A  
PRIMARY INDICATORS**

**STRATEGIC OBJECTIVE 2.1: INCREASED INVOLVEMENT OF CIVIL SOCIETY IN ECONOMIC AND POLITICAL DECISION-MAKING**

PRIMARY INDICATORS	2004	December 2005		December 2006		
	Actual	Target	Actual	Target	Actual	
<b>IR 3: More Accountable and Transparent Government</b>						
<i>Indicator 1:</i> Percent (%) of Total Local Government Expenditures under Full Local Government Discretion at the end of the Fiscal Year	45.7%	46%	49.5%	54%	53%	
Total USD under discretion (in \$millions)	\$160.6	\$161.0	\$191.93	\$189.0	\$205.0	
<i>Indicator 2:</i> Percent (%) Increase in Revenues from Local Taxes and Fees: Year on Year	6.8%	7%	11%	10%	22%	
<b>SUB IR 3.1: Fiscal and Administrative Authorities Effectively Decentralized</b>						
<i>Indicator 1:</i> Number of Paragraphs of the European Charter on Local Self Governance with which the laws of Albania are in Compliance						
• Number of total paragraphs in compliance	26	26	26	26	26	
• Number of core paragraphs in compliance	14	14	14	14	14	
<i>Indicator 2:</i> Percent value of all transfers to Local Governments by Formula	25%	25%	28%	37%	38%	
<b>Sub IR 3.2. Strengthened Capacity and Accountability of Targeted Local Governments</b>						
<i>Indicator 1:</i> Percent of Citizens that Rate Satisfaction with City Services as High or Very High:	2005			2007		
% of citizens satisfied with services – by service and specific response:	<b>Overall</b>	<b>Neighbor-hood</b>	<b>Center City</b>	<b>Overall</b>	<b>Neighbor-hood</b>	<b>Center City</b>
▪ Water (“usually” or “always” have sufficient amount when you need it)	65%			73.4%		
▪ Sidewalk conditions (Good or very good)	53%			66.6%		
▪ Cleanliness (city rated clean or very clean)	47%	45%		51.4%	51%	
▪ Road conditions (Good or very good)		40%	74%		50.6%	77%
▪ Parks and Green Areas (Satisfied or very satisfied)	36%			37%		
▪ Street lighting at night (About right)		30%			46.3%	

▪ Traffic Congestion (Not a problem)	16%			20.3%	
<i>Indicator 2:</i> Percent of citizens who say they have “very much” or “somewhat” trust and confidence in the local government’s ability to solve local problems	<b>2005</b>			<b>2007</b>	
	51.5%			55%	

## DEFINITIONS OF PRIMARY INDICATORS

Indicator	Definitions
<b>IR 3: More Accountable and Transparent Government</b>	
<i>Indicator 1:</i> Percent (%) of Total Local Government Expenditures under Full Local Government Discretion at the end of the Fiscal Year	This represents the total taxes, fees, unconditional transfers and external funds over which Municipalities have total spending discretion as a percentage of the total annual budget of Municipalities at the end of each fiscal year. The indicator reflects both the percentage of local discretion as well as the total dollar amount to yield a good indication of the breadth and depth of local discretion.  LGDA collected data from the Ministry of Finance (MoF) and a review of actual municipal budget expenditures and revenues, based on the situation as of December 31 of each year.
Total USD under discretion (in \$millions)	
<i>Indicator 2:</i> Percent (%) Increase in Revenues from Local Taxes and Fees: Year on Year	This is the total amount of taxes and fees levied and collected by Municipalities expressed as a percentage against previous year’s receipts, drawn from LGDA’s annual review of municipal finance records and MoF reports. The indicator assessed to what extent municipalities take advantage of local finance options provided in the Local Government Law. (This was a new indicator introduced in 2005, and calculated for a baseline on the actual data as of December 31 2004.)
<b>SUB IR 3.1: Fiscal and Administrative Authorities Effectively Decentralized</b>	
Indicator 1. Number of Paragraphs of the European Charter on Local Self Governance with which the laws of Albania are in Compliance	Albania is a signatory to the European Charter on Local Self-Government. It must comply with 20 of 30 paragraphs in this charter, of which 10 must come from the 14 core paragraphs. LGDA will prepare an annual assessment of compliance as well as reviewing any published review by the EU.
• Number of total paragraphs in compliance	The text of the Charter contains thirty (30) paragraphs, which define the principles of local self-government. Signatory countries must be in compliance with at least twenty (20) paragraphs, of which at least ten (10) must be from fourteen core paragraphs. An Explanatory Note to the Charter provides additional guidance to determine whether a country is in compliance.
• Number of core paragraphs in compliance	

Indicator 2. % Value of all transfers to Local Governments by Formula	This represents the percentage of all Government of Albania transfers to Municipalities that are allocated via formula. Formula-based transfers raise the level of transparency and predictability in local government funding. LGDA gathered data from the MoF in order to determine this figure annually. (This indicator was also introduced using December 2004 as a baseline.)
<b>Sub IR 3.2. Strengthened Capacity and Accountability of Targeted Local Governments</b>	
Indicator 1: Percent of Citizens that Rate Satisfaction with City Services as High or Very High:	This indicator is actually presented in the form of specific indicators for each of the most important local services. The source for data are the national surveys carried out in the summer/fall of 2005 (to serve as a baseline), and in the spring of 2007.
Indicator 2: % of citizens who say they have a great deal of trust and confidence in the local government's ability to solve local problems	As above, this indicator is drawn from the national survey, as carried out in the summer/fall of 2005 (to serve as a baseline), and in the spring of 2007.

## ANNEX B

### COMPARATIVE DATA FROM SERVICE IMPROVEMENT ACTION PLANS ON CLEANLINESS

For each of the SIAPs carried out, cities tracked about 5 to 15 outcome and output indicators. These typically included one or more indicators on citizen satisfaction, indicators on coverage or access to the service (e.g., percent of households served, or percent of streets paved), and in some cases indicators on cost recovery or fee collections.

While each city set its own indicators, there were some commonalities across services, and in some cases LGDA sought to compare performance. As an illustration here, we provide examples from the SIAPs carried out on Cleaning Services. These data are drawn from the SIAPs prepared by 19 cities that prepared SIAPs on cleaning services. In this case data are reported for three indicators that are (with some small changes in wording) used in all the cities. The table below highlights the cases in which performance worsened by shading them in beige. A separate table below calculates the average percentage point increase across all the cities for each indicator. (The figures in bold below are those that allow cross-year measurement.)

**Table 1. Indicator Values for three Key Indicators Measuring  
Performance in Cleaning Service**

Cleaning Services	Baseline 2003	Target 2004	Actual 2004	Target 2005	Actual 2005	Target 2006	Actual 2006	Target 2007
<b><i>1. Service Coverage. The % of households receiving solid waste collection services [Or % coverage by containers or pick-up*]</i></b>								
Kucove*	87	90	<b>90</b>	92	<b>92</b>	93		
Elbasan	75	78	<b>80</b>	95	<b>80</b>	90		
Pogradec			75	78	<b>78</b>	82		
Patos			75	85	<b>85</b>			
Kavaje			60		<b>60</b>		<b>75</b>	80
Prrenjas					89	92	<b>92</b>	
Gjirokastra					80	85	<b>85</b>	90
Sarande					83.7	90	<b>90</b>	95
Vlora					85	90	<b>90</b>	95
Fier					95	95	<b>95</b>	100
Bajram Curri					62	70	<b>70</b>	
Lezha					60	70	<b>70</b>	75
Puka					84.2	90	<b>84.2</b>	
Bulqiza					45			
Berat							90	90
Vore							85	90
Peshkopi							85	90
Permet							87.5	90
Rreshen								

Cleaning Services	Baseline 2003	Target 2004	Actual 2004	Target 2005	Actual 2005	Target 2006	Actual 2006	Target 2007
<b>2. Satisfaction: % of citizens rating the city as “very clean” or “clean” [* or “% of citizens satisfied with the level of cleanliness”] (Source: customer surveys)</b>								
Kucove	83	90	<b>96</b>	96	<b>91</b>	93		
Elbasan	30.8	40	<b>41</b>	50	<b>53</b>	60		
Pogradec			75	78	<b>91</b>	93		
Patos *			52	65	-	-		
Kavaje*			15	-	<b>22</b>	-	<b>36.7</b>	40
Prrenjas					39	50		
Gjirokastra					47	60	<b>35</b>	65
Sarande					56.3	70	<b>77</b>	80
Vlora					74	80	<b>61.5</b>	85
Fier					39	60	<b>42.6</b>	50
Bajram Curri					12	25	<b>35.5</b>	
Lezha					-	-	-	
Puka					53	80	<b>32.5</b>	
Bulqiza					24			
Berat							59.5	63
Vore							86	95
Peshkopi							83.5	90
Permet							38	70
Rreshen							41	60
<b>3. Financial Sustainability. % of complete cost recovered from households and businesses [* or % collections from households; excluded from analysis]</b>								
Kucove	39	50	<b>50.6</b>	60	<b>60</b>	62		
Elbasan	60	60	<b>60</b>	70	<b>73</b>	75		
Pogradec			54	70	<b>74</b>	100		
Patos			57	49	<b>48</b>			
<b>Kavaje*</b> [% collections]			35		<b>50</b>		<b>53</b>	60
Prrenjas					84	90		
Gjirokastra					58.9	63		
Sarande					59	65	<b>76</b>	78
Vlora					65	68	<b>58</b>	70
Fier					75	79	<b>79</b>	74
Bajram Curri					51	64	<b>60</b>	
Lezha					98	100	<b>82.9</b>	96
Puka					54	89	<b>47</b>	
Bulqiza					51	64		
Berat							49	60
Vore*							10	90
Peshkopi							55	85
Permet							75	80
Rreshen*							18	40

**Table 2. Average change in percentage point across all cities in which the indicator was measured in two consecutive years**

<b>Indicators</b>		<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>
Service Coverage	% of households receiving solid waste collection services [or % coverage by containers or pick-up]	4	3	5.81
Citizen Satisfaction	Satisfaction: % of citizens rating the city as “very clean” or “clean” [or with the level of cleanliness”]	11	7.5	0.4 <sup>a</sup>
Financial Sustainability	% of complete cost recovered from households and businesses	5.5	8.35	0.15 <sup>a</sup>

a. These figures displayed large variances.

**ANNEX C**  
**MORE DETAILED INFORMATION ON TRAINING SESSIONS HELD**

<b>Training Activity</b>	<b>Timing / Location</b>	<b>Cities Invited</b>	<b>Number of Participants</b>	<b>Positions of Participants</b>	<b>Evaluation</b>
<b>SIAP</b>	Fier, February 2005	3 original target cities 5 new target cities	Total: 73	Mayor Head of City Council Head of Public Services Commission Others involved in SIAP process.	In an overall rating, participants thought this course was very useful for their work. They have expressed that this methodology increases levels of their work. They suggested to have other training and to see real examples in some of our municipalities.
	Pogradec, February 23	3 current 3 new			
	Shkoder, March 3	3 current 4 new			
	Gjirokaster March 15	3 new			
<b>Successful Cities Course for New Target Cities</b>	Fier, February 17, 2005.	4	Total: 41	Deputy Mayor Head of Public Service Department Head of Finance Department Head of Budget Department Other staff Mayor appointed	In an overall rating, participants thought this course was very practical and useful for their work. They suggested to have other training related to public services. The materials were well developed and delivered. They suggested having more contacts with LGDA staff to consult for they problems they might come across. They also like the detailed manner of SIAP.
	Pogradec, February 24, 2005.	3			
	Shkoder, March 10, 2005.	4			
	Gjirokaster, March 16, 2005.	3			
<b>Successful Cities Course for non-target cities</b>	Berat April 19	13	Total 80	Deputy Mayor Head of Public Service Department Head of Finance Department Head of Budget Department Other staff Mayor appointed	In an overall rating, participants thought this course was very useful for their work. Materials used in the course were very good related to the experiences from the other pilot cities. They suggested having other training related to finance and budget issues. They would like to visit and to see in real the real examples brought in this course. The communication with LGDA staff was rated as "very good."
	Lezhe April 21	15			
	Pogradec May 3	6			
	Sarande, Mary 5	7			
<b>Trust Building</b>	Fier	7	Total: 197	• Mayor/Deputy	In an overall rating, participants rated the

<b>Course (March – June, 2005)</b>	Pogradec	6		Mayor <ul style="list-style-type: none"> <li>• Municipal Jurist</li> <li>• Procurement Department Head</li> <li>• Head of City Council</li> <li>• Head of Finance Commission</li> <li>• Head of Inner Control (if any)</li> <li>• Secretary of City Council</li> <li>• Civic Leaders</li> <li>• Local Media</li> <li>• Important NGOs</li> <li>• Chamber of Commerce</li> </ul>	course as useful. Themes treated were very good and real to their work. They also rated as very useful the explanation of different laws. It was very good from LGDA who brought community in front of municipality and city council. They suggested to have other training and to see real examples of how to solve the conflicts and training on Public Relation and Participation. The communication with LGDA staff was very good.
	Shkoder	7			
	Sarande	3			
	Shkoder	15			
	Berate	13			
	Pogradec (non-target)	6			
	Sarande	7			
City Council Leadership Course for Target Cities (April – May)	Fier	7	Total: 140		In an overall rating, participants rated the course as useful. Themes treated were very good. They suggested to have other training on well-functioning of commissions. They also needed qualification on cleaning service issue, investments plan, etc. They mentioned that each training to city council is very useful for them. This will increase their capacity as decision making authority.
	Pogradec	6			
	Shkoder	7			
	Sarande	3			
City Council Leadership Course for Non-Target Cities (November – December)	Fier	13			
	Gjirokaster	7			
	Shkoder	15			
Financial Systems Management for Target Cities (June – December)	Pogradec	6	140 total	Deputy Mayor Directors and Specialist from Finance/Budget/Tax Department Representatives from Deconcentrated Tax	Based on the participants' rating, the seminar was useful (most of the cases were rated as 5). They liked very much the real examples brought from pilot cities. They also liked the materials very much. They suggested to have other professional training, but to an extended degree. Communication with the trainer was
	Fier	7			
	Srande	3			
	Shkoder	7			
Financial Systems Management for Non-Target Cities	Berat	13			
	Shkoder	15			
	Pogradec	6			

(June – December)	Gjirokaster	y		Offices Other technical staff as appointed by Mayor	very good.
Civil Society (November- December)	Gjirokaster	3	Total: 90	Mayor/Deputy Mayor	The participants rated the seminar as very useful. They liked very much that LGDA has put at the same table Local Government and Civil Society. Some representatives of civil society suggested to have more training on more specific issues, like cleaning service, tax management, participatory budgeting, etc. They liked very much the communication with the trainer.
	Fier	7		Head of SIAP group	
	Shkoder	7		Head of Information Department	
	Pogradec	6		Head of City Council/Had of Finance Commission Five representatives of civil society	
Trained Observer Rating Training	On request for pilot municipalities				

# Decentralization in Albania: Measuring Local Government Services and Citizen Relations

**ALBANIAN NATIONAL  
LOCAL GOVERNMENT SURVEY  
2005-2007**

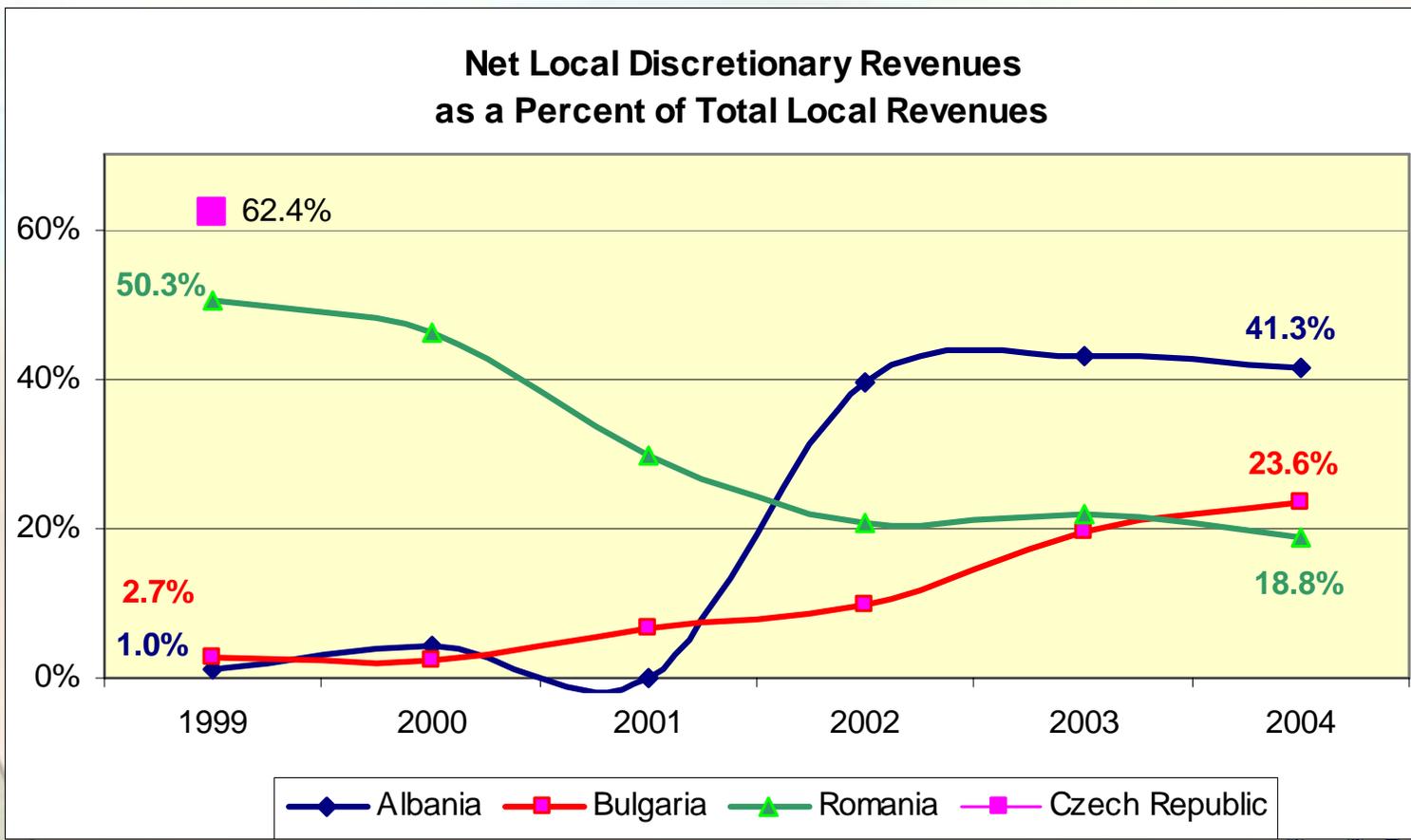
# Decentralization in Albania

- Significant progress since 1998
- Key milestones
  - Constitution with clear provisions on local government (promulgated in 11/1998)
  - European Charter for Local Self-Government (ratified by Parliament 11/1999)
  - National Decentralization Strategy (adopted by Parliament 2/2000)

# Decentralization in Albania

- Between 1998-2005:
  - Share of total expenditures over which local governments have full discretion: 4%-45%
  - Local government reliance on revenues provided from state budget: 95%-49%
  - Compares successfully with other countries in the region in terms of real fiscal autonomy

# Measuring Impact of Reform



# National Local Government Survey

- Measure qualitative impact of decentralization in Albania
- Help officials, policymakers, donors design programs, identify needs establish priorities
- Help local governments benchmark performance against national results, set targets and track progress
- Assess impact of local government assistance
- Measure effect of LGDA in targeted areas

# Summary of Findings

## Local Government Capacity:

- Quality of life ratings improve; economy, unemployment and inadequate infrastructure are seen as the most significant problems.
- Satisfaction ratings with the quality of most local services show improvement; parks and green areas remain stagnant.

## Local Government Accountability

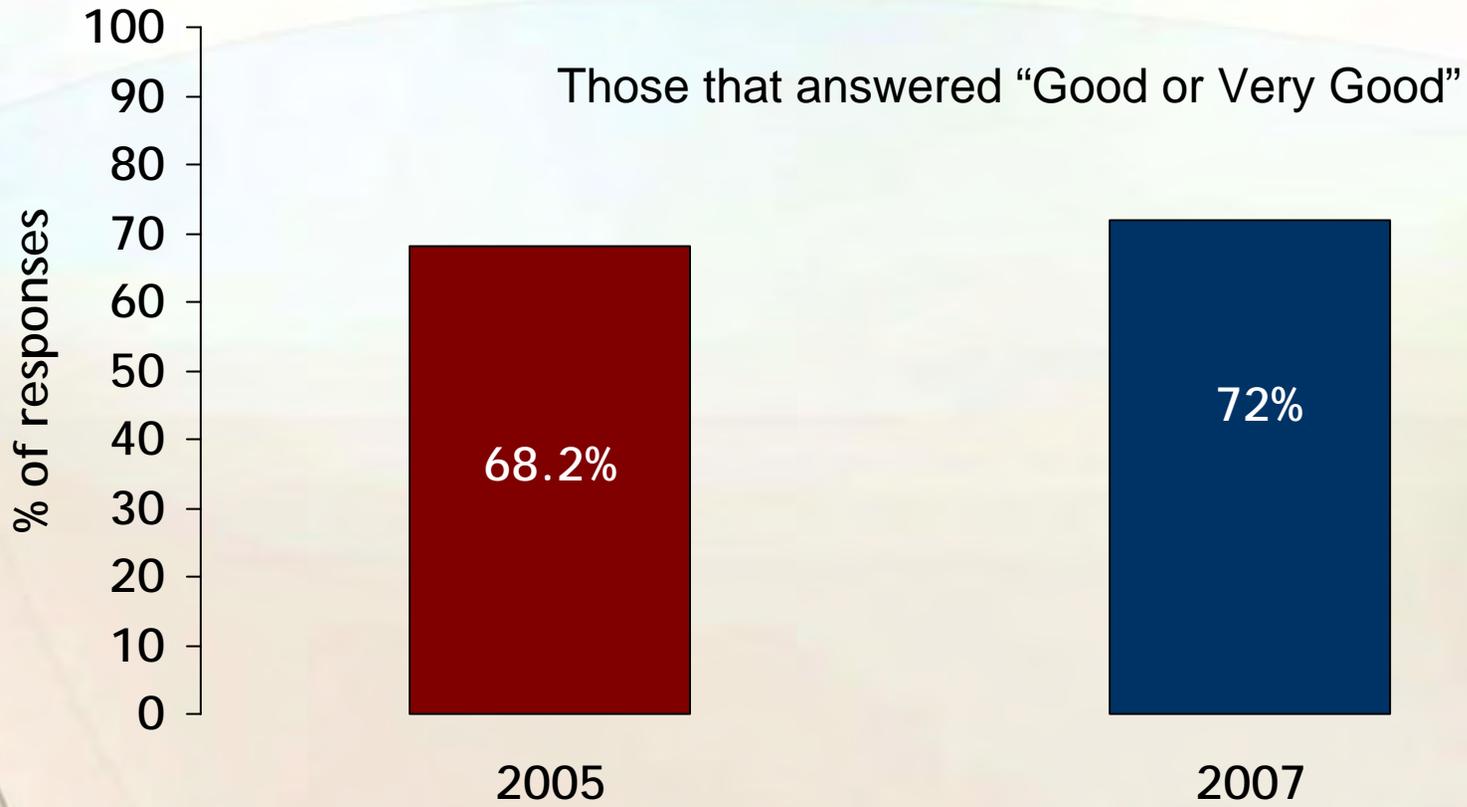
- Considerable room for improvement seen on most measures of government accountability.
- While most citizens appear to trust local officials to perform certain functions, nearly two-thirds believe that corruption is widespread among local officials.
- There is a distinct correlation between indicators of effective service delivery, accountability, responsiveness of local government to the citizens, trust in government and openness to involving citizens in public affairs.

