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MUNICIPAL
BEST PRACTICES 2009

September 2009

Municipal Best Practices 2009

USAID FROM THE AMERICAN PEOPLE | LOCAL GOVERNANCE PROGRAM IN ALBANIA

Shoqata e Bashkive të Shqipërisë

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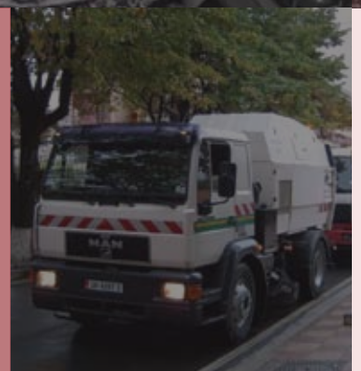

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FOREWORD

Local Governments throughout Albania are implementing sophisticated and innovative practices to improve both the quality and quantity of services provided to their citizens and businesses. Over the last several years, Albanian local governments have seized the opportunity provided through greater decentralization to enhance their work and to provide better services. Despite the challenging economic climate, local government units have improved their governance through better tax administration, implementation of participatory planning processes, advanced financial management, increased oversight, better urban planning, and greater transparency.

The case studies included in this compendium of Municipal Best Practices 2009 is a small sample of the pioneering approaches used by Albanian local governments to improve the quality of life. As the case studies demonstrate these new techniques are being implemented both with and without the support of international donors. But regardless of the source of funds, all best practices have relied heavily on the financial and human resources of the local government units and have utilized technical expertise available in-country. With the political will, local governments have the capacity to accomplish their goals.

This booklet will facilitate the dissemination of best practices implemented in Albanian municipalities to other local government units throughout Albania. Experience shows that peer-to-peer exchanges of experience are one of the best methods of advancing new ideas and skills. This compendium, together with the Municipal Best Practices Conference 2009, allows municipalities to showcase their work to other local government units and interested parties, while at the same time learning from other municipalities' experience. My hope is that these case studies will be used by other local government units to implement similar techniques in their own territories and push all local government units to continue improving. Albanian local governments are already implementing tremendous improvements and I look forward to witnessing their continued success in the future.

Fatos Hodaj

Executive Director
Albanian Association of Municipalities

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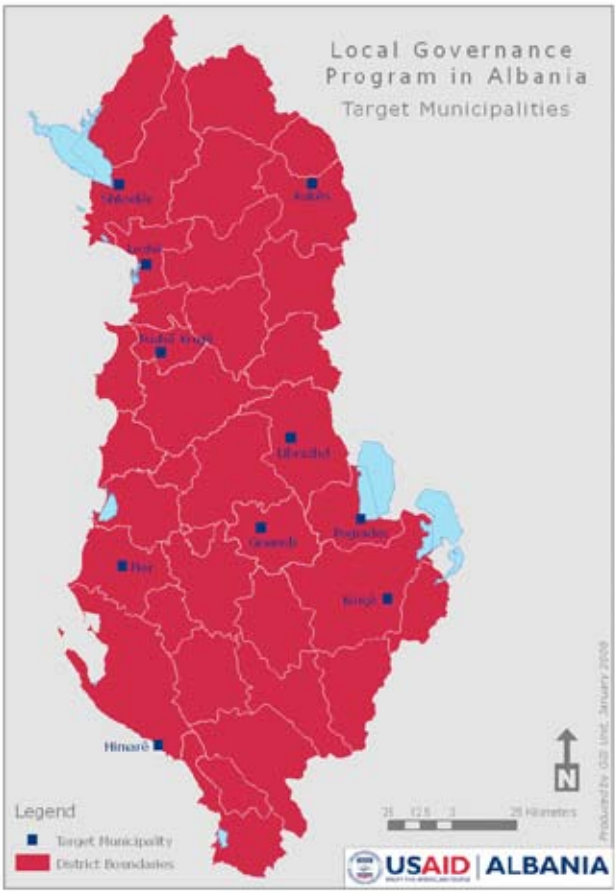
Local Governance Program in Albania

USAID's Local Governance Program in Albania (LGPA) works with ten municipalities throughout Albania to foster local economic growth, improve local governance, and strengthen civic and private sector engagement in local development. LGPA's partner municipalities, as shown in the map below, include Fier, Fushe-Kruje, Gramsh, Himare, Korce, Kukes, Lezhe, Librazhd, Pogradec, and Shkodra.