# Survey Information

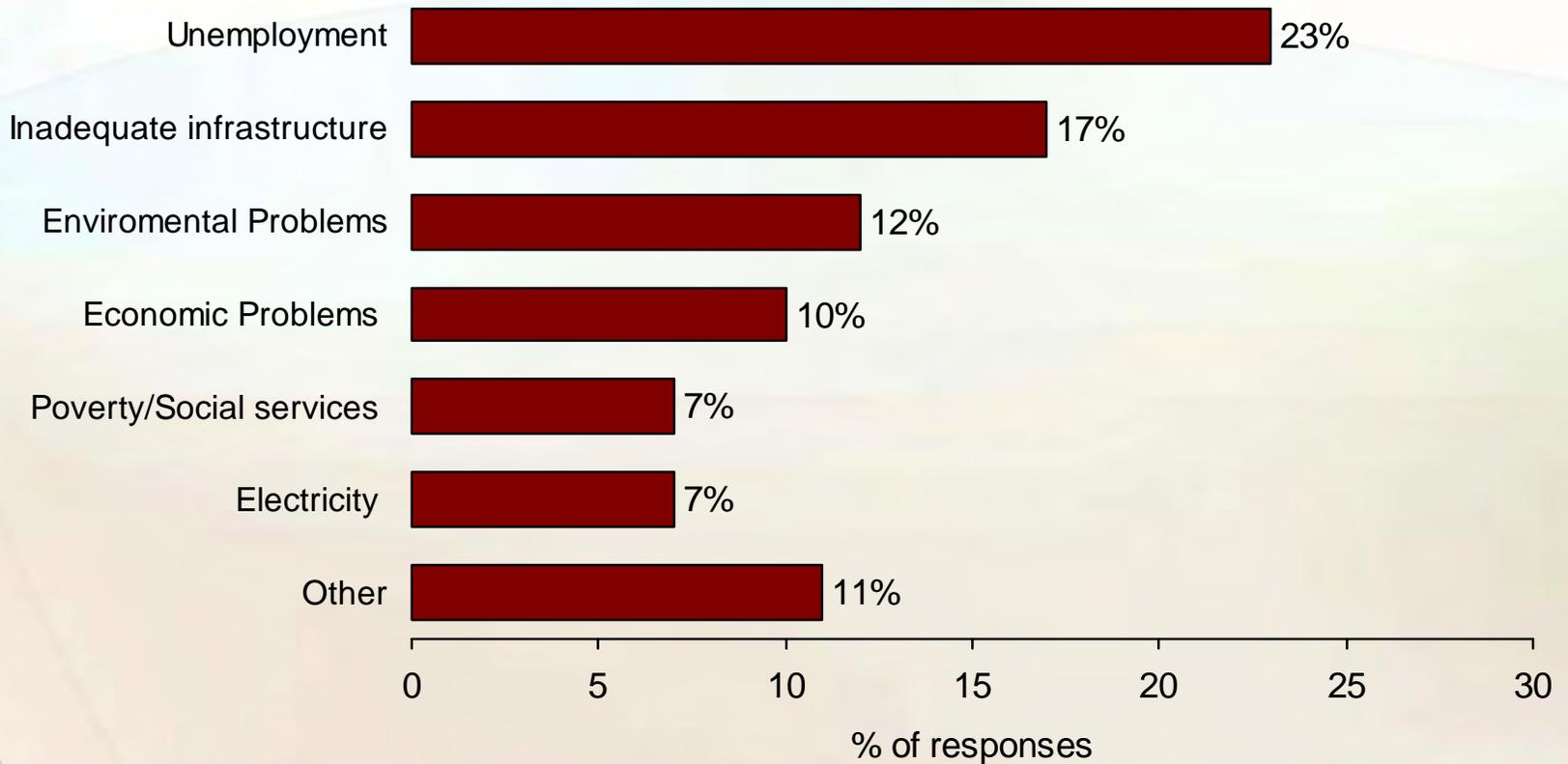
- Carried out by Urban Institute (U.S.) and Institute for Development and Research Alternatives (IDRA, Albania)
- Two surveys conducted: 2005 and 2007
- National random sample of 1,106 citizens (over 18 years) residing in municipalities
- Thirteen LGDA target cities also surveyed for comparison with national sample, across cities
- Margin of error: +/- 3%

# OVERALL QUALITY OF LIFE IN THE CITY

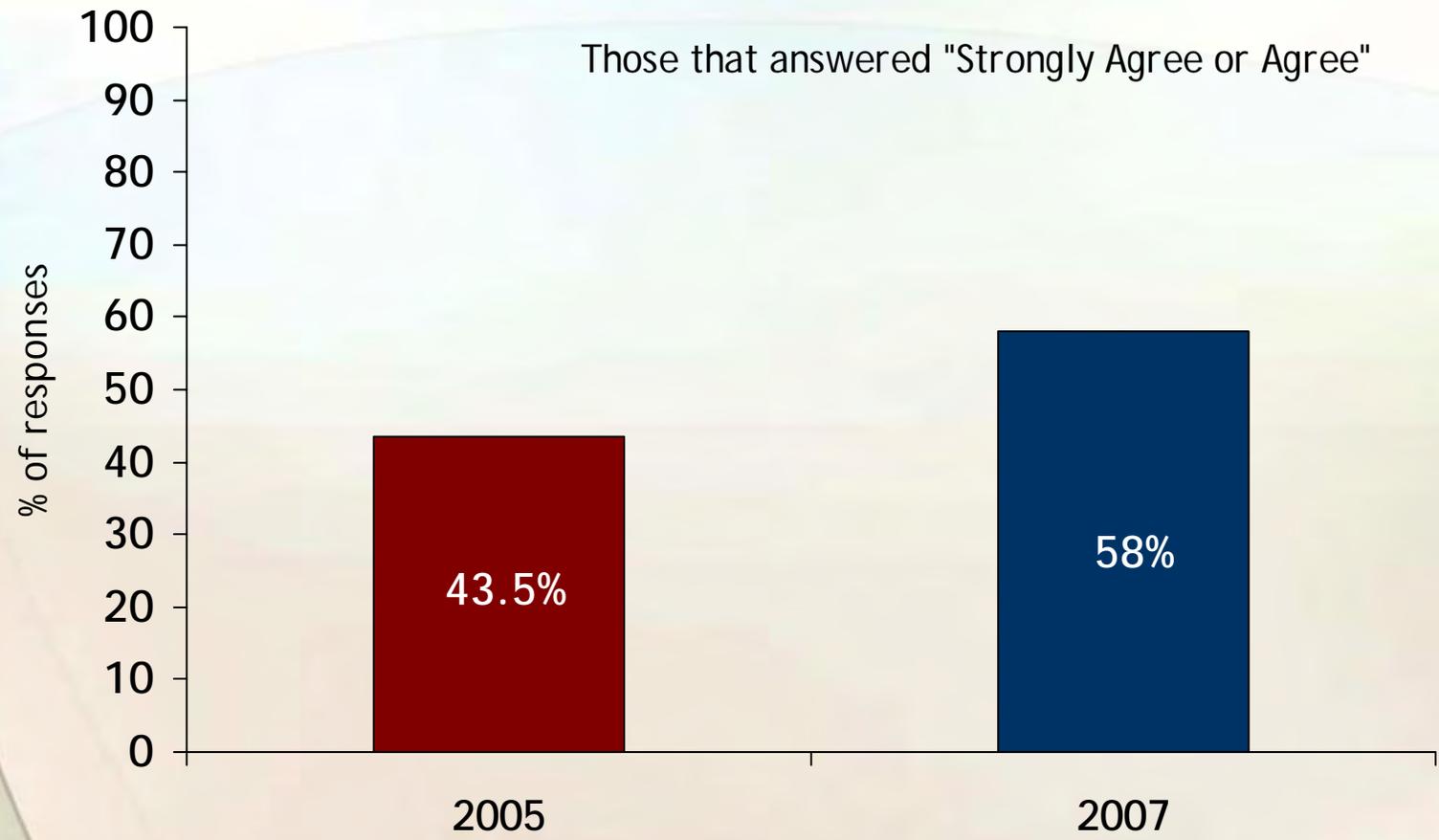
# Overall quality of life



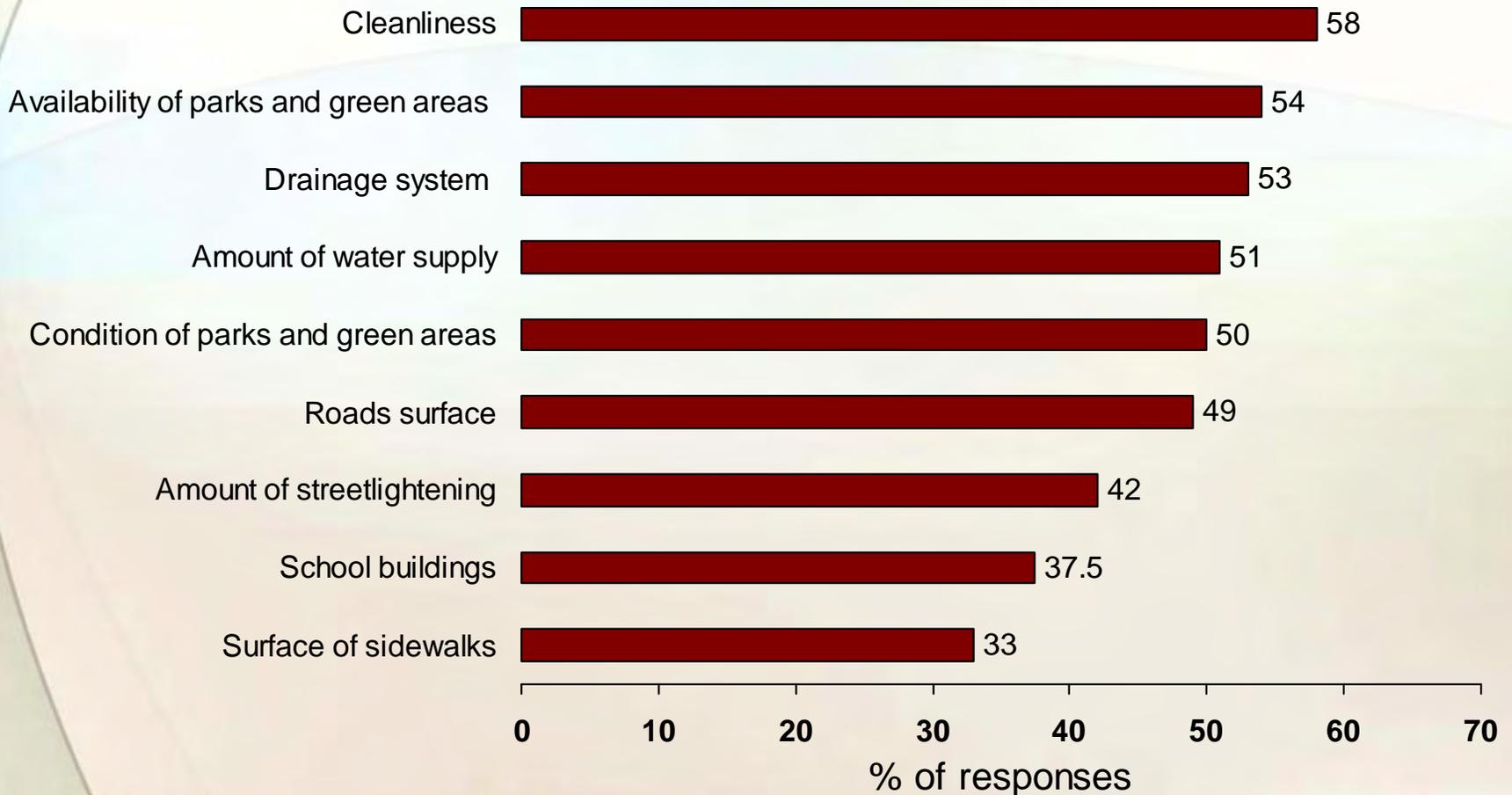
# Most important problems cities face



# City has a long-term strategy for the future



# Services that are a “high” priority for investment/improvement



# SERVICE DELIVERY PROVISION

# Central vs. Local Government Responsibilities

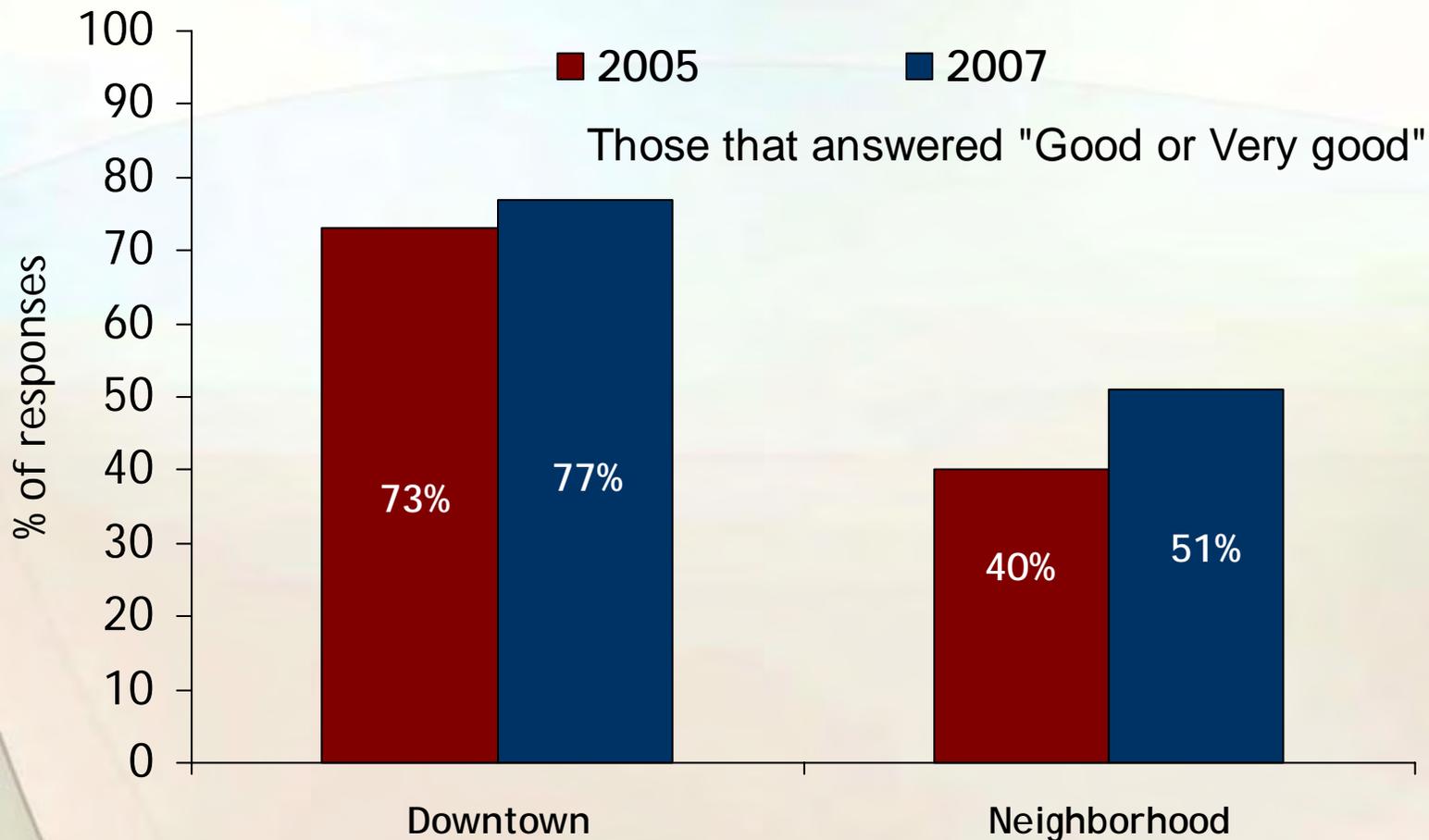
• % answering that they believe the local government has primary responsibility for the service

SERVICE	2005	2007
Cleaning	98	97
Road maintenance	89	91
Construction of local roads	79	83
Educational facility maintenance	67	73
Pre-school education	46	51
Construction of educational facilities	29	46