The LGPA Project assists partner municipalities to develop a 'virtuous circle' whereby new private investment results in increased jobs, incomes, and related economic activity, leading to greater municipal tax revenues, allowing the municipality to improve services, thereby attracting additional investment. This Publication highlights some of the many initiatives undertaken by LGPA partner municipalities towards achieving this 'virtuous circle.'



MUNICIPALITY OF DURRËS

URBAN REHABILITATION & INTEGRATION OF COMMUNITIES IN AN INFORMALLY DEVELOPED NEIGHBORHOOD

The informally developed neighborhood of Keneta in the City of Durres is currently home to more than 30,000 inhabitants and covers an area of 350 hectares. The Urban Rehabilitation and Integration project focuses on a selected pilot area of 5,000 residents and 50 ha. By supporting the legalization process, the Keneta project aims to integrate the community into the formal structures of Durres Municipality. The main stakeholders, in addition to local residents, were Durres Municipality and other local government entities, the Ministry of Public Works, and later on the Agency for Legalization, Urbanization and Integration of Constructions in Informal Areas (known by its Albanian acronym ALUIZNI) both at the central and local levels. The Austrian Government financed this project through the Austrian Development Corporation, with additional financial and technical support coming from the Municipality and Co-Plan. The project was initiated in May 2004 and completed in June 2008.

Intended objectives & beneficiaries:

The project goal was the socio-spatial integration of the community into the Municipal structure. The four main objectives were: (i) prepare a model for the legalization process;

(ii) prepare a detailed urban study for the neighbourhood; (iii) prepare a neighbourhood development agenda, and (iv) implement infrastructure improvements in the project area. Participation of the local community was the cornerstone of project implementation in terms of building a local development vision for the neighborhood, implementing it, and integrating the area with the rest of the city.

Creating a database which facilitates the legalization process, preparing a participatory development plan for the area, and upgrading through organizing and empowering community are the core elements of the project. Technical assistance was given to Municipal staff and to specialists of in local unit of ALUIZNI for preparation of urban studies for the area, and for creating the data base. Today, the pilot neighborhood in Keneta has attracted more investments than anywhere else in Durres Municipality.

Background of the legalization of constructions in the informal areas of Albania:

Legalization of informal construction is today one of the Central Government's top priorities. The approval of Law No. 9482 established procedures for the transfer of ownership, and established the Agency for Legalization, Urbanization and Integration of Constructions in Informal Areas (ALUIZNI) within the Ministry of Public Works, Transport and Telecommunications. Offices of ALUIZNI are operational at the central and regional (Qark) levels. This agency is directly responsible for technical implementation of the legalization law and compensation of private properties affected by the legalization process. It coordinates the work of central government bodies and local government units and delivers the legalization permission. ALUIZNI has recently finalized the aerial map for the entire country and has provided it to the largest municipalities. Local government units initially were foreseen to have an important role in this process. The legalization units, established within local governments, were considered to be the 'first gate' where citizens come to solve legalization related issues. The local governments were also in charge of the preparation of detailed urban plans for the informal areas within their territory.

Implementation of the legalization law began in April 2007. The law was accompanied with very detailed by-laws but implementation was slow. So far,

the first phase of the process, the self-declaration, is finished. The local units of ALUIZNI have completed the databases and technical documentation for almost all the informal areas in the country and the process is now focused on the third phase: preparation of detailed urban studies for the informal areas and awarding of land ownership certificates. To date, the legalizations units within the municipalities were considered to be very passive and non-performing. For this reason, an amendment to the Legalization Law was approved recently by the Parliament. This amendment assigns responsibility to ALUIZNI for almost all activities, and the role of the local government is almost imperceptible. The process is much politicized, and there are lots of ambiguities related to the implementation of the law and bylaws.

Significant achievements:

The Keneta project has created a model for the integration of an informally developed **zone.** Community residents have been empowered, and enabled to participate effectively in the urban planning process. Some significant achievements of the project are as follows:

a. Community development:

i. Strengthening the residents' role through their representative Community Based Organizations (CBO): "Together for Integration and Development" is the association that today represents the community of Keneta project area in different areas. It began as a CBO created during the implementation of the project to strengthen the community and in June 2006 it was legally registered and now operates as an NGO in the area. It has played an important role in the participatory processes for urban planning, negotiating with the community for opening the public spaces, during several moments of the legalization law, etc.

ii. Relationship between vulnerable groups and sustainable development: Vulnerable groups were the focus of the community development activities in the project area. Working with the youth and children's groups brought about the preparation of the Platform for Youth Integration, which was officially considered as part of the youth platform in Durres Municipality. More than 50% of women in the project area were involved especially in participatory urban planning and upgrading of the neighborhood.

b. Community based neighborhood planning and upgrading:

i. Providing technical assistance in the legalization process: This was considered one of the most important components of the project. Implementation

began in 2005, focusing on the self-declaration of homes by residents for legalization. Because of the political dynamics surrounding legalization, the project accomplished 75% of the self-declaration stage, compared to 50% at the country level as a whole. Technical assistance was also provided in the creation of the database for residents' declarations. The project has assisted in the important discussion for defining territorial boundaries - another sensitive issue. Technical assistance was provided not only to project area residents, but also to central and local level offices of ALUIZNI and to the Legalization Unit in the Municipality of Durres. The local staffs of ALUIZNI were trained to follow a simple and standardized methodology: creation of the legalization database, and use of this information to create thematic maps, partial urban studies, etc. The successes achieved in Keneta have served as a pilot model for ALUIZNI to be replicated across the country. The project also assisted in the drafting of the new law on legalization and related legal bylaws and guidelines.

ii. Preparation of a participatory urban plan: Extensive community participation in the design of a detailed urban study for the Keneta pilot project area is one of the strengths underlying the project's success. On the technical side, norms and standards were laid down in order to facilitate the integration of the area into the city. During the planning process, over 400 inhabitants of the area participated in discussions on how to organize the area to provide a full range of social facilities and services: recreational facilities, kindergartens and schools for their children, health care center, streets, green spaces, etc. Upon completion of the Plan, the draft proposals legitimized by the community were approved by the project management structures and by the local government. The whole process was carried out as a communications and learning process, to identify possibilities, exchange ideas, and reconcile the needs among key stakeholders. Today, the pilot project area in Keneta is among the very few areas in the City of Durres for which a detailed urban plan is prepared. This Plan not only guides the inhabitants on where and how to build, but it has also turned into a reference point for neighboring areas. With each passing day, citizens are increasingly aware of the fact that each brick laid is an investment, and that approved rules and standards have to be met.

The urban plan synthesizes the interests and the long-term development vision of the pilot project area in Keneta and was preceded and accompanied by a communication strategy targeted at increasing transparency and highlighting the cooperation among interested parties. Based on this strategy, various media publications, informative leaflets, and TV programs were prepared and meetings and trainings held. Every household in the pilot area has been informed about the process and offered a chance to provide feedback on the Plan.

iii. Co-financing neighbourhood upgrading projects: Concrete investments constitute an important tool for bridging the gap between the community and the local government, particularly when co-financing is used. Such investments mainly included interventions in infrastructure (road, creation of open public spaces, cleaning of canals/drainages, and implementation of a waste-collection scheme). Implementation of concrete projects created models of public-private partnerships, which constitute another major achievement of the project. These partnerships emerged as the local government decided to make significant investments in the area and the local community were committed to co-financing these investments.

iv. Organizing the community: While it is critical to develop a realistic neighbourhood plan, capacity building for community-based organizations and vulnerable groups is equally important. Through community work, the project's impact can be all the more effective as a result of the organization of the community into representative associations which interact with the project as well as represent the community's interests with local authorities.

c. Dissemination and replication

i. Media involvement: Media was a very powerful instrument to ensure success of project objectives, such as: awareness of the informal settlements and the impact they have on urban development, the necessity of the legalization process and the importance of the community participation processes in the neighbourhood development programs. Towards this end, exhibitions were organised in the project area, documentaries and public discussion were broadcast on local and national television, and articles published in national and international newspapers. The Keneta case has also been widely discussed in international conferences and workshops. During the 3rd Regional Vienna

Declaration Review Meeting that took place in Albania one of the sessions was organized in the Keneta area and was focused on the experience of the pilot project in the Keneta informal settlements.