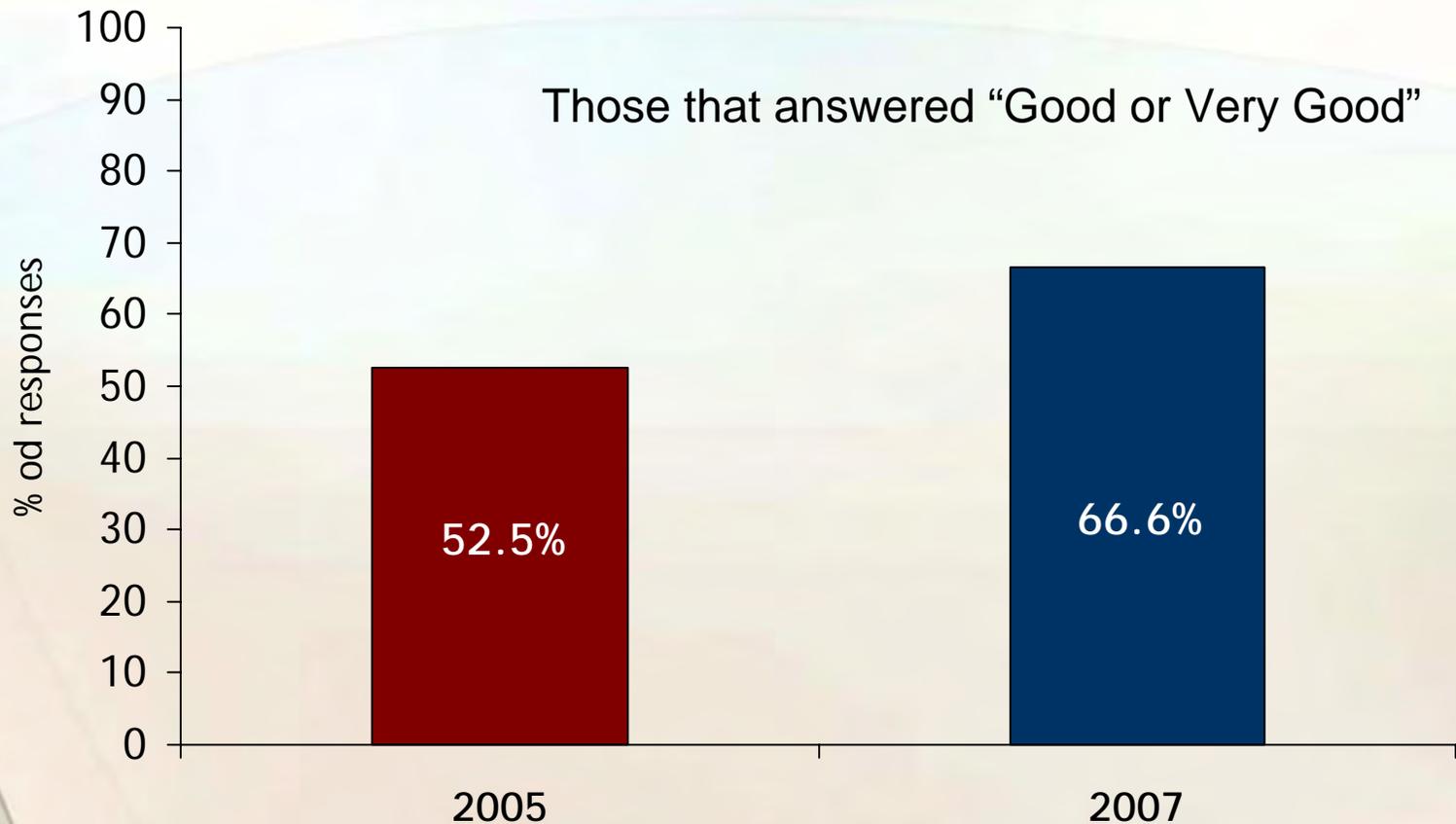
# Cleanliness of the city



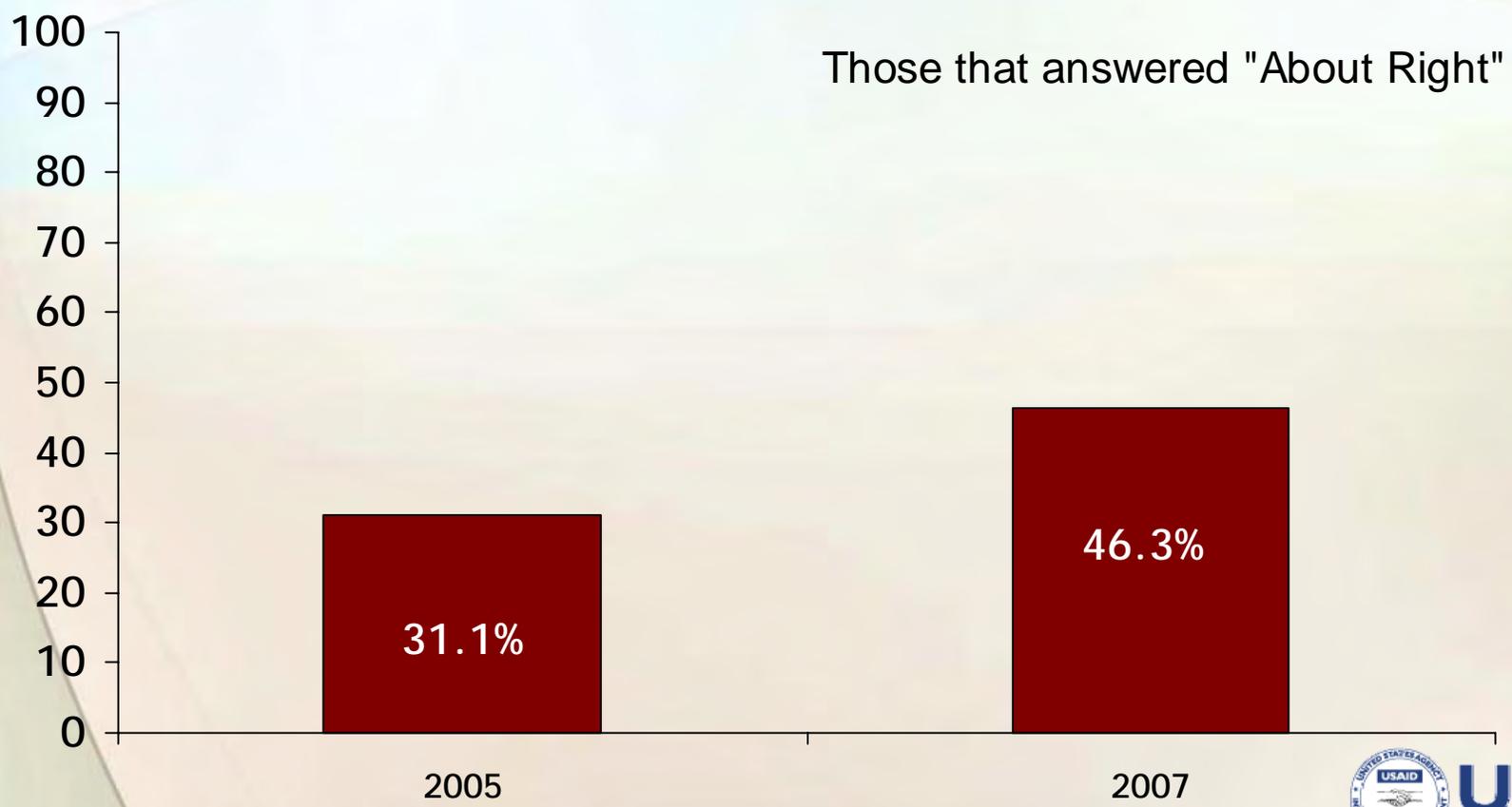
# Condition of roads



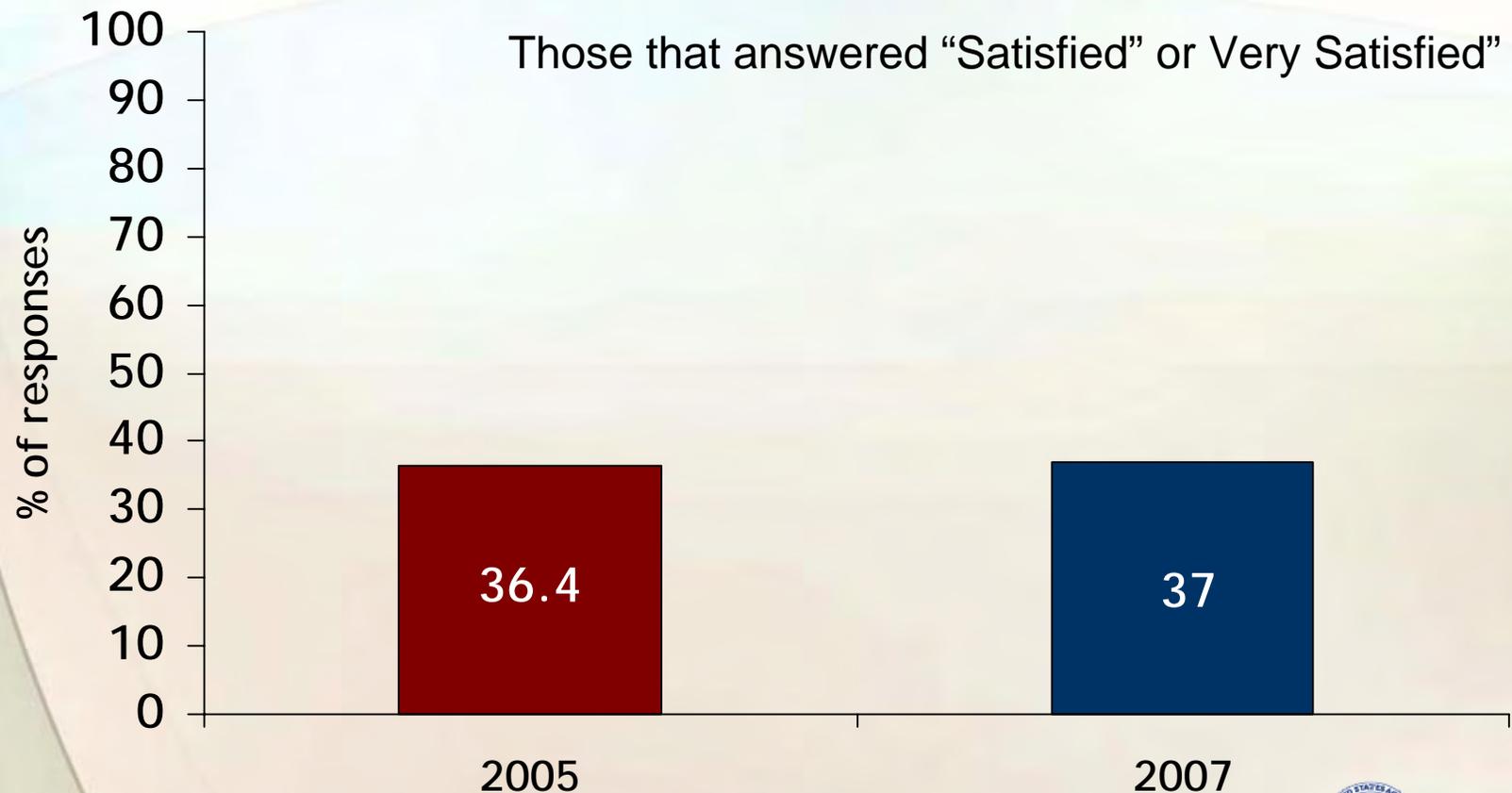
# Condition of sidewalks



# Amount of street lighting at night in the city

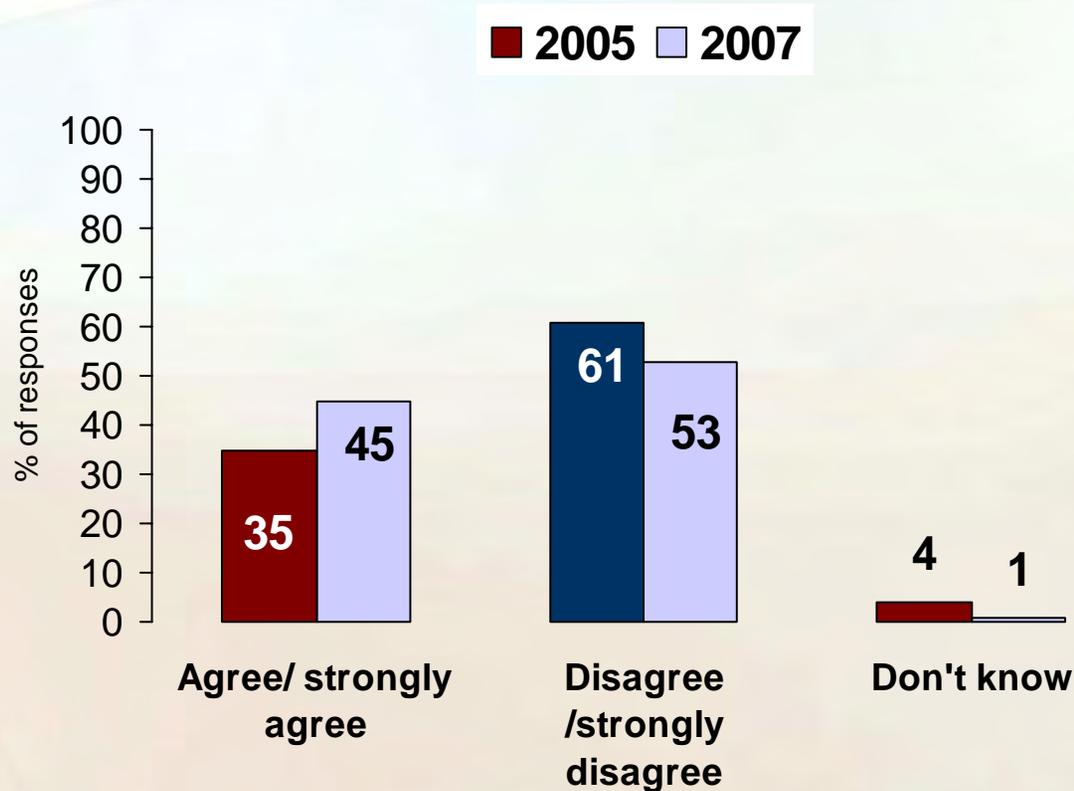


# Quality of parks and green areas in the city

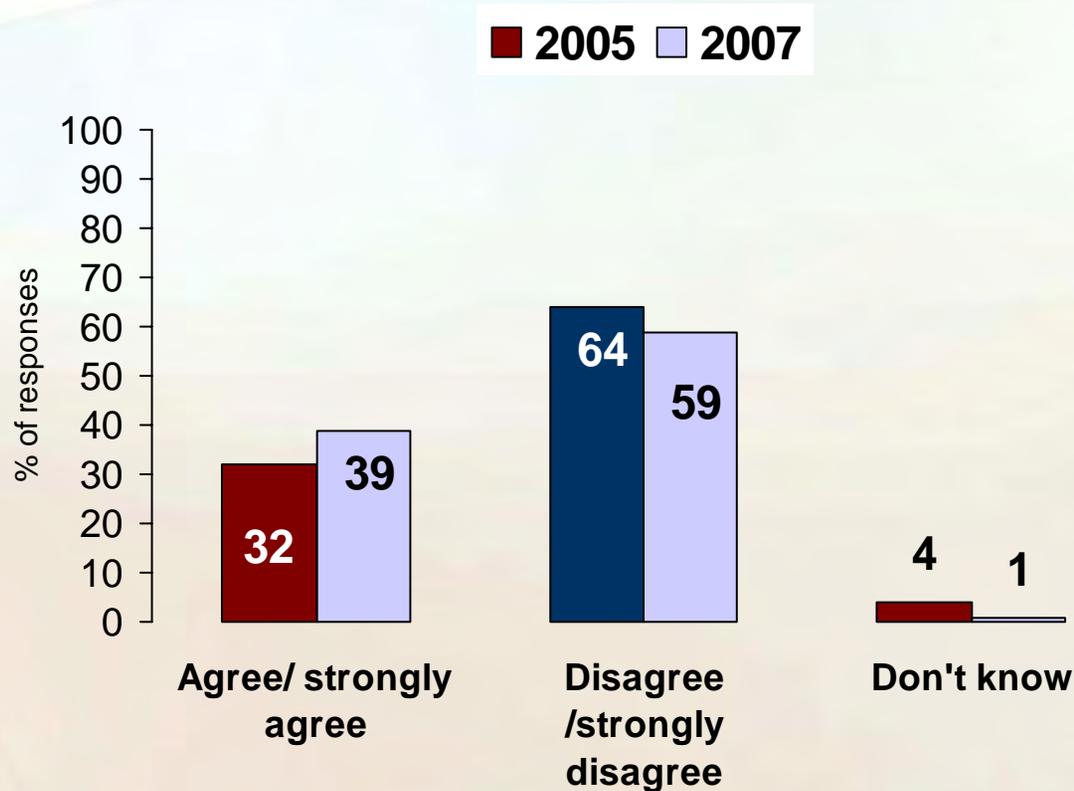


# ACCOUNTABILITY AND RESPONSIVENESS TO CITIZENRY

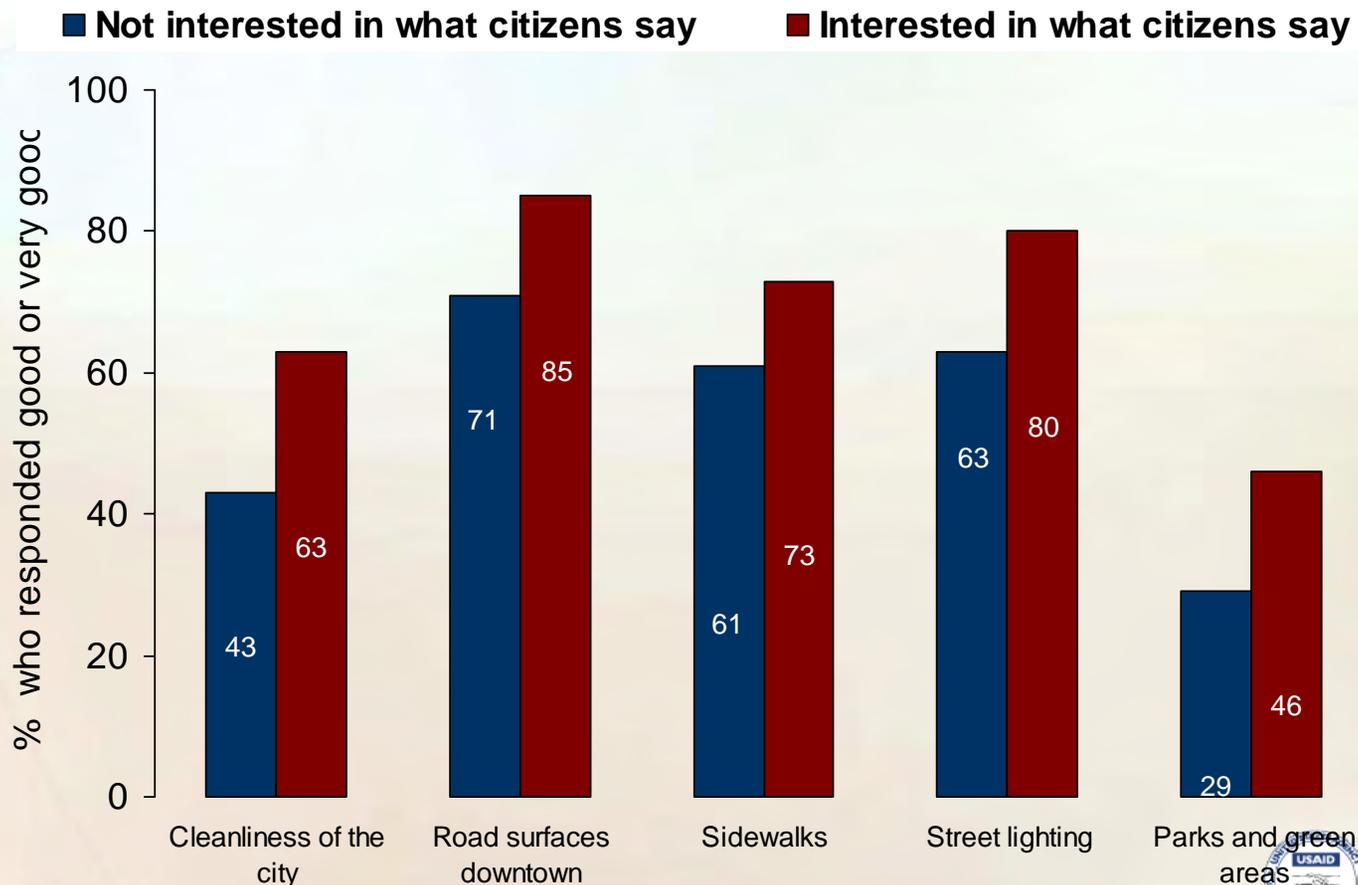
# Local government listens to what people like me think