Problems encountered and overcome:

During project implementation, there were difficulties in the implementation of the infrastructure improvements in the neighbourhood. In the beginning, this was because of the controversial local elections. Keneta, due to its status as the second biggest informal area in the country, is one of the hottest electoral areas and this complicated the implementation of the projects requiring cooperation at all levels of government.

The legalization process, after four years from the first law on legalization came into force, continues to be a very political issue and this continues to cause problems and make the implementation of the project difficult.

As noted above, the Keneta pilot area has attracted lots of investments. The biggest problem encountered during project implementation has been to coordinate all the investments in the area and to guarantee the quality of the work done. To address this, frequent coordination meetings were organized with all stakeholders in the area, central government, enterprises in Durres City, other NGOs operating in the area, the Albanian Development Fund, donors, etc. The project team and the Austrian Experts worked continuously

with the association "Together for Integration and Development" and with Durres Municipality for the implementation of the project. The association played an important role in supervising the execution of works for the road improvements in the project area and for preparing and executing other interventions such as the solid waste collection system, etc. They collaborated with the working group in the municipality to ensure the quality of the investments in the neighbourhood and to build a solid partnership.

Perspectives and sustainability

Four years ago, issues like legalization and urbanization of informal areas were still a discussion held between experts on purely technical levels, while today the problem ranks among the hottest issues in the Albanian political arena. Achieving this change in awareness offsets all the problems and difficulties encountered during project implementation. From the beginning of project implementation, a well organized community structure is operating in the area, the association "Together for Integration and Development." The people involved in this organization are not only the community leaders, but they are also trained and assisted to negotiate and lobby with the local and central government, and can stand for the area residents' interests. Durres Municipality has also been a solid partner during the entire project. Specialists from different departments were involved in the project. They were trained and assisted in their every-day jobs. The detailed urban study prepared for the area in collaboration with the municipality and the area residents has already been approved by the municipality and investments in the area are made based on that pan. The process of legalization is now handled by the local unit of ALUIZNI. Local staff of the agency was also trained by the project team, and the area is already considered as a pilot area for the legalization process.

The Keneta project addresses a major problem confronting Albania: the legalization of informal buildings. The project has created a model for the legalization and integration process that can be replicated all over the country. Nevertheless, the legalization process in Albania remains problematic, mainly caused by inappropriate political interventions and interests, and by a lack of capacity at the central and local levels.

MUNICIPALITY OF FIER

IMPLEMENTATION OF THE URBAN REGULATORY PLAN THROUGH DEVELOPING THE PARKU AREA

Fier, located in southwestern Albania, has a population of 85,000 inhabitants and an area of 800 ha. The Municipality is the administrative center of the Region, Prefecture and Qark of Fier. It is situated 71 km south of Tirana and 18 km from the Adriatic seashore. Neighboring cities include Vlora, Berat, Lushnje and Ballsh. The city is accessed by important communication axes, namely: Tirane-Gjirokaster and Tirane-Vlore highways, as well as the Tirane-Vlore railroad. The main economic activities include: housing construction, retailing, and services. The current unemployment level is nearly 10%. In 2008 there were 2,157 registered businesses while in 2009 the expected number is 2,600.

Existing strategic documents are the City Development Strategy (CDS) as well as the Urban Regulatory Plan (URP). Both documents were adopted in 2007, thereby providing strategic scenarios related to economic development, territorial management and urban growth. Due to the strategic location of Fier as described above and based on local needs, both documents propose the development and consolidation of efficient urban transportation services and infrastructure as a key to overall development of the city, by

increasing the total number of services and improving the efficiency in the flow of people, goods and investments.

The Parku area:

Based on the CDS and URP, the Municipality has identified the Parku area as a priority site to be developed for a public transportation terminal. Increased activity associated with the terminal will stimulate adjacent new business and residential developments. This area is proposed by the URP as a "1st phase development zone" and it is situated along one of the main economic and residential corridors of the city. The 11.2 hectare area is situated in the southwest of the City, near the crossroad between the ring-road and one of the major road radials, 1 km from the city center. The crossroad was reconstructed by the municipality in 2006.