# I receive good value for municipal taxes and fees

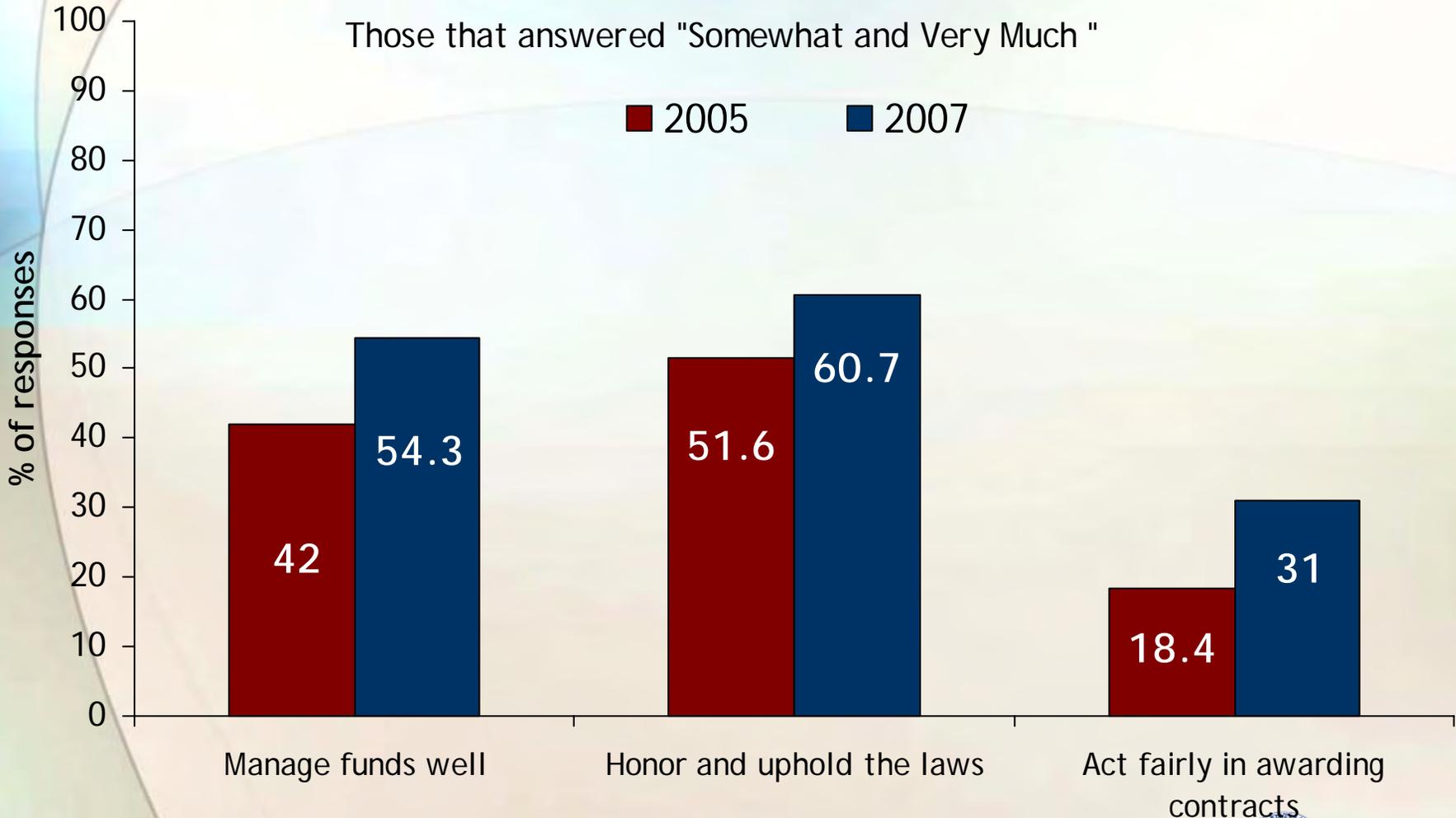


# Responsive local governments are perceived as providing better services

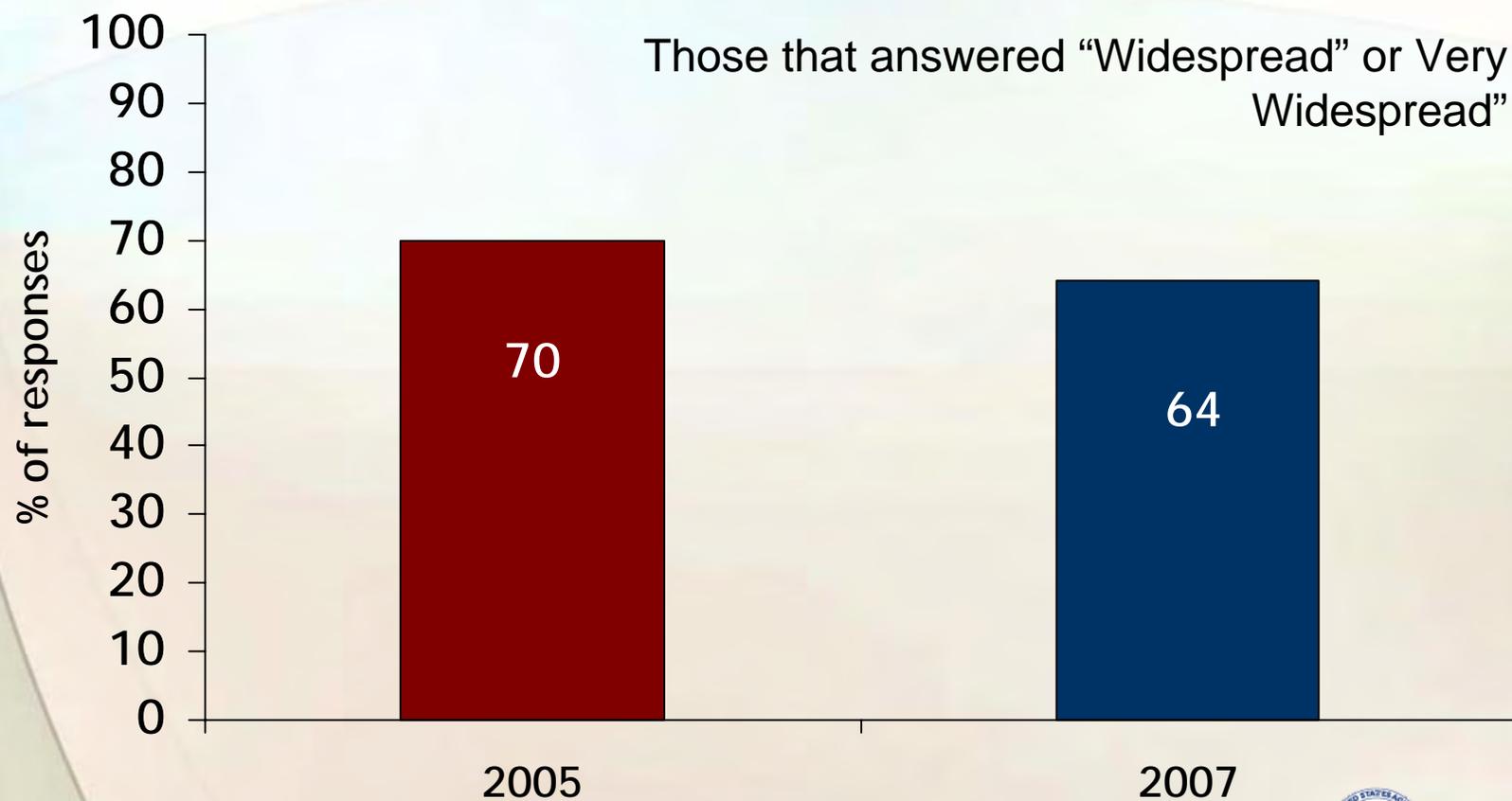


# CORRUPTION AND TRUST

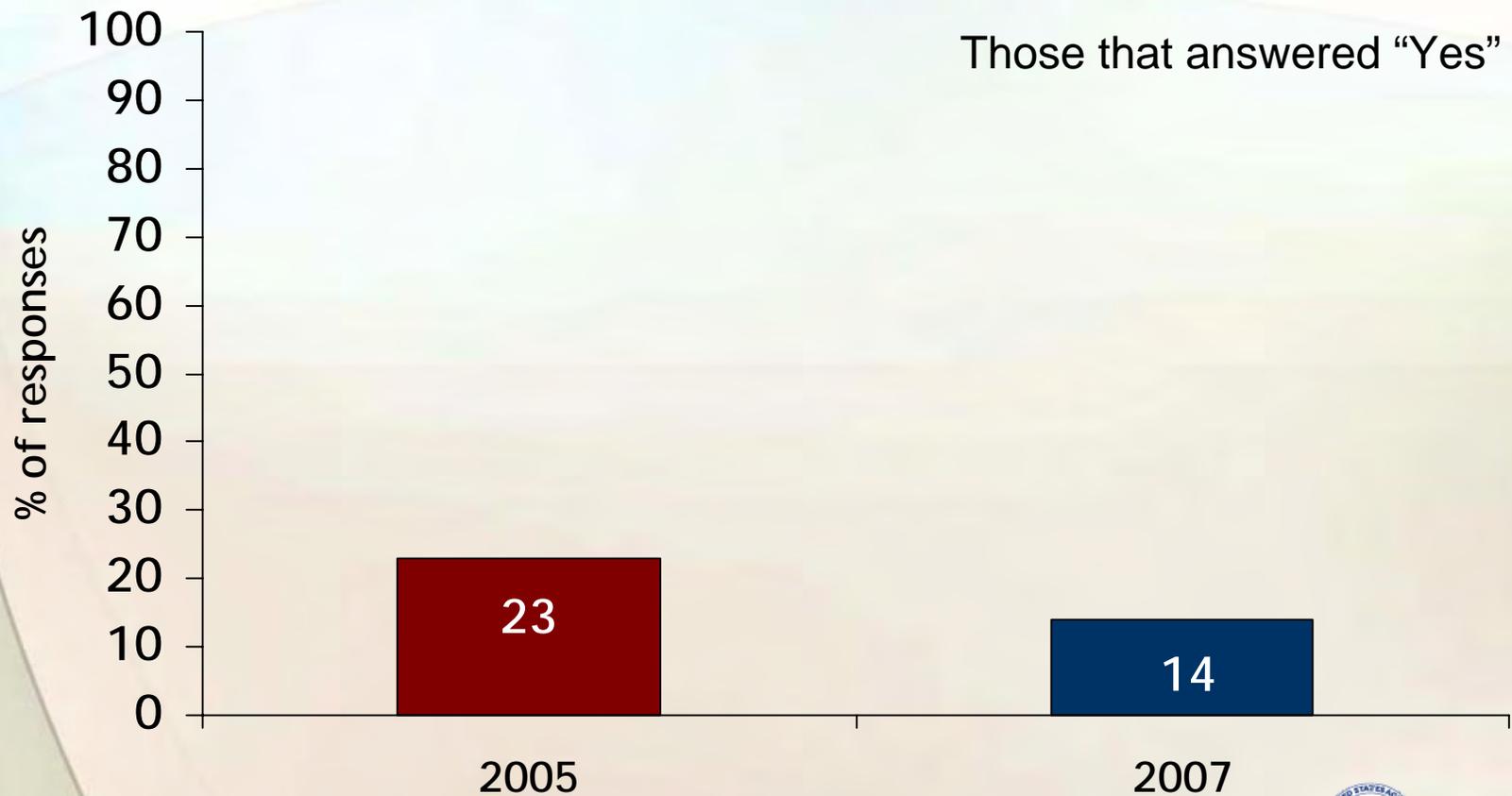
# Trust and Confidence in Local Government



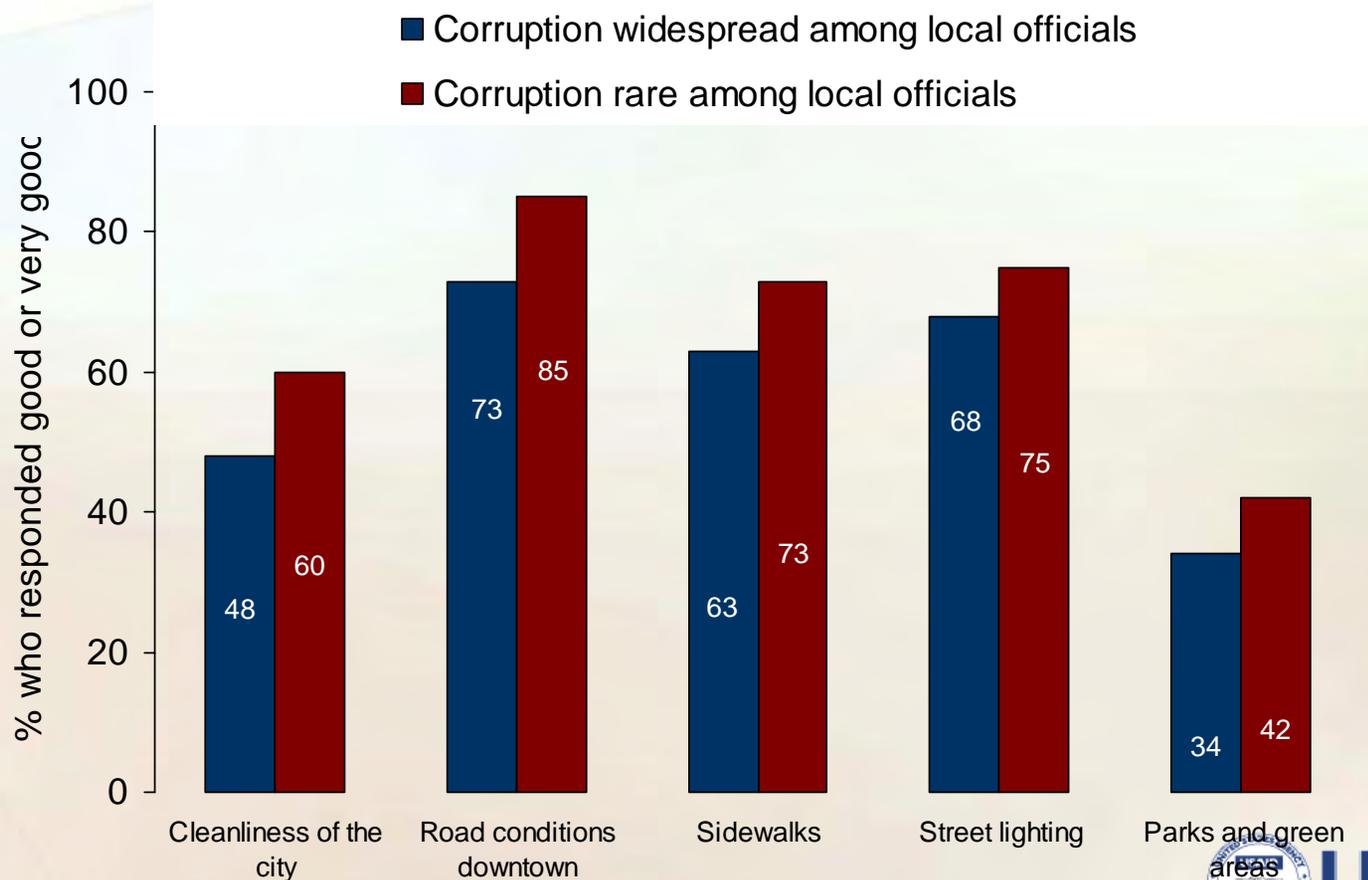
# Corruption in Local Government



# Know somebody who was asked to pay a bribe

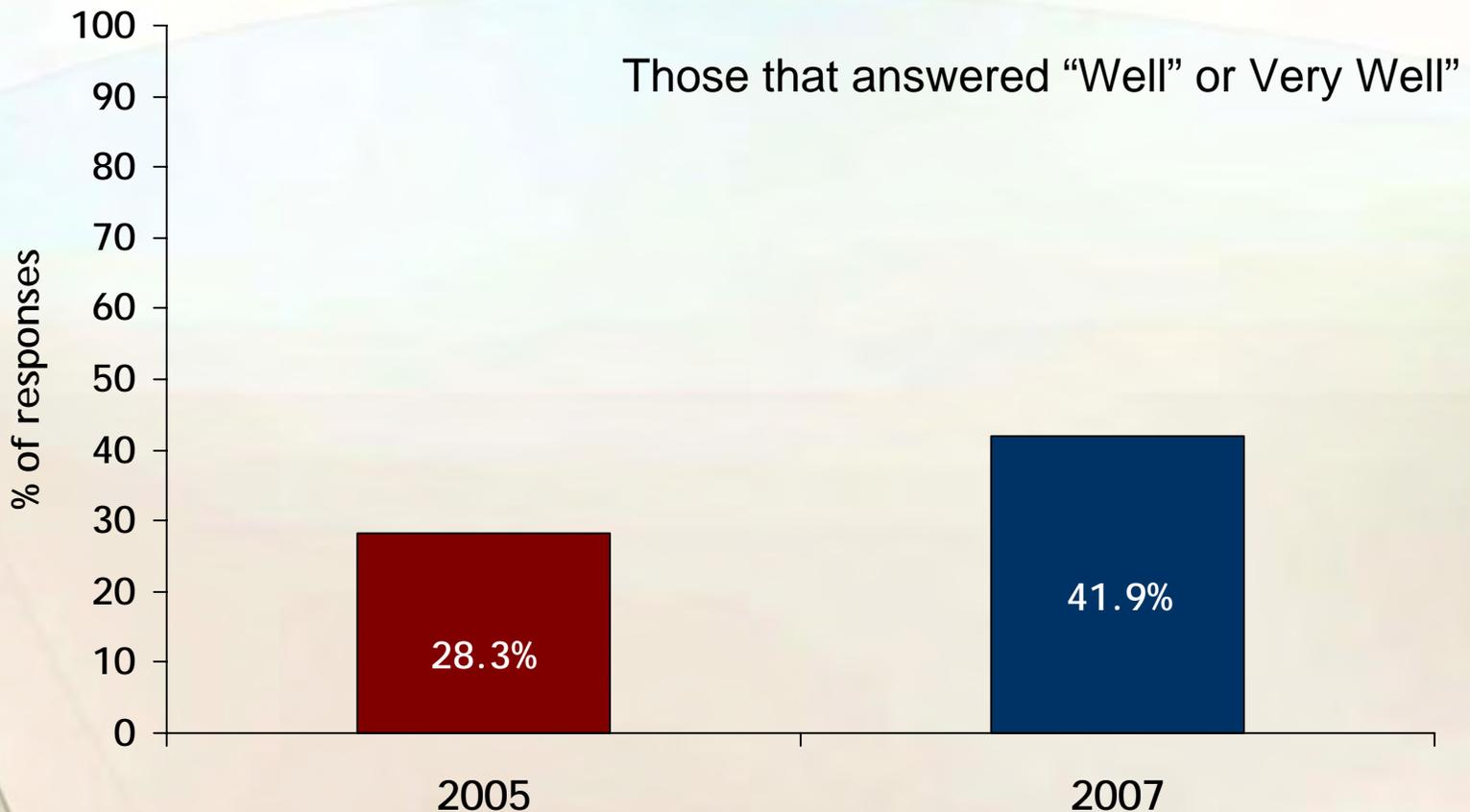


# When corruption perceived as rare, local government services perceived as performing better

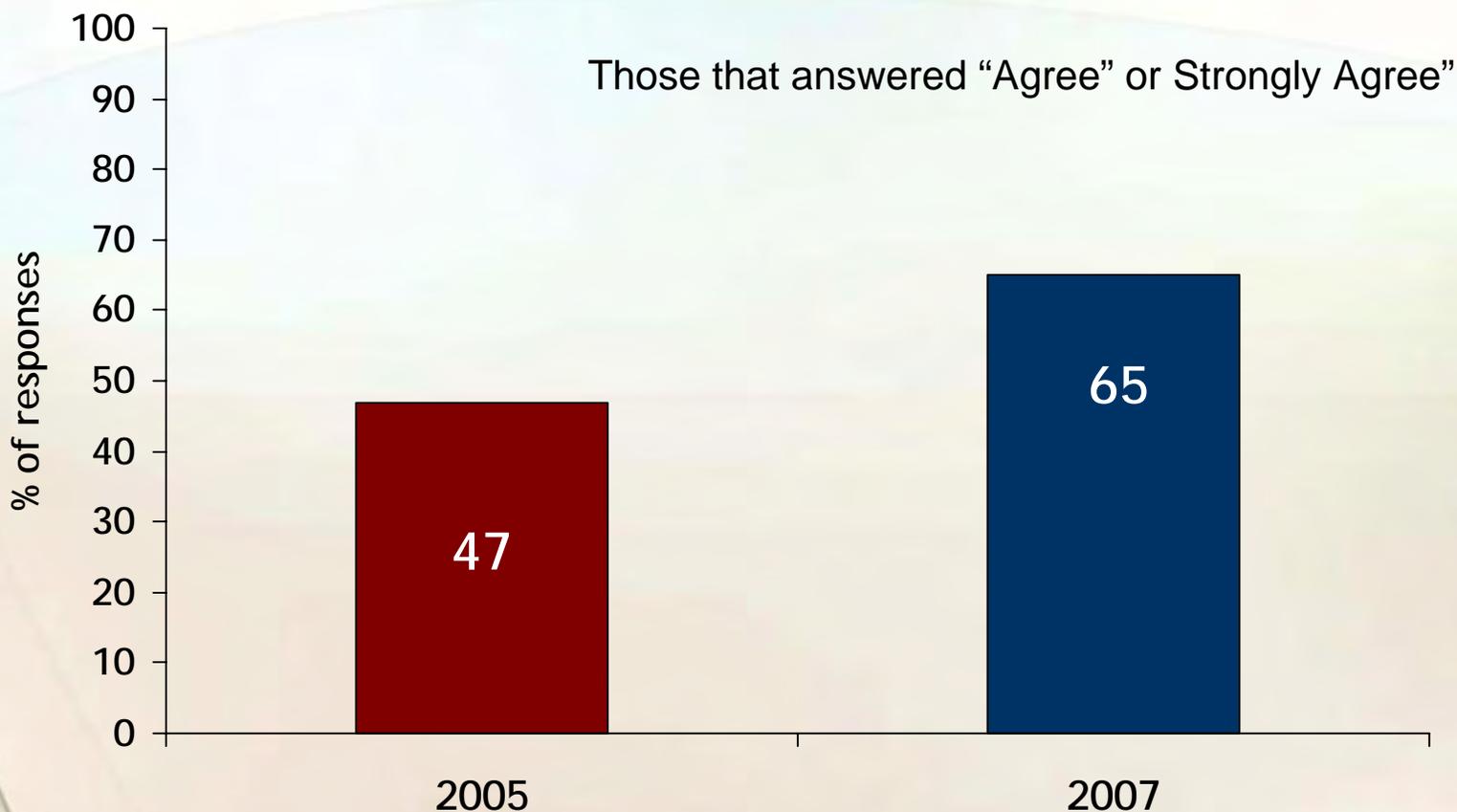


# INFORMATION PROVISION, COMMUNICATION, AND CITIZEN PARTICIPATION

# How well the municipality informs citizens of activities and services

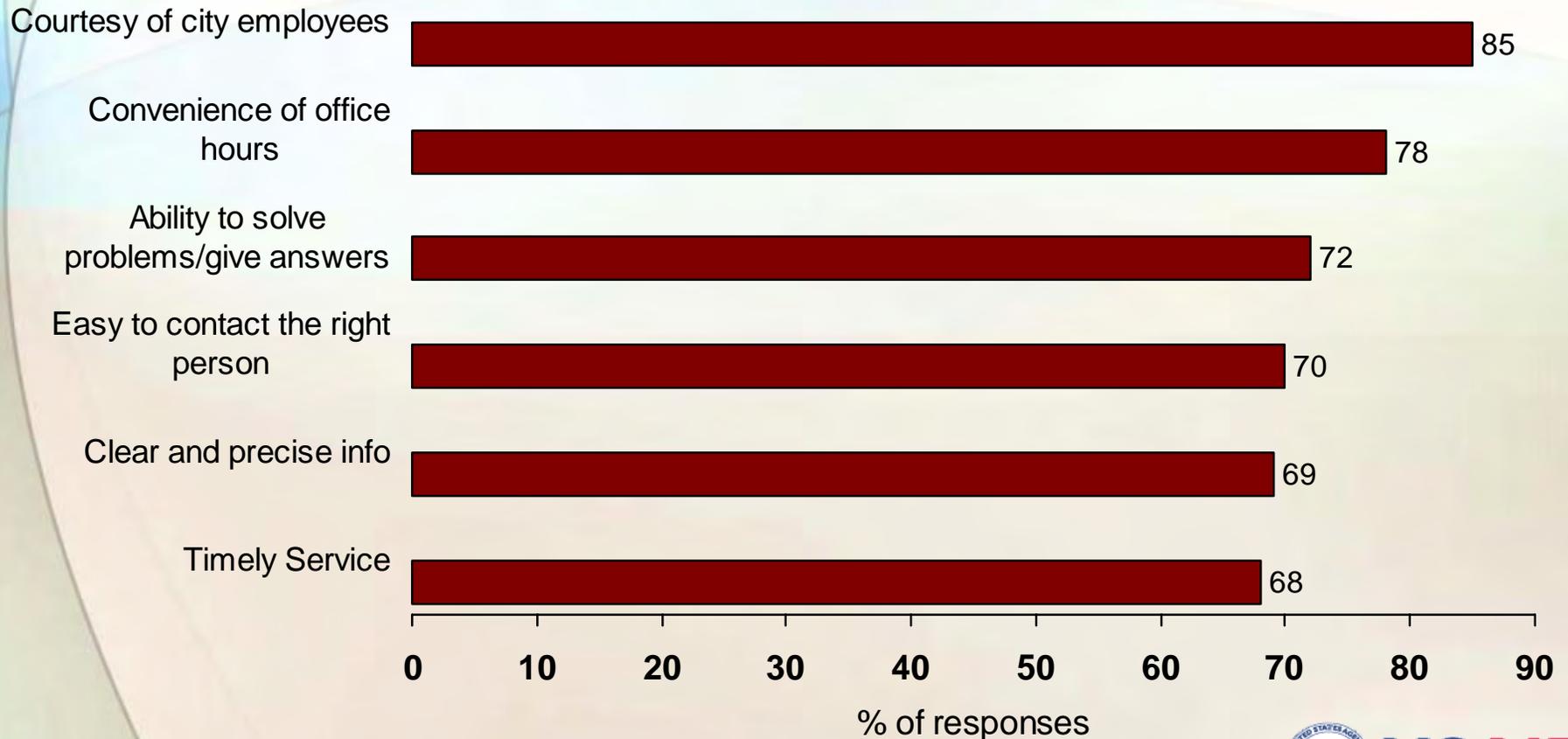


# Know whom to contact if I had a problem

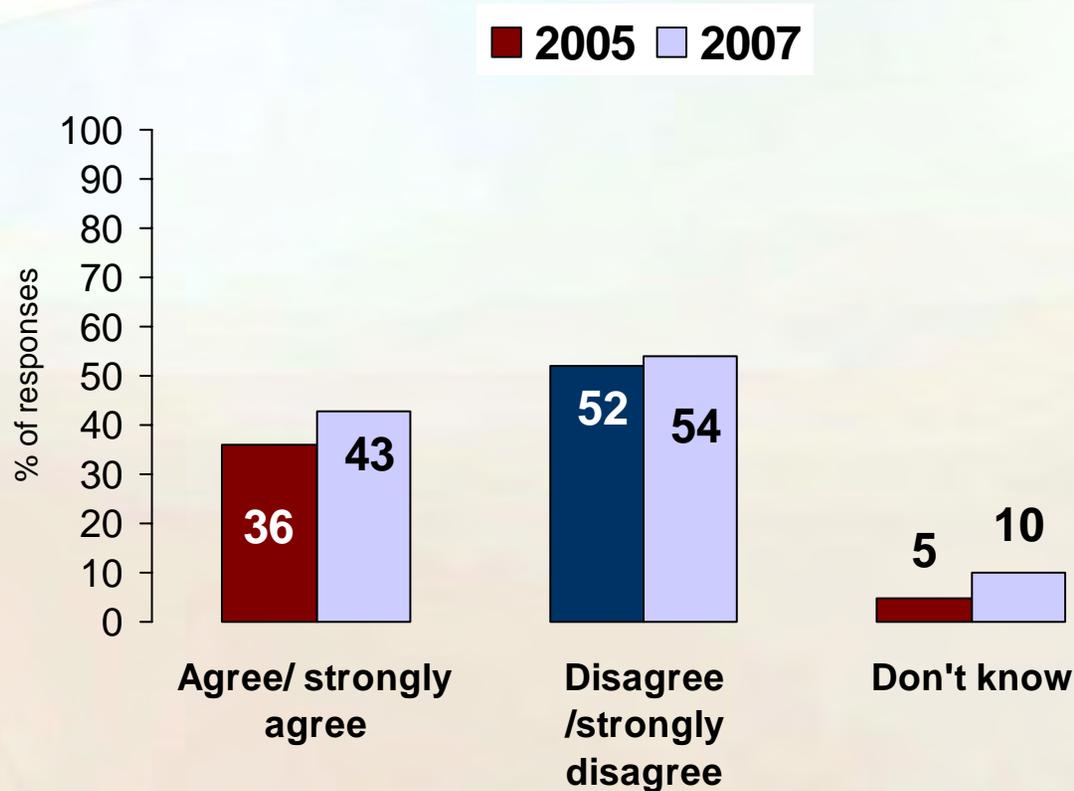


# Quality of customer service

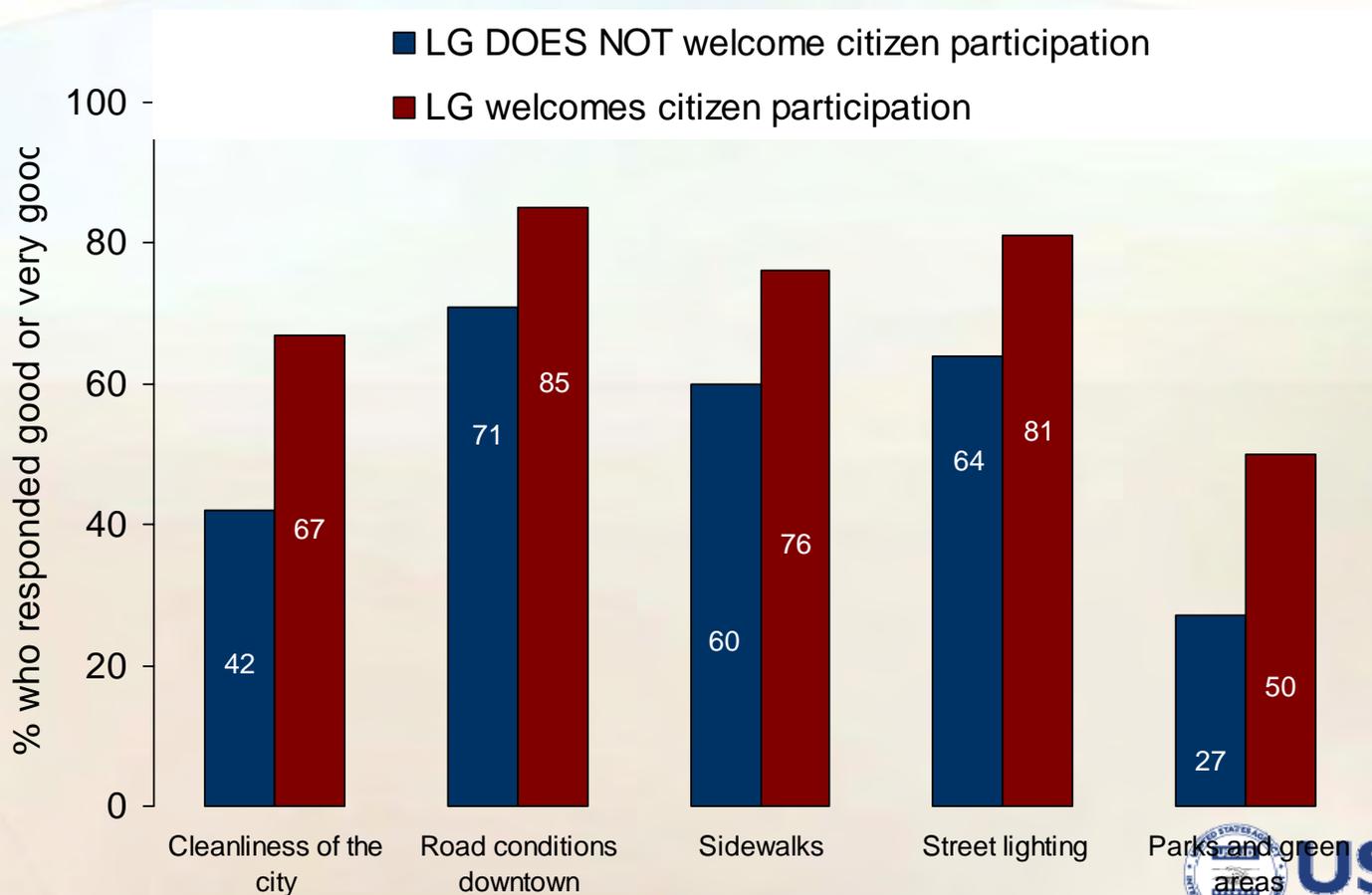
(those who have visited and answered “good or very good”)



# Local Government welcomes citizen participation in public affairs



# Local governments open to citizen participation, also perceived to perform better services



# Using the Results

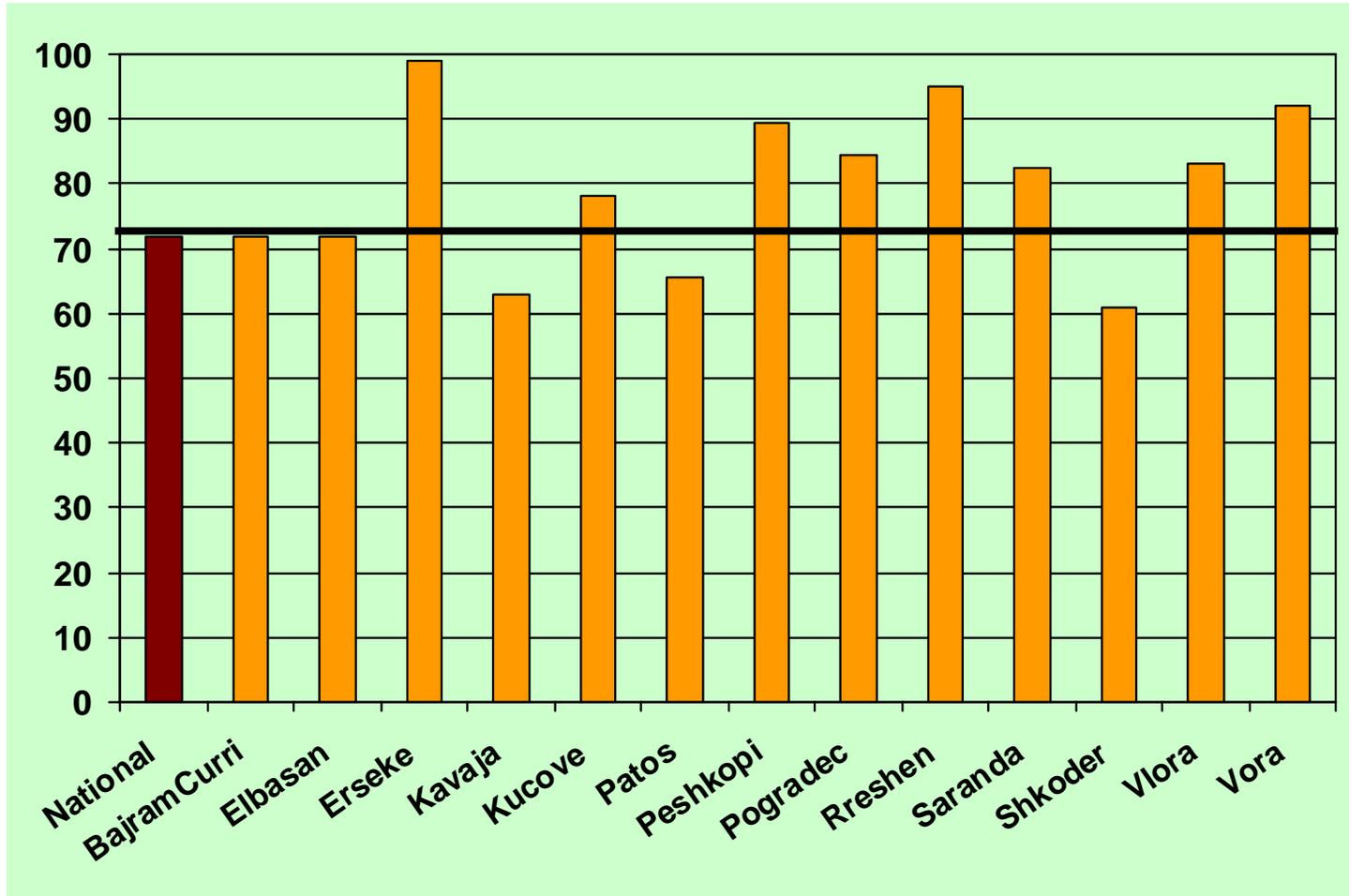
- Local and national surveys presented to Albanian public to hold government accountable for results
- Local survey results (with national comparisons) presented to local city councils and community—used for budget and other management decisions

# Annex E

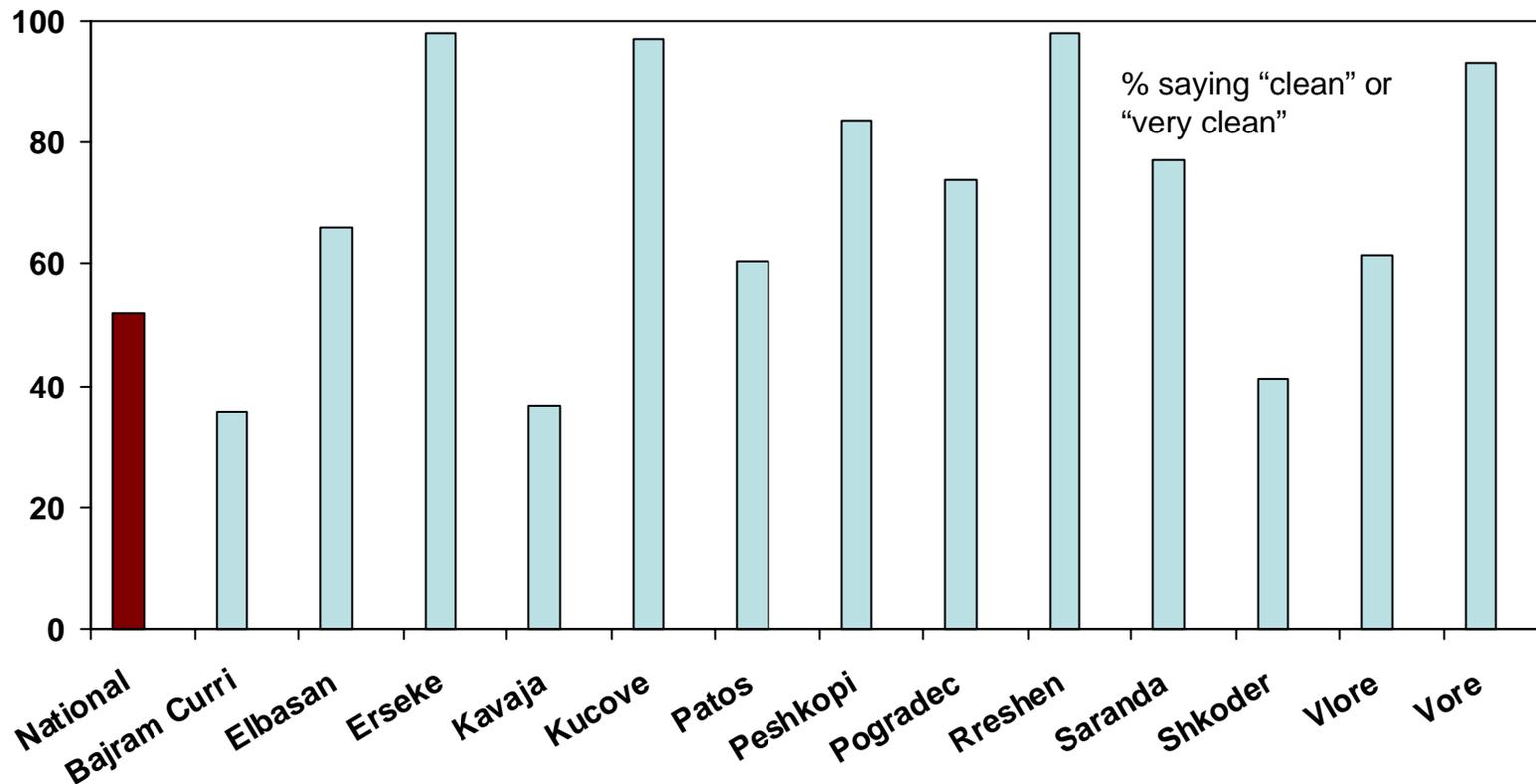
## **City-National Comparative Data**

**Albania National Local  
Government Survey, 2006**

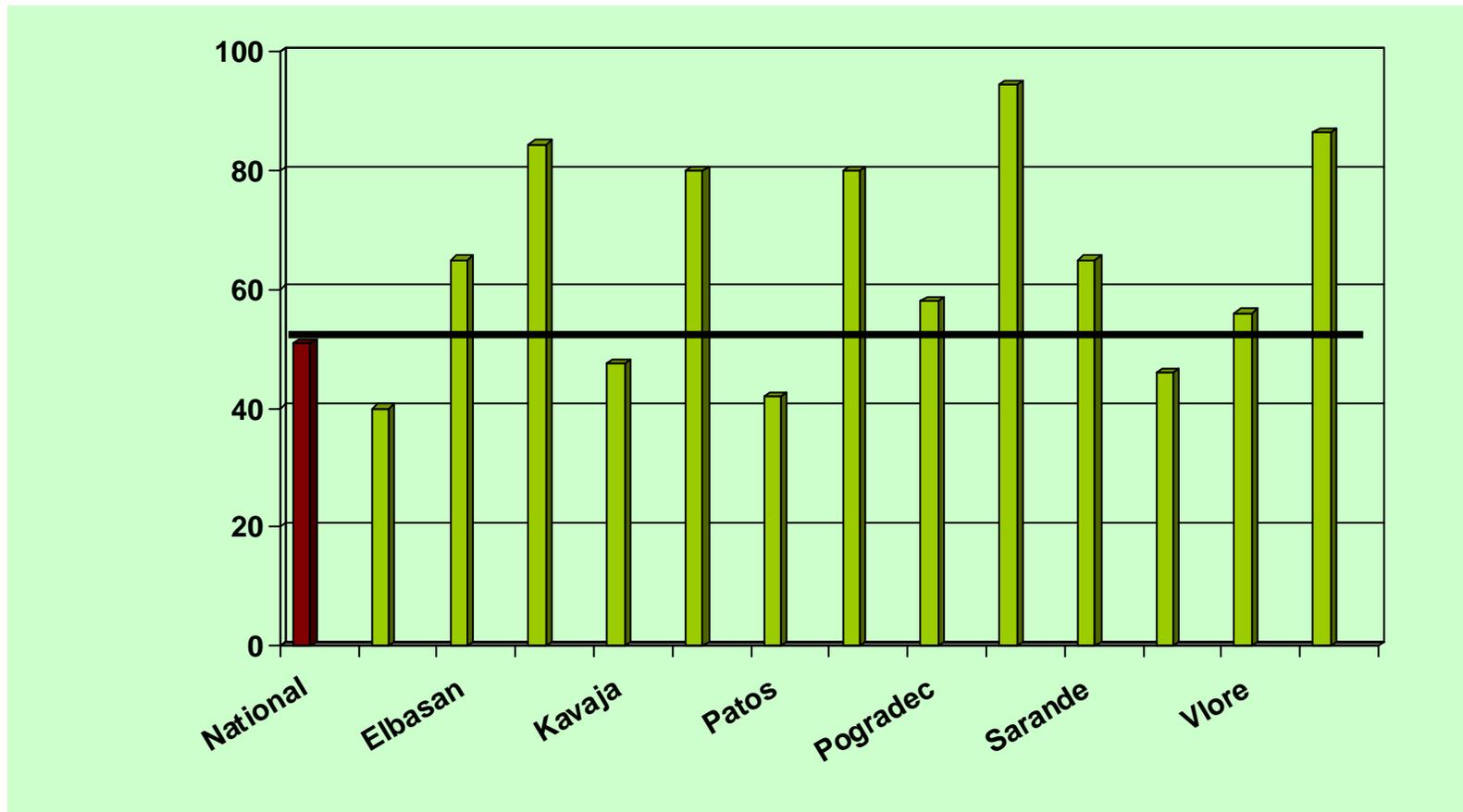
# Overall Quality of life in the city (as good and very good)



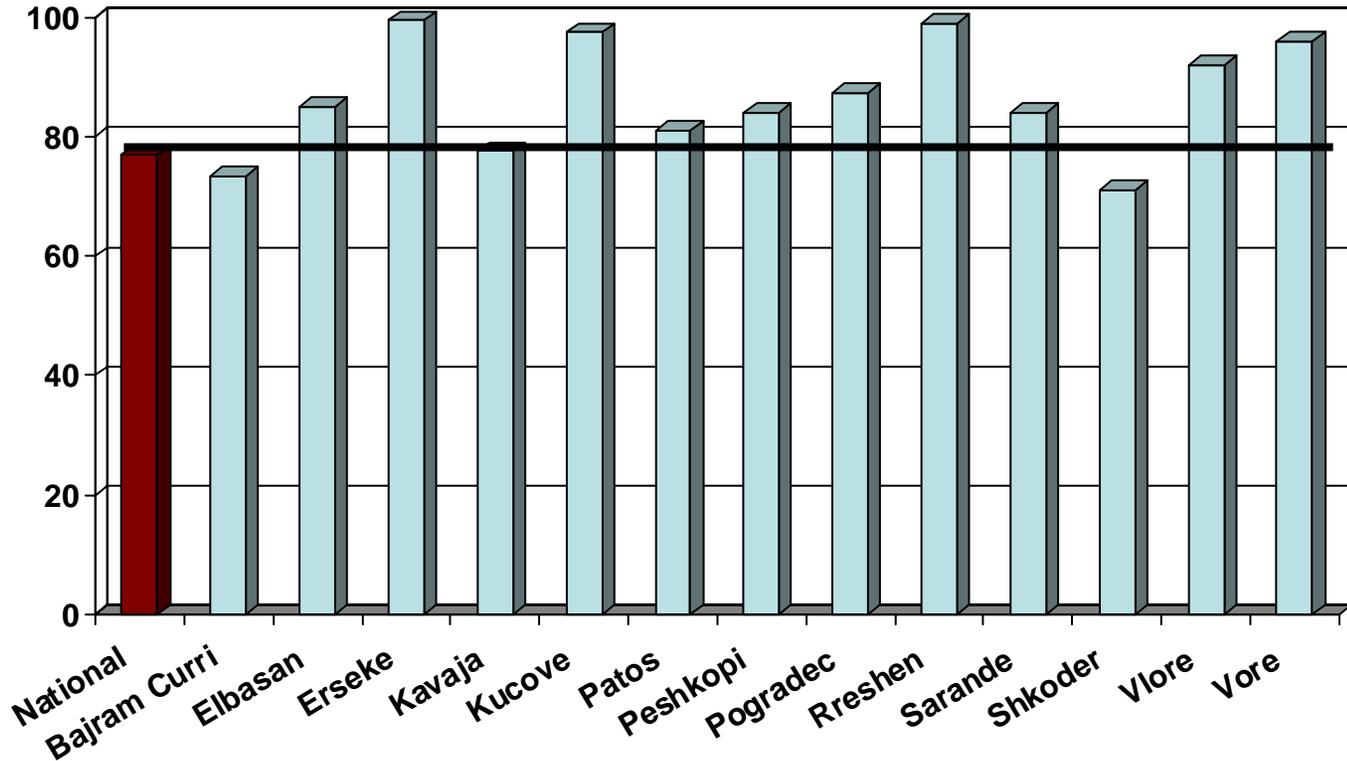
# General cleanliness in the city (as “clean” and very clean”)



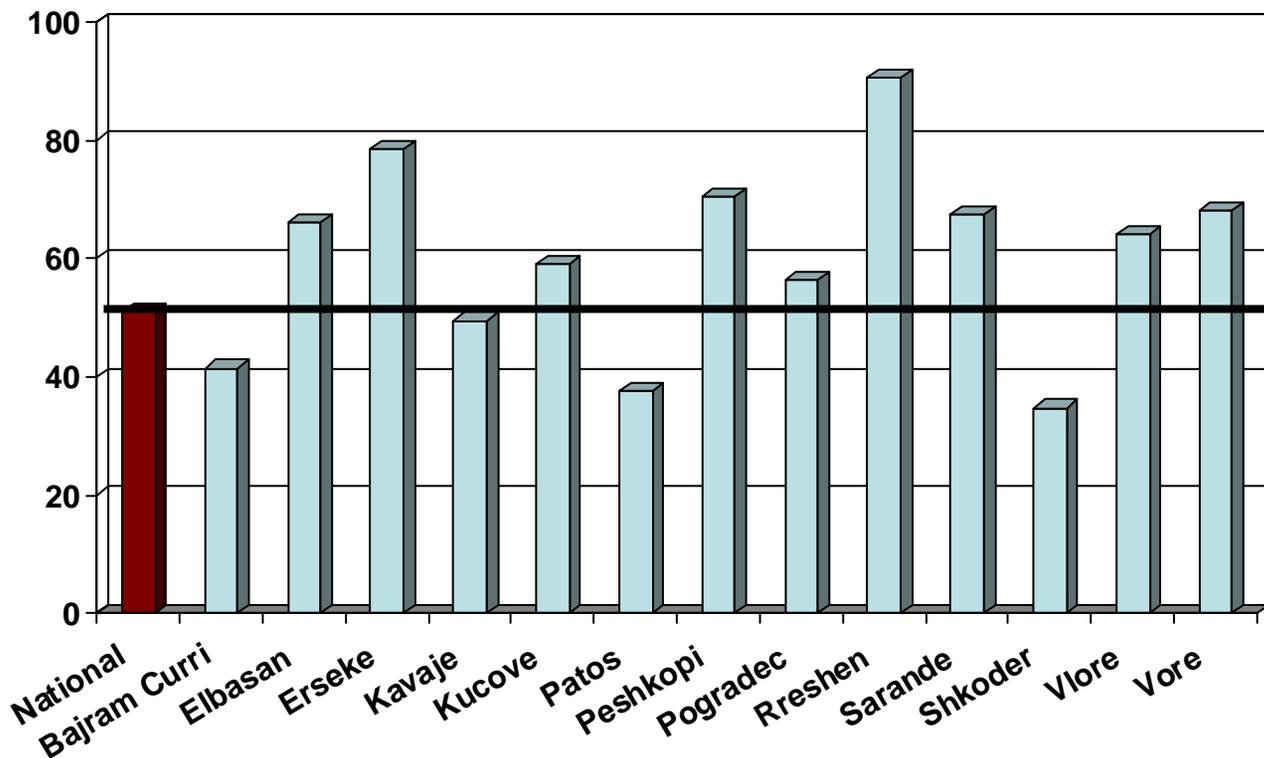
# Cleanliness in the neighborhood (as “clean” and “very clean”)



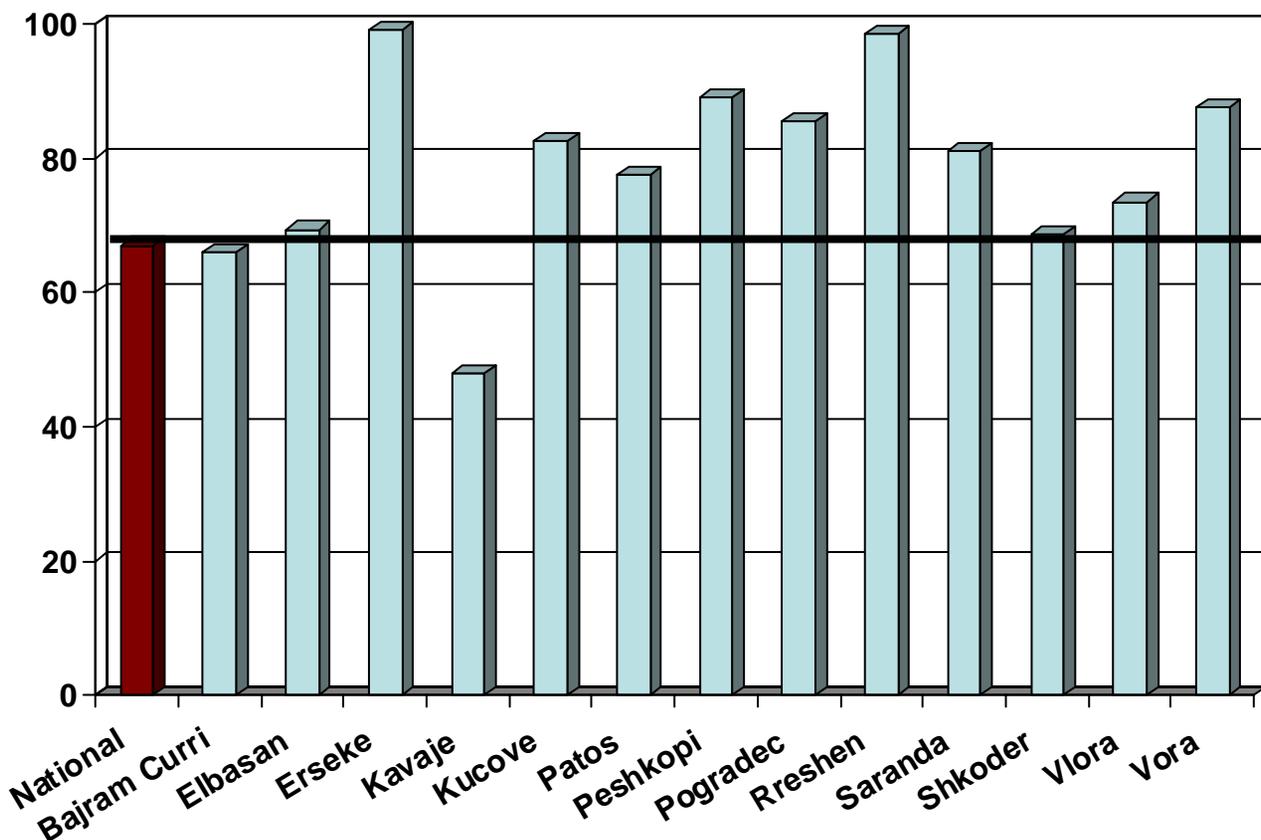
# Condition of road surfaces in downtown area (as “good” and “very good”)



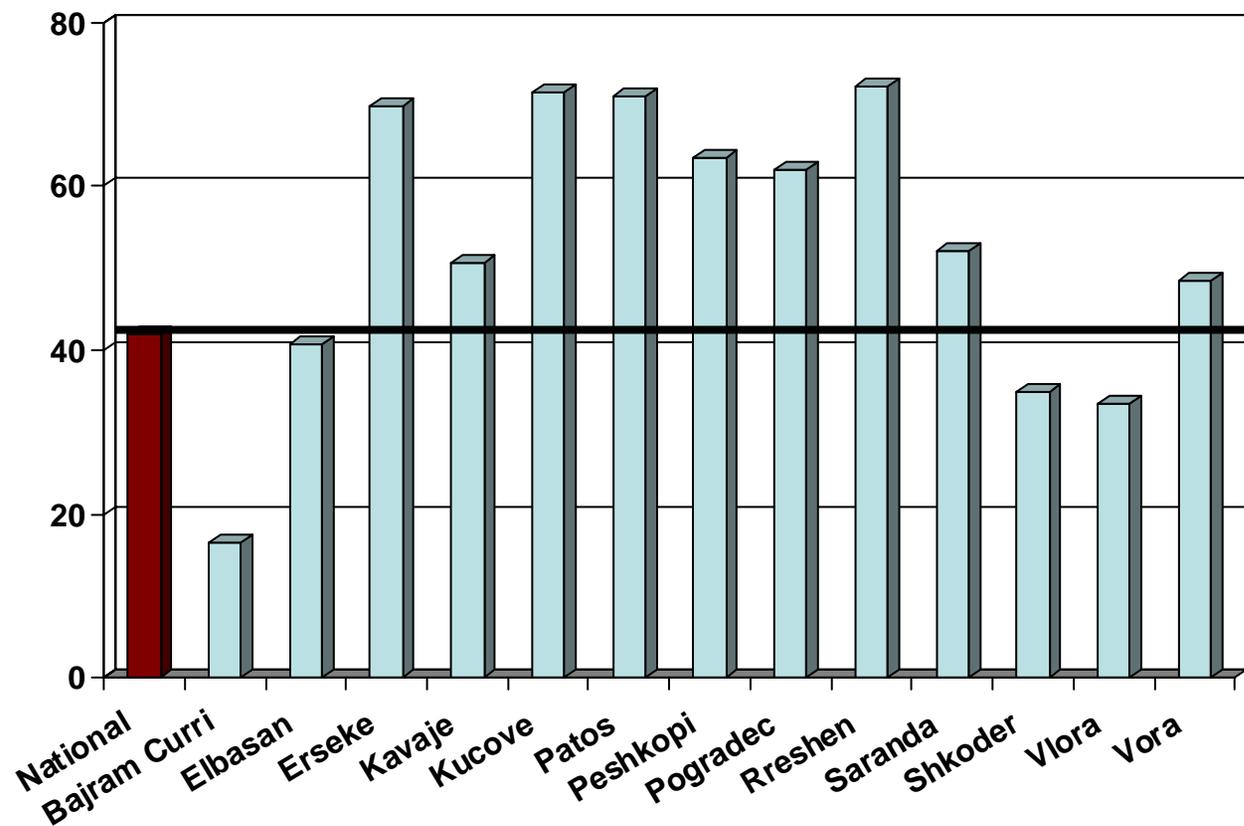
# Condition of road surfaces in the neighborhood (as good and very good)



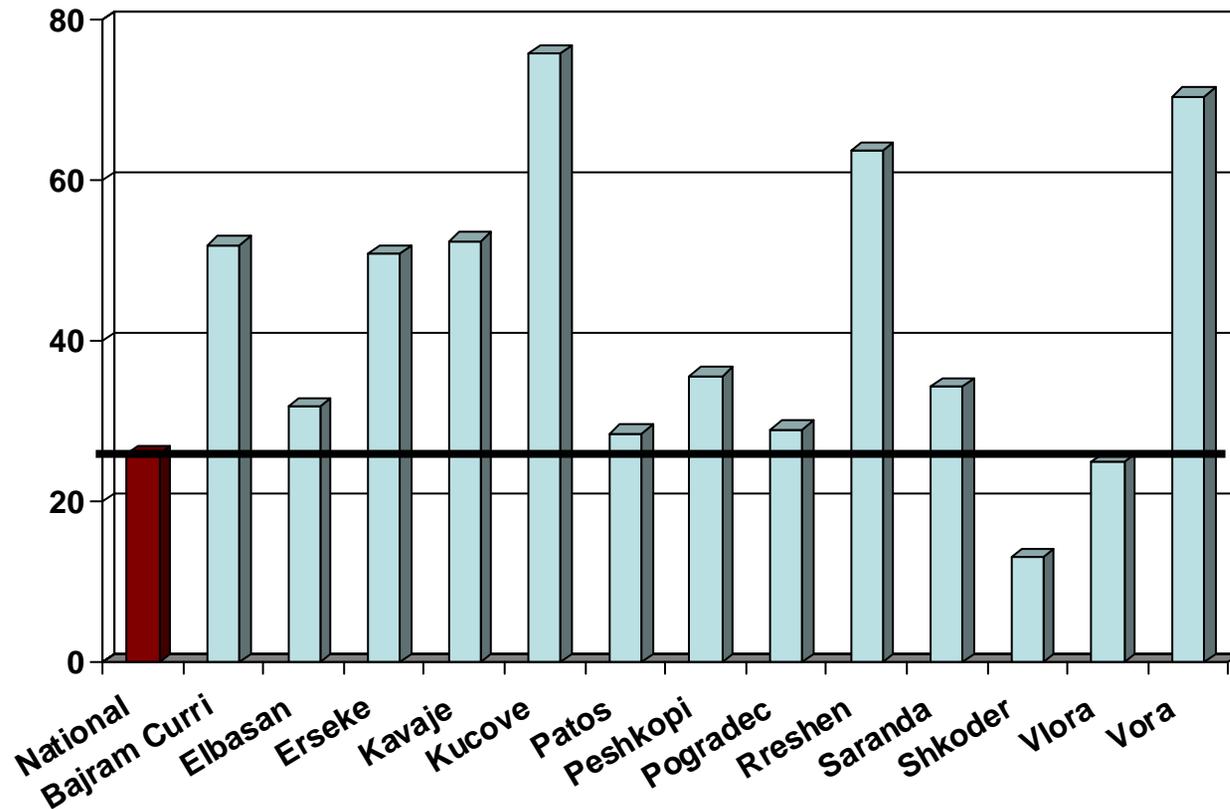
# Condition of sidewalks in the city (as “good” and “very good”)



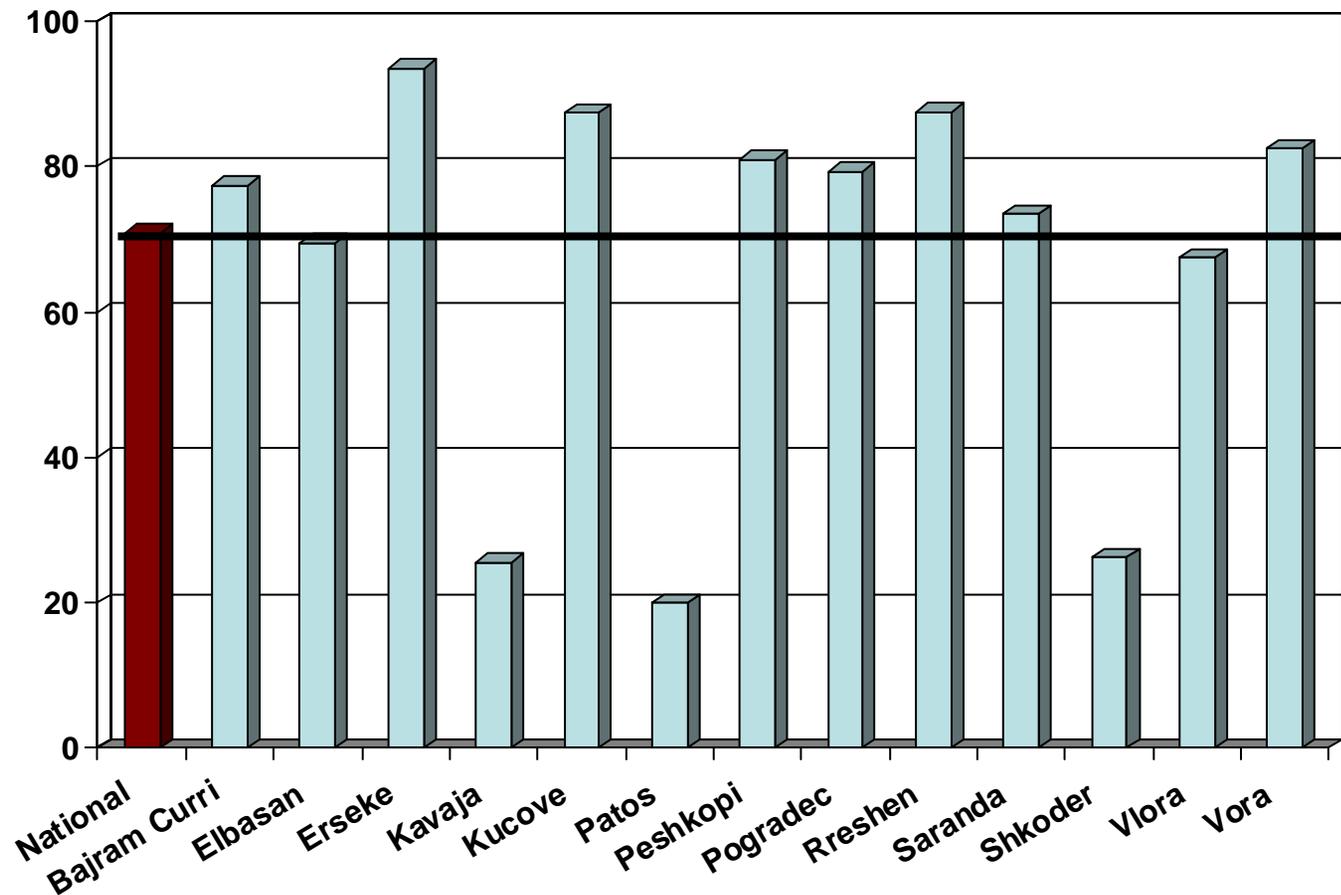
# Street name signage in the city (as “good” and “very good”)



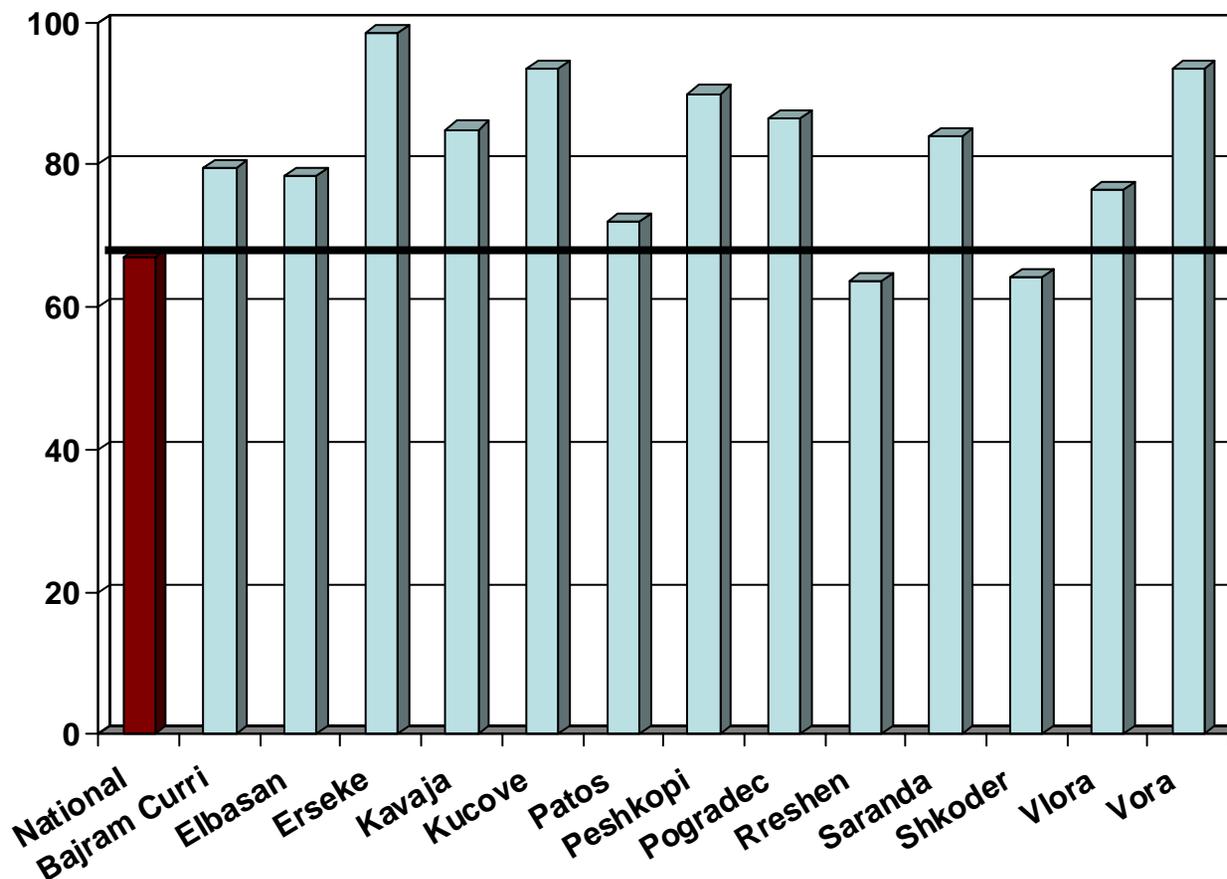
# Parking Conditions in the downtown business area (“satisfied” and “very satisfied”)



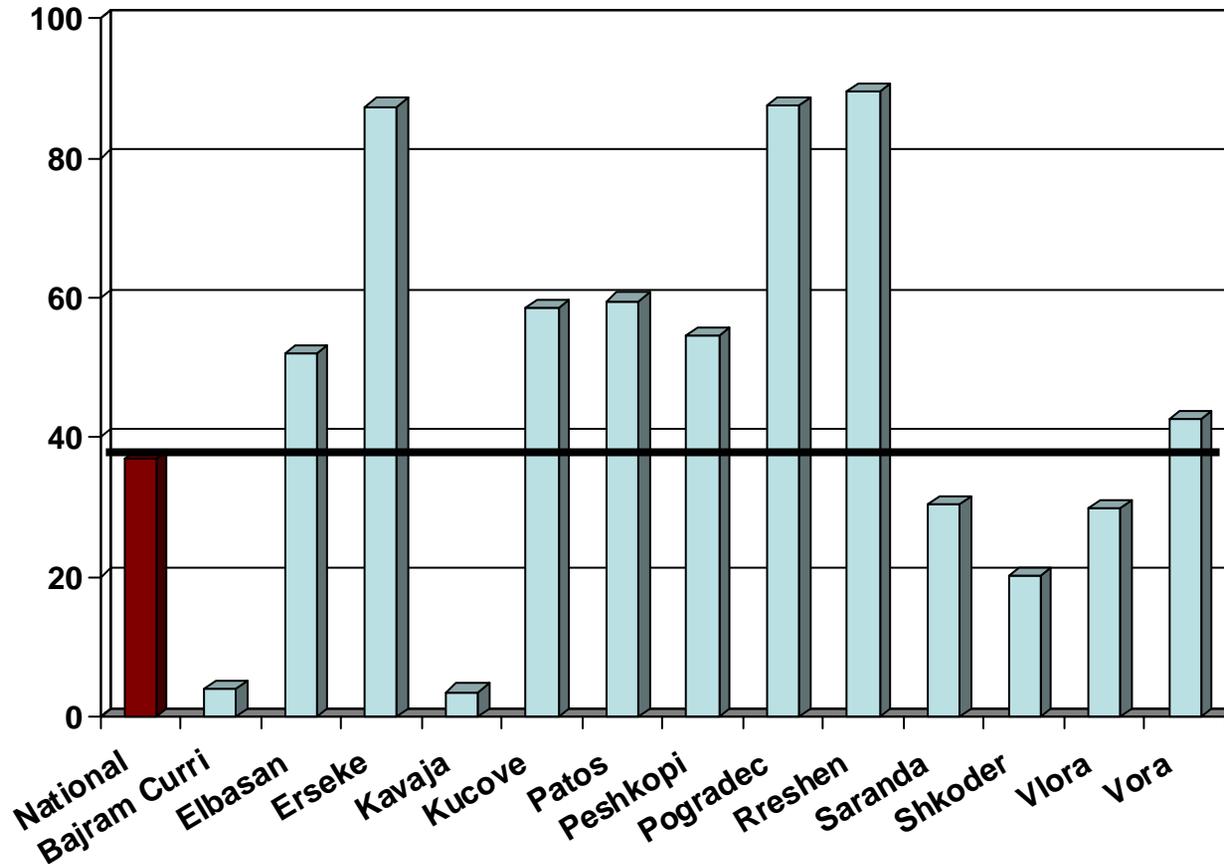
# Condition of street lighting (as “good” and “very good”)



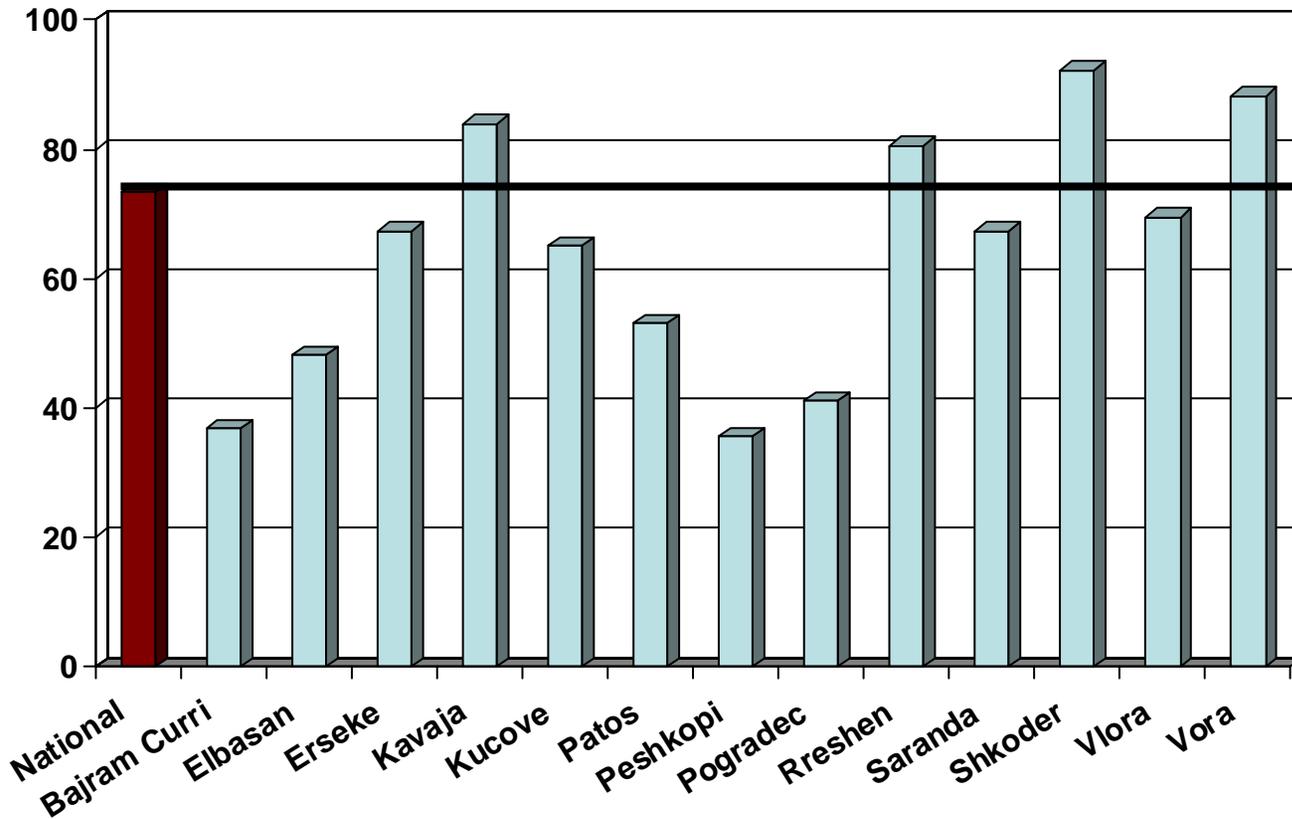
# Feeling of safety when walking alone at night (as “safe” and “very safe”)



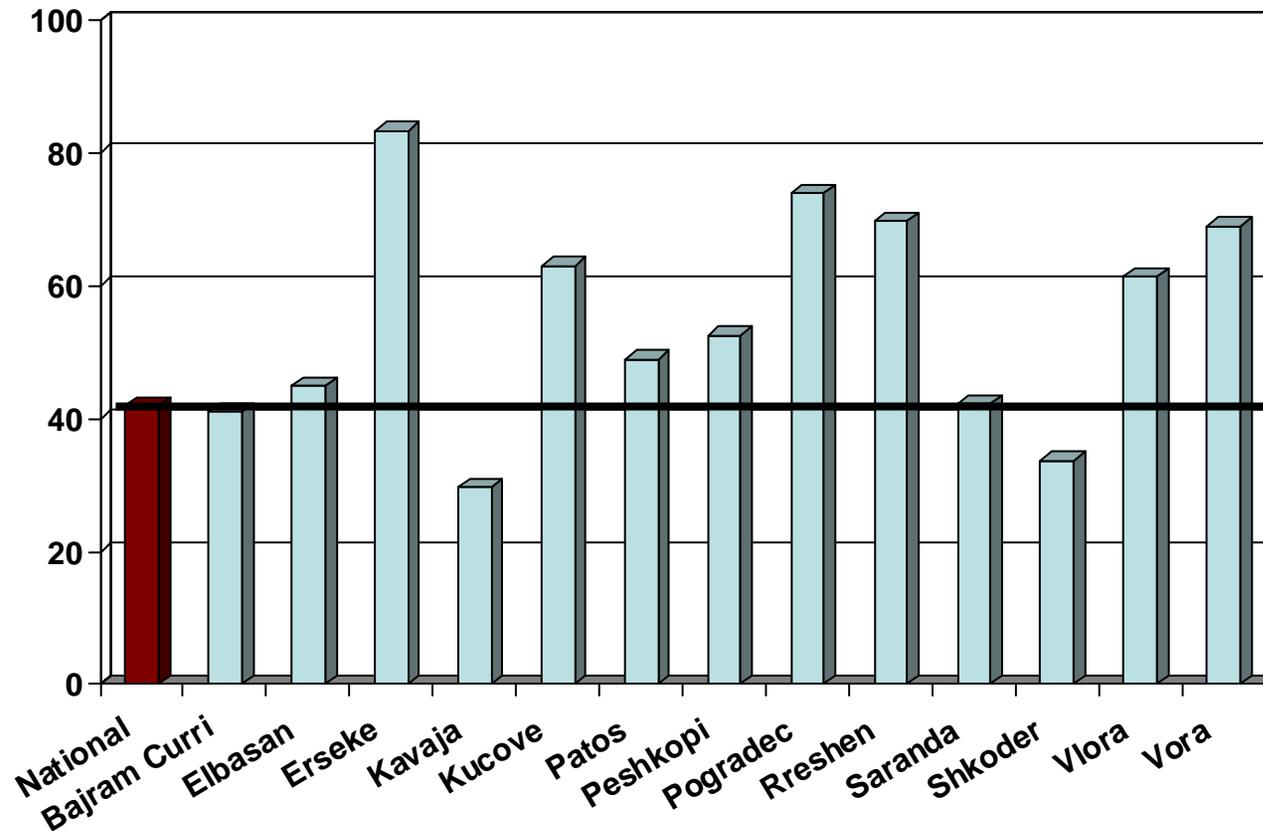
# Quality of parks and green areas in the city (as “satisfied” and “very satisfied”)



# Have sufficient water when it is needed (as “always” and “usually”)

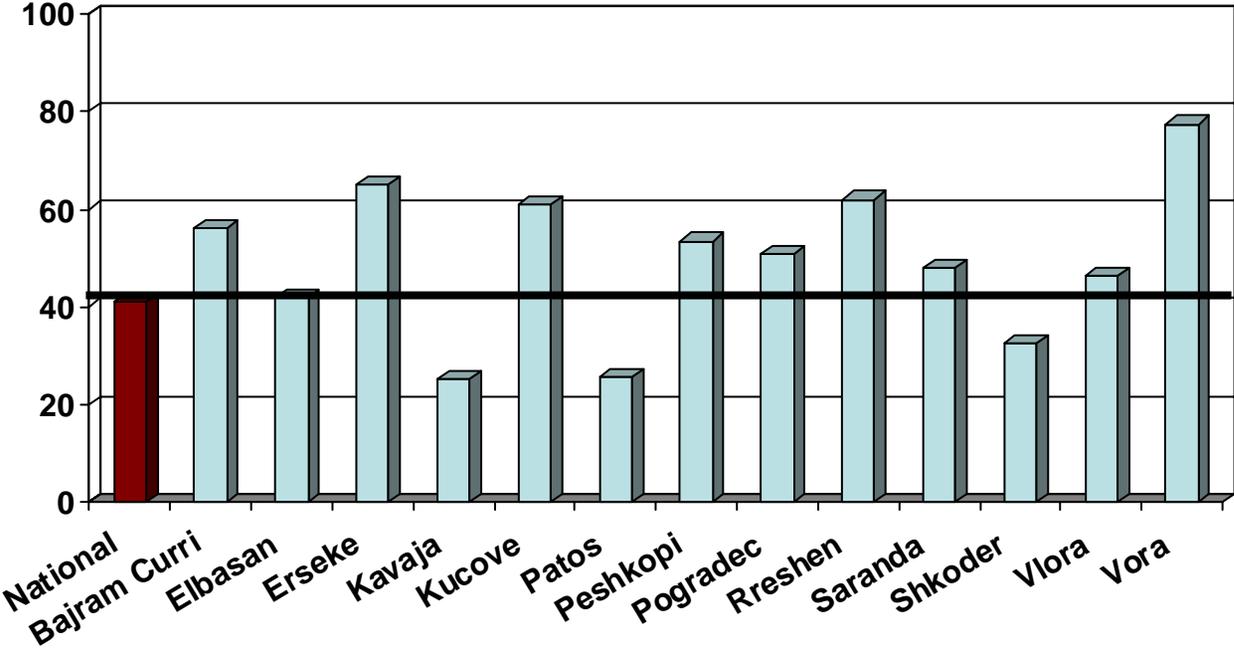


# How well the municipality keeps citizens informed about activities and services (as “well” and “very well”)

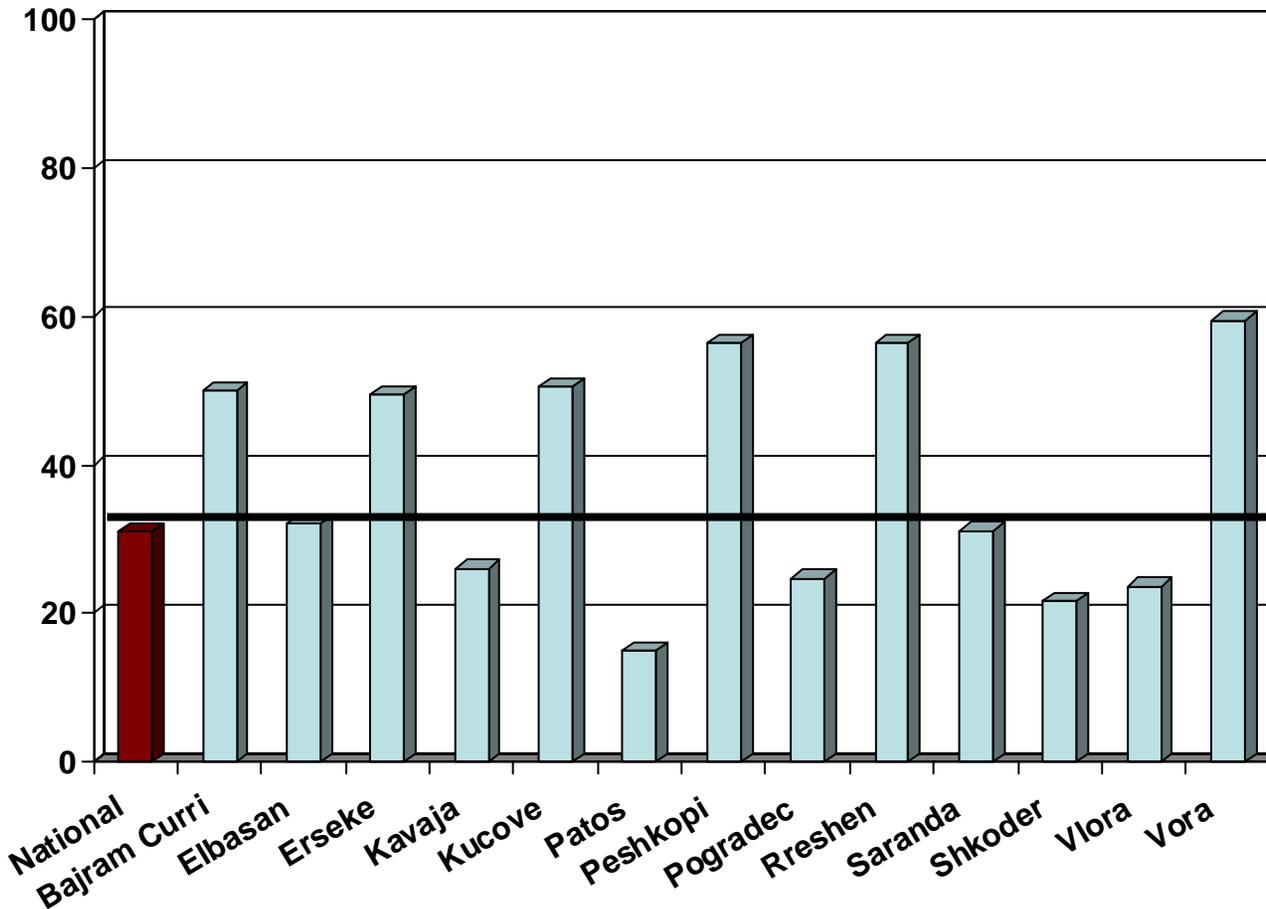


# City Comparisons: “budget decisions reflect citizen priorities”

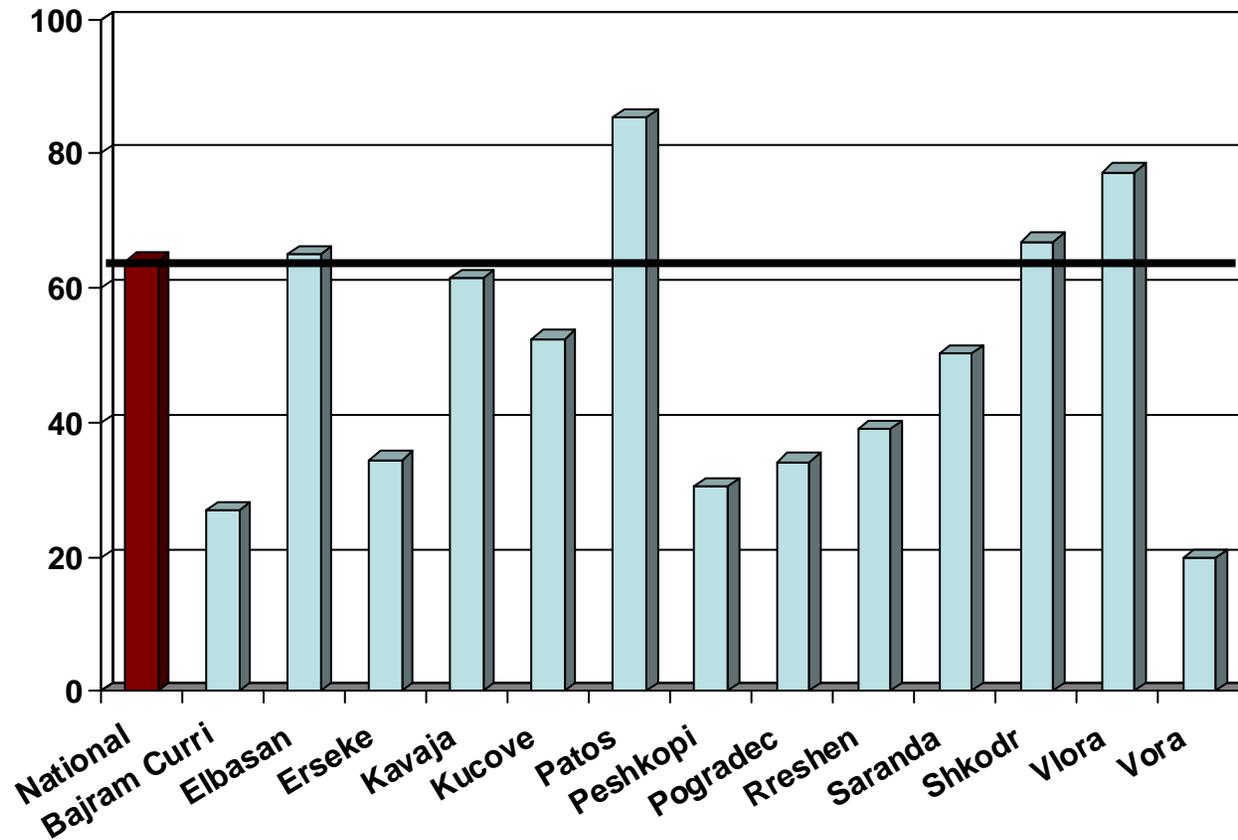
## Agree and Strongly Agree



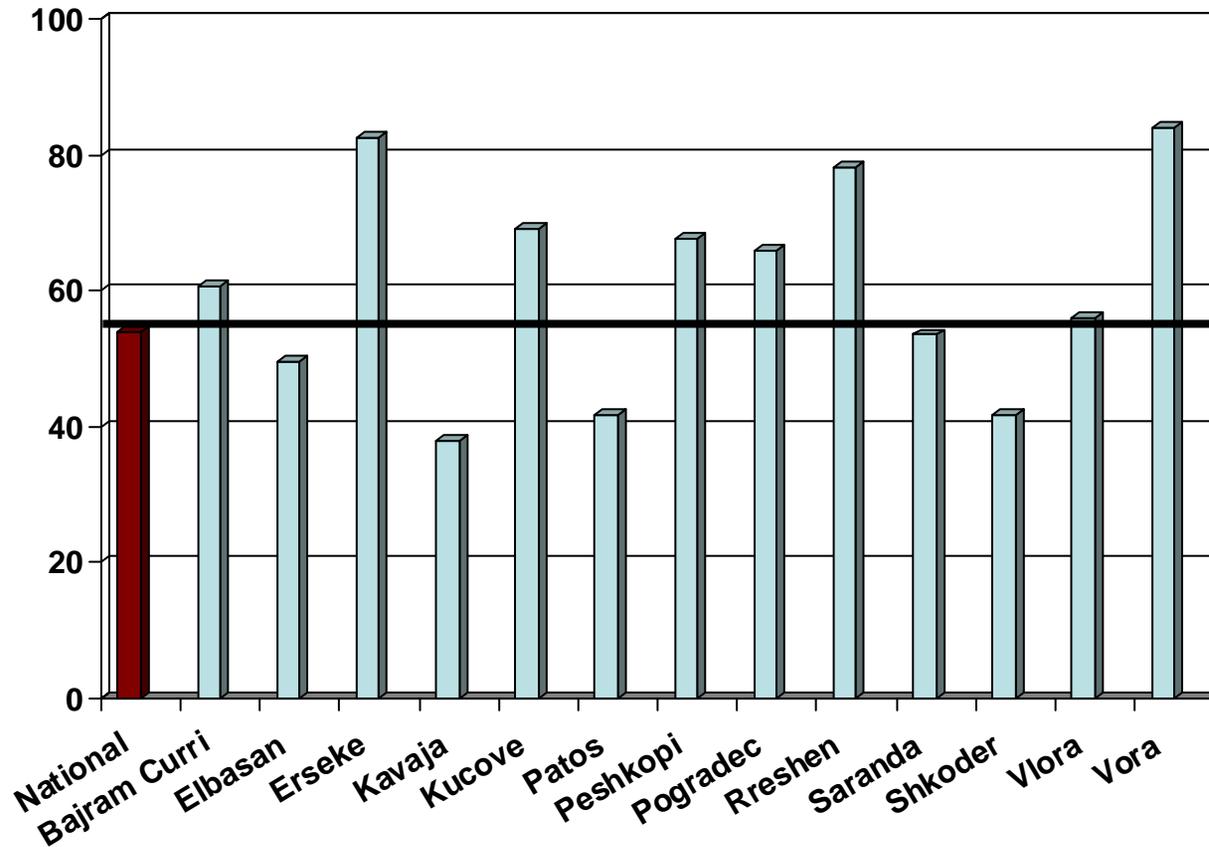
# Local Government acts fairly when it awards contracts (as “agree” and “strongly agree”)



# Corruption among local public officials (as “common” and “very common”)



# Confidence that the municipality manages funds well (as “very much” and “somewhat”)



# Decentralization in Albania

## Local Government Services Accountability and Citizen Relations



**2005-2007** Citizen Survey Results



**USAID**  
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DECENTRALIZATION IN ALBANIA

**Decentralization in Albania:**  
Local Government Services  
Accountability and Citizen Relations

2005-2007  
Citizen Survey Results

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## Decentralization in Albania: Local Government Services, Accountability and Citizen Relations

### I Introduction

Decentralization has helped to transform the centralized system of government Albania inherited from communist times into one with recognizably independent local elected institutions. Albania's decentralization has been a particularly open and inclusive process that continues to this day as the country tackles such important issues as urban planning and water service provision. As a result of decentralization, Albania's local governments today have greater authority and decision-making autonomy, more discretion over resources, and more opportunities to align resources with community needs and expectations. Between 1998 and 2005 the local government share of total government spending rose from 4 to 45 percent, while local government reliance on state revenues decreased from 95 to 49 percent.

Apart from the type of fiscal data cited above, however, there is little information about the impact of Albania's decentralization process on citizens. This National Albanian Local Government Survey<sup>1</sup> aims to fill the void. The survey gauges citizen perceptions and experience along two dimensions:

1. Local Government Capacity. On this dimension, the survey measures citizen satisfaction

with their quality of life, the quality of local services, city financial management, city council activity, customer service, and the responsiveness of local government to citizen needs

2. Local Government Accountability. On this dimension, the survey measures citizen trust in local government to make decisions fairly, manage local finances, apply policies and procedures fairly and to provide accurate and useful information about procedures and requirements to the public.

The survey can be used to assess local government performance, help local governments benchmark their performance against national results, set targets for future improvement, and track progress toward achieving community goals. It can provide policy makers a barometer for measuring the degree to which Albanian decentralization is achieving its main goal: improving the quality of life of local communities.

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<sup>1</sup>This survey was produced for the United States Agency for International Development. It was prepared by the Urban Institute (UI) and the Institute for Development and Research Alternatives (IDRA) through the Local Government and Decentralization in Albania (LGDA) project. The authors' views do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

*LGDA provides expert technical assistance services to strengthen local governments in Albania and to increase their autonomy from the central government. Integral to this purpose is seeking opportunities to increase local government responsiveness and accountability to their citizenry.*

### Methodology and Margin of Error

The National Local Government Survey was conducted in July and August 2005 and repeated in March and April of 2007. Both surveys consisted of a random, nationally representative sample of 1,106

Albanian citizens (over 18 years old) who reside in municipalities, which provides for a sampling error of +/- 3 percent. A group of 44 experienced interviewers conducted the in-person interviews in the field, covering 79 clusters in 30 cities of Albania.

## II Key Findings

The main survey findings are as follows:

### Local Government Capacity:

- Most citizens in 2007 perceive their quality of life as good or very good and more than half believe their quality of life has improved in the past three years, though those perceptions are little changed from 2005.
- As in 2005, citizens in 2007 continue to see the economy, unemployment and inadequate infrastructure as the most significant problems facing their communities; most (58%) believe that local governments now have a long-term strategy to confront these problems
- Most citizens show more satisfaction with the quality of local services, including cleanliness, road conditions, water supply and street lighting. Citizen

satisfaction with the quality of parks and green areas is lower and unchanged since 2005.

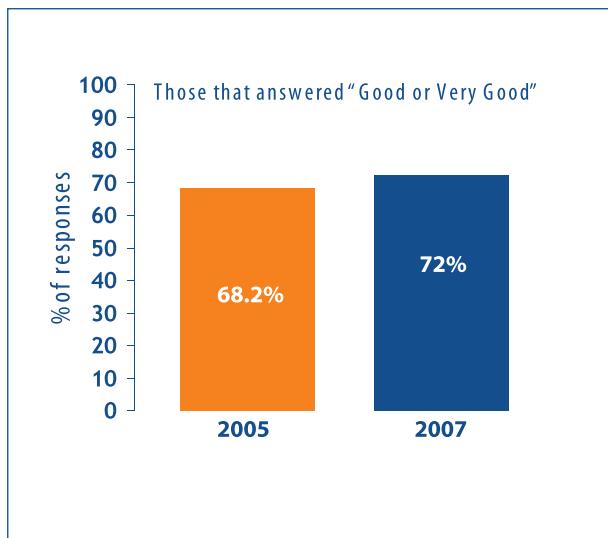
### Local Government Accountability

- Most citizens in 2007 see considerable room for improvement for local government on most measures of government accountability. While most citizens say they trust local officials to perform certain functions, nearly two-thirds believe that corruption is widespread among local officials.
- Most (54%) citizens continue to see local governments as not welcoming citizen participation in municipal affairs, though more citizens see local governments as encouraging participation in 2007 than in 2005.
- How citizens evaluate local government (in terms of accountability, responsiveness, openness) is influenced by how they evaluate their local governments' delivery of services.

### III Quality of Life and Main Issues Facing Municipalities

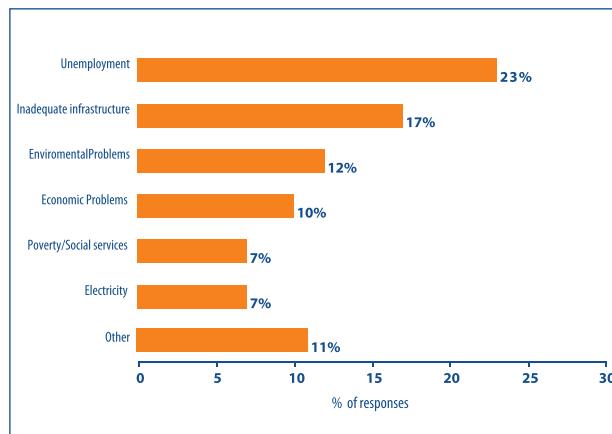
Albanian municipalities are responsible for delivering a variety of services that contribute to a higher overall quality of life. Citizens were asked about their overall quality of life and whether it has changed in the past three years. Most (72 percent) reported their quality of life as good or very good in 2007 while two-thirds reported their quality of life as having improved over three years. Those evaluations were little changed from 2005. [Fig. 1]

Figure 1. How would you rate the overall quality of life in your municipality?



Respondents were asked to name up to three of the most serious problems facing their municipality today. While no single problem emerged with a clear majority, unemployment (23%), inadequate infrastructure (17 percent), the economy (10%), and environmental problems (12%) were cited as the most serious problems municipalities face. These results are comparable to the 2005 survey. [Fig 2]

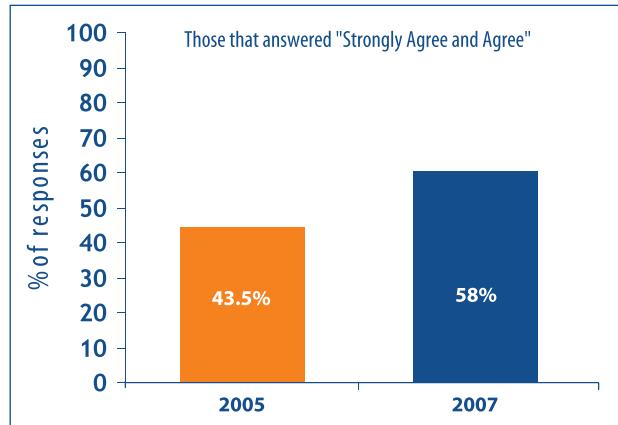
Figure 2. Most important priority for investment/funding allocation



On which services would citizens like to see local government focus more resources? The survey shows that improving the amount of water supply provided to citizens on a daily basis and cleaning the city are the most important priorities (both with 22 percent), followed by improvement in condition of the roads and drainage systems (14% and 8%, respectively).

### Figure 3. The local government has a long-term strategy for the future

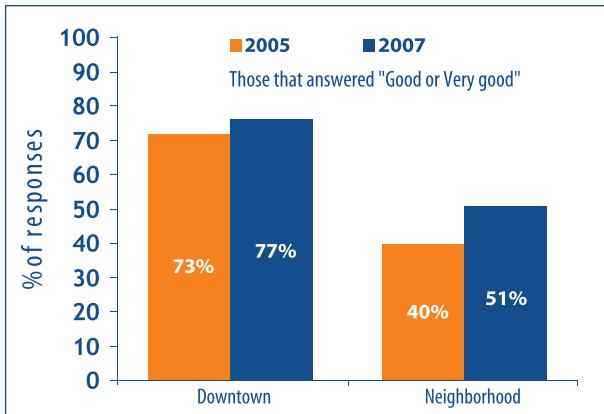
Citizens were also asked whether they agreed that the local government has a long-term strategy for the future. In 2007, 58 percent of citizens said their city does have such a strategy, representing a 15-point increase over the 2005 survey. [Fig. 3]



## IV Local Government Service Delivery Performance

Decentralization brings the management of public services under local control, closer to the recipients of those services. How do citizens rate the performance of local government in the delivery of those services? Focusing on the services that local government is responsible for delivering (cleanliness of the city, roads, street lighting, parks), citizens see some improvement across all services. At the top of the list are road and sidewalk conditions. As in 2005, citizens were most satisfied with road conditions in the downtown areas (77%), and less satisfied with roads in their own neighborhood. Both ratings show significant improvement since 2005.. [Fig. 4]

Figure 4. Citizen ratings of road conditions



People gave their cities average marks on cleanliness but saw slight improvement over the 2005 survey: 52 percent of citizens rated their city as clean or very

clean, up 5 points since 2005. Citizens show the least satisfaction with parks and green areas. Only about one-third of citizens were satisfied with the service, a similar result as in 2005. [Figs. 5-6]

Figure 5. Citizen ratings of city cleanliness

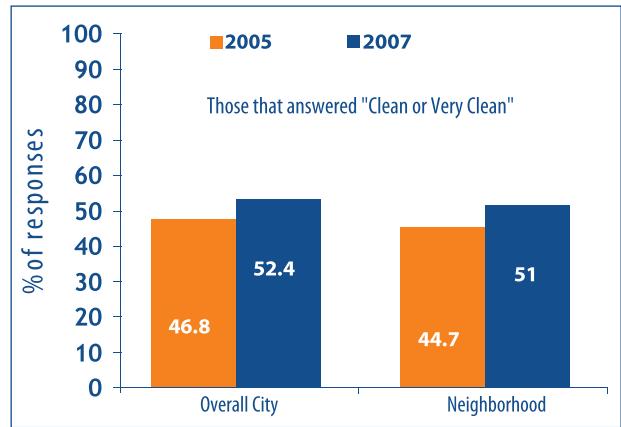
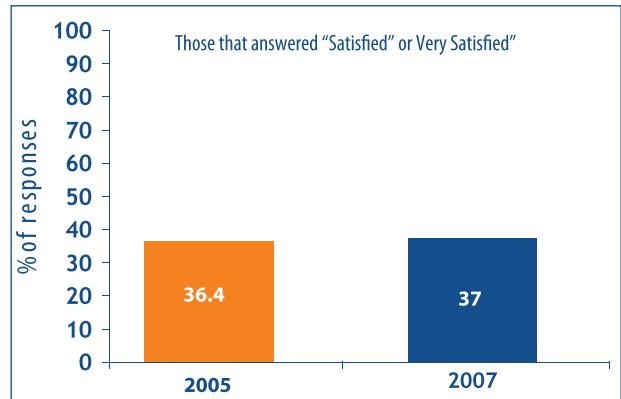


Figure 6. Citizen ratings of the quality of parks and green areas

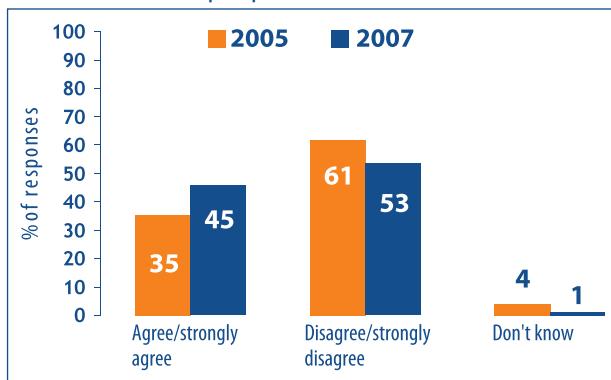


## V Accountability and Responsiveness of Local Government to its Citizenry

Increasing public participation in local government decision-making and greater accountability of local government are major goals of decentralization. To what extent has public participation and accountability been established at the local level? How has it changed? The 2007 survey shows that less than half of the citizens indicate satisfaction in these areas, but there has nevertheless been improvement since 2005.

Slightly less than half (45%) of citizens agree that their local government cares what they think, up ten percentage points from 2005. Asked whether the local government responds (most of the time or always) to what people want, however, only one-third responded affirmatively. That low number nevertheless represents an 8-point improvement over 2005. [Fig 7]

Figure 7. The local government is interested in and pays attention to what people like me think.



When delving into more specific topics, such as budget policy and financial management, results improve upon the 2005 survey, yet still reveal room for improvement. [Fig. 8]

Figure 8. Citizen opinions on local government responsiveness

(% agree or strongly agree with the following statements)	2005	2007
Local government budget decisions reflect priorities of citizens	33	41
Local government applies taxes and fees fairly to all citizens	33	44
I receive good value for municipal taxes and fees	32	39

The survey asked citizens to distinguish central government functions from those of local governments and ascertained the extent to which citizens evaluate and hold local government accountable for the the functions corresponding to the correct level of government. I

Albanian citizens did differentiate the legal roles and responsibilities of local from those of the central governments. They correctly saw local government as responsible for basic communal services, such as cleaning, parks and green areas, road maintenance, and street lighting. They were less sure about services that have been shared or are still being transferred to the local government, such as water supply, and

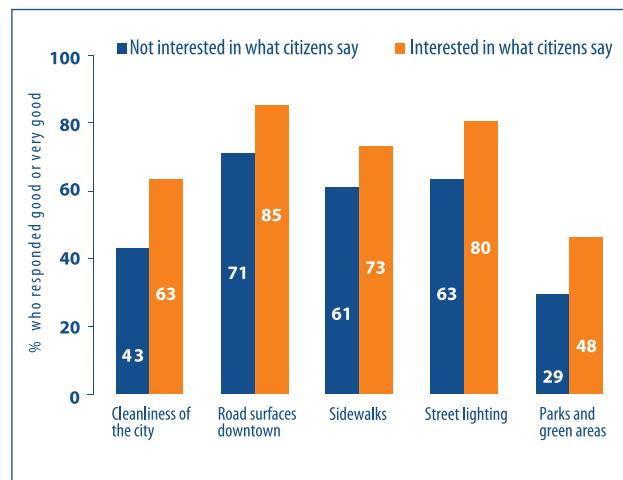
protection of local cultural heritage. More people perceived local government as responsible for school maintenance (73% as opposed to 67% in 2005) and school construction (46% compared to 29% in 2005). [Fig. 9]

Figure 9. Citizens who say the local government has responsibility for the service

SERVICE	2005	2007
Cleaning	98	97
Road maintenance	89	91
Street lighting	89	91
Parks/greenery	93	91
Sewerage	84	90
Construction of local roads	79	83
Educational facility maintenance	67	73
Drinking water supply	65	62
Social Assistance	65	62
Protection of cultural heritage	51	59
Pre-school education	46	51
Construction of educational facilities	29	46

Citizen perceptions that local governments are responsive and deliver better services are related. People who believed their local government was interested in what they had to say tended to be more satisfied with the quality of service delivery across services. [Fig. 10]

Figure 10. Responsive local governments are perceived as performing better

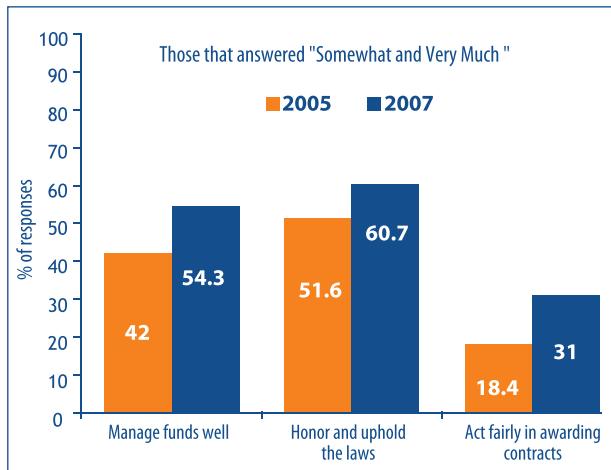


## VI Citizen Perception of Corruption and Trust in Local Government

Decentralization should enhance transparency, responsiveness and accountability in local government operations. How do Albania's municipalities measure up against this goal?

More than half of Albanians in 2007 said they trusted local government to honor and uphold laws, to solve local problems, and to manage funds well, an improvement over the 2005 survey: trust in government to honor and uphold laws (up 9 points), to solve local problems (up 4 points), to act fairly to all citizens (up 10 points), and to manage funds well (up 12 points). [Fig. 11]

Figure 11. Citizen ratings of trust and confidence in local government



Perception of the fairness of procurement processes garners lower satisfaction ratings as only 31 percent agreed that the local government acts fairly and consistently when it awards contracts. However, this figure is 13 points higher than in 2005 and hence demonstrates growing confidence in this area. [Fig.11]

Nearly two thirds of citizens believe corruption is widespread or very widespread among local government officials, although the number of citizens saying so has declined since 2005, from 70 percent (2005) to 64 percent (2007). A lower percentage of citizens say they know somebody who was asked to pay a bribe to local government officials in the past year (14% in 2007 as opposed to 23% in 2005). This illustrates that perceptions and actual experience of corruption tend to diverge. [Figs. 12-13]

Figure 12. Citizen ratings of corruption among local government officials

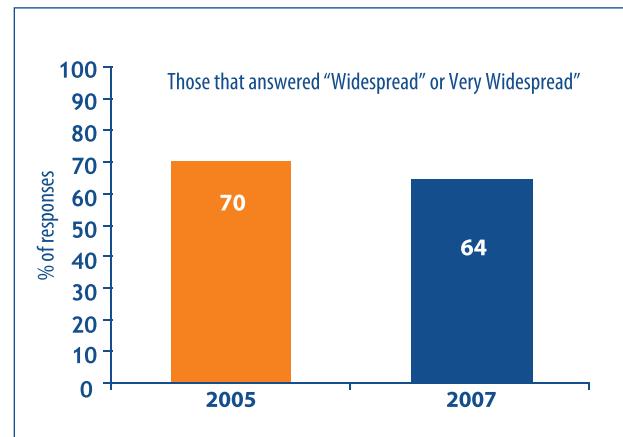
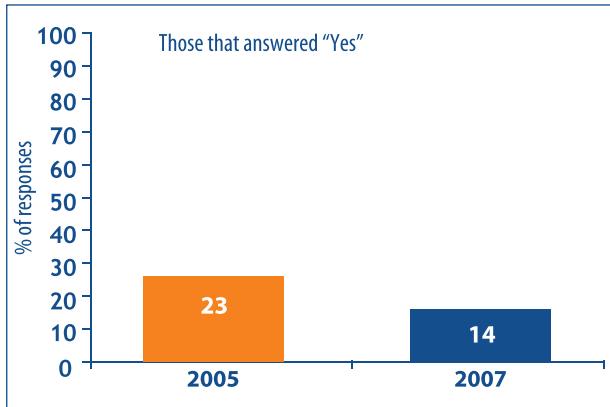


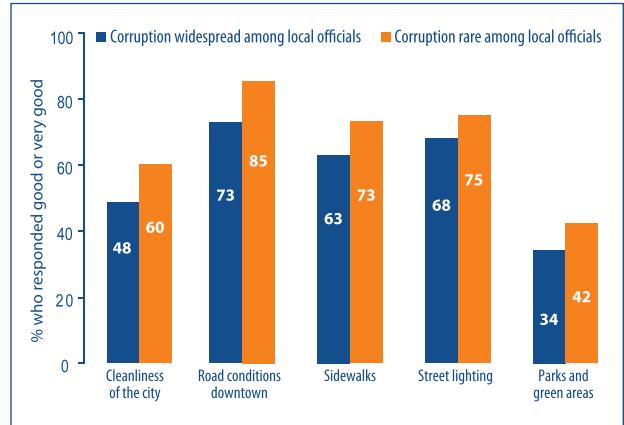
Figure 13. Citizens who say they personally know somebody who was asked to pay a bribe in the past 12 months



Citizen perceptions of corruption and service delivery performance are related. People who viewed

corruption among local officials as rarer tended to be more satisfied with service delivery. [Fig. 14]

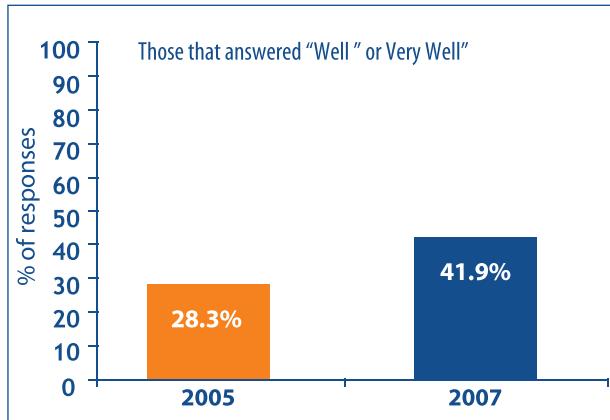
Figure 14. When corruption perceived as rare, local government service delivery perceived as performing better



## VII Information Provision, Communication and Citizen Participation

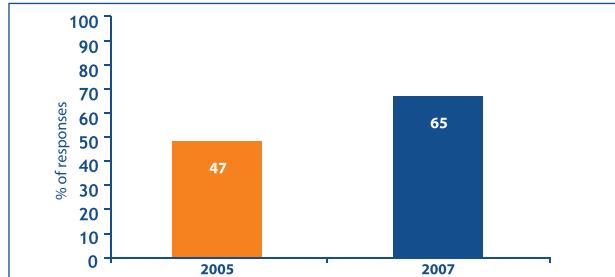
Local governments have a duty to keep citizens well informed about their activities and decisions and to involve them in public affairs. To what extent have cities fulfilled this responsibility? Less than half of respondents (42 percent) believe the local government keeps them well informed or very well informed, although this figure represents a 14-point improvement over 2005. [Fig. 15]

Figure 15. Local Government keeps citizens informed of municipal activities and services



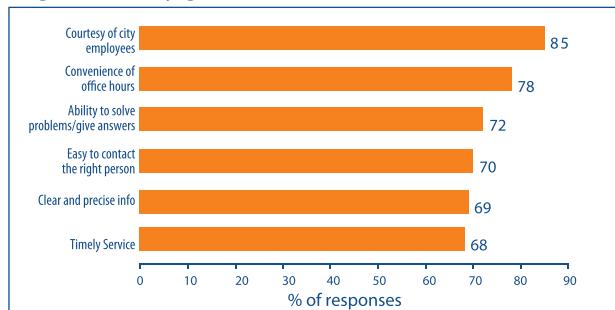
Citizens fare better in knowing whom to contact when they do need information: 65 percent agreed with the statement that if they had a problem and needed help from the local government, they would know whom to contact, an 18-point increase from 2005. [Fig. 16]

Figure 16. If I had a problem and needed help from the local government, I would know whom to contact



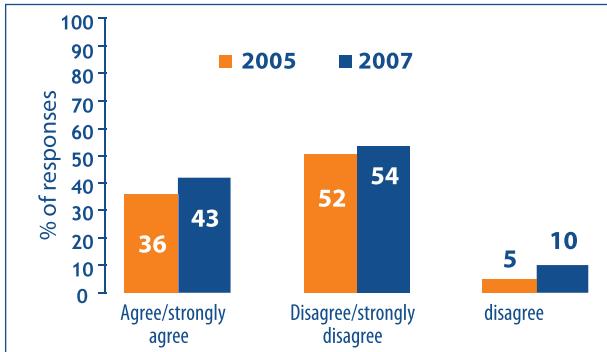
Fewer citizens visited a local government office in the 12 months prior to the survey in 2007 than in 2005; however, for those who did visit a local government office, local government customer service has improved since 2005. The survey rated elements of customer service, an important aspect of effective communication and service in general, including, courtesy of city employees, timeliness of service and access to information. Citizens with experience getting information from a local government office tended to give better ratings of local government performance. [Fig. 17]

Figure 17. Citizens rate performance of local government as good or very good



Do local governments welcome citizen participation in municipal affairs? Most citizens (54%) thought they did not. Although active participation in city council sessions, advisory boards, or other community meetings is not evident in the survey results (less than 8 percent said they have attended a council session), 43 percent said their local government welcomes citizen participation in decision-making activities, representing a 7-point increase since 2005. [Fig. 18]

Figure 18. The local government welcomes citizen participation in municipal affairs



There is a relation between local governments perceived as welcoming citizen participation in local decision-making activities and citizen satisfaction with service delivery performance. People who viewed their city as open to participation also tended to see it as better at delivering services as well. [Fig 19]

Figure 19. Local governments that are perceived as open to citizen participation are also perceived as performing better services