Due to its location, the Parku area is considered a gateway to South Albania, thus presenting a strong impetus for reconstruction and development. The area is composed of three different sectors: (i) the large parking place and industrial warehouses; (ii) the Catholic Church area; and (iii) a new mixed development area in the southeast. All the sectors are well positioned along the two main roads creating good opportunities for investment and development.

The area is part of the important East-West Mixed Corridor of the city, defined in the new Urban Regulatory Plan. The municipality is interested to build a Secondary Bus Terminal on Sector 1 (the parking and garage lot) and to develop the rest of the area so that businesses (services and storehouses) are constructed along with some housing. The proposed restructuring of the economic area will re-enforce the economic output of the area, as well as increase employment possibilities. This intervention is in line with the objective of the City Development Strategy to increase the number of economic activities. The creation of the Secondary Bus Terminal is aimed at improving the transport requirements within the Fier City and its connections with other eastern and southern destinations.

Need for a public–private partnership (PPP):

The Municipality does not possess the financial and technical capacity to transform the area based on the proposal of the regulatory plan. A public-private partnership is considered the best alternative for implementation. However, at the moment there is no experience on urban transformation of mixed-used zones, either in Fier or in Albania, that have utilized a PPP. In this framework, Fier Municipality asked the USAID/Local Governance Program in Albania (LGPA) project to create a feasible example of how to stimulate development of the Parku area through a PPP approach. Co-Plan, an LGPA partner, was selected to assist Fier. The planning work began in September 2008 and was completed in May 2009.

Intended objectives & beneficiaries:

The main goal was to assess the development options for the Parku area as an economic generator for the city through a PPP strategic approach. The main objectives involved:

- Prepare a feasibility study for construction of the Bus Terminal of Fier as a transportation hub for the city and the region, taking into consideration the provision of the area with needed infrastructure and services
- Estimate the impact of the intervention in the Parku area for revitalization of the storage and retail area, revitalization of the urban design pattern, and generation of investments from the business sector

- Explore possibilities for effectuation of a Public Private Partnership for the investment in the area.

The intervention principles included:

- Feasibility Study & the Design Brief are both considered as instruments for the implementation of the URP & CDS of Fier
- Maintain the area's functional diversification
- Harmonization of all stakeholders' interests:
  - > Municipality
  - > 'Big' & 'small' land owners
  - > Area residents, businesses, etc.
  - > Developers, investors
- Considerations of land & building ownership
- Identify and respect environmental concerns

The overall methodology of the project is based on the defined objectives of the project:

i. Re-evaluate and prepare a design brief for area development by considering comments and questions of the stakeholders interested in the area, as well as introduction of the land and building ownership assessment.

ii. Prepare a feasibility study for project implementation with a strong focus on the estimation of the required investments through:
   - Financial analysis as per Cost based accounting and net present value methods
   - PPP and Operation & Management Scheme
   - Considerations for the investment's risk (due diligence analysis)
   - Mobilization of the investment's funds (development finance)

iii. Marketing of the project and investing opportunities in the Parku area;

iv. Project implementation support through the establishment of the appropriate institutional arrangements and implementation model;

v. Dissemination of the project experience.

The main stakeholders involved in the project include:

- Fier Municipality -- Mayor, Urban Department, Public Services Department, Financial Department and Local Economic Development

Department; Law and Legal Issues Department;

- Local residents; land owners; businesses operating in the area;
- Business representatives and potential investors at the local or national level;

All of the above mentioned stakeholders were involved in the project through a broad participation process which was largely moderated by the Fier Municipality. Meetings, surveys, questionnaires and interviews were some of the tools used to facilitate this process.

Significant achievements:

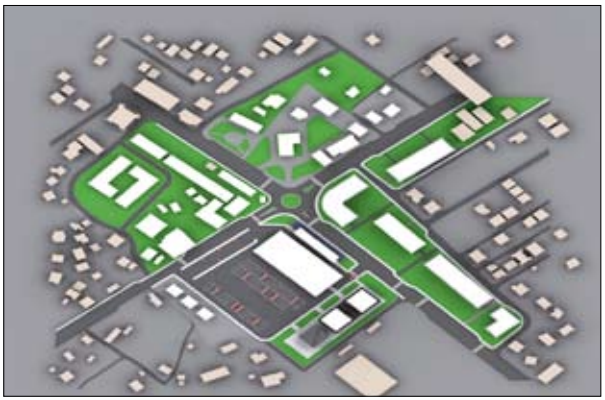
Fier adopted its City Development Strategy and the Urban Regulatory Plan in 2007 as important instruments for guiding city development. Still, when it comes to the implementation process both documents need specific tools. The Feasibility Study for the Patosi Node (otherwise known as the Parku area) and the Design Brief (i.e. the Urban Development Plan for the area) meet this need. Fier Municipality played a central role in guiding the process for the Feasibility Study and Urban Development Plan/Design Brief preparation through a broad participatory process. Since the beginning of the project a working group was established in the Municipality. The working group has been very active in all phases of the studies. This has given the municipality ownership of the whole process and the investors and the area residents confidence in the decisions taken for the area development. Two project alternatives were developed, based on the demand analysis and recommendations related to the design brief for the Parku area. The main differences in the project alternatives are related to the development of this area. In the first proposal, the terminal has organized spaces for the departures and arrivals, for bus and vehicle parking, for services, etc. The terminal building is foreseen as a small light construction where the main functions of the terminal are concentrated. In the second proposal it is the building that shapes the terminal, following the idea presented in the design brief. More functions and services are foreseen to take place in the terminal area attracting more investors and transforming it into a new multifunctional centre for the city. Both project alternatives propose a phased development for the area, suggesting the first intervention in the Parku area, followed

by the development of the terminal complementary services and then the development of the other areas. Following the development of project alternatives a feasibility study was prepared. The financial analysis was based on the cost–benefit method for the evaluation of the investment considering also the Net Present Value. The cost–benefit analysis covered a five year period and considers the transportation needs calculated for the city.

For both alternatives the investment results are profitable, but the initial capital investment seems to be considerable and the investor has to cover it either through loans or other financial means.

In addition to capital investments, other costs for operation and maintenance were calculated. The infrastructure investments are calculated as investments made from the municipality during the five years of the area development and the resulting impact on the local budget are also considered. In both scenarios the operation and administration of the bus terminal is performed by the investor. Some general considerations about the terminal management scheme, mobilization of the investment fund, and risks are provided in the feasibility analysis.

As discussed in the feasibility analysis, the initial investment for the bus terminal is considerable. At the same time, the municipality, following the proposed and discussed partnership scheme has to mobilize a significant amount of money for the infrastructure improvement in the area. This means that to guarantee the investment for the bus terminal the municipality has to find ways to promote the bus terminal proposal to interested investors. This process has already started. An action plan to promote the development of the area and to attract investors was prepared in collaboration with the Fier Municipality. The working group has drafted a framework of the legal agreement for the PPP that has to be further elaborated when the investor for the bus terminal is selected.



Problems encountered

and overcome:

The legal framework for public private partnerships at the local level is still poor and not well explored. Still, based on the existing legal system, the municipality is able to prepare a first draft for the partnership contract which can be further completed and updated when the investor is selected. The intervention area compromises a surface of about 11.2 ha, and the land ownership is divided between 60 landowners (only 44% of which are registered at the IPRO) and there are also several claims on the properties and land disputes in the area. Most of the land owners, as well as potential local investors, want to develop the area but they are reluctant to invest in the bus terminal. For this reason, the Design Brief for the area development was prepared through a broad participatory process with area residents and interested investors in the zone and special attention was given to the integration within the bus terminal of other functions to generate investment interest.

There remains considerable lack of clarity over land and building ownership in some of the plots in the Parku area. This is because during the privatization process of the state enterprises, buildings were divided among a few people. Some of them have already sold the property to the land owner (the land was restituted to him) and some of them did not. For this reason on some plots (and this is the case even for the area foreseen for the bus terminal), quite a few owners exist, making the implementation of the project more difficult. To overcome this problem, the working group discussed the issue with the municipal legal department and with lawyers from the Immovable Property Registration Office (IPRO) and a common decision was taken to consider the IPRO documents for the feasibility study and the cost benefit estimation for the investment in the Bus Terminal.

MUNICIPALITY OF GRAMSH

MANAGEMENT OF PUBLIC ASSETS

During the period of the centralized economy, public enterprises were established in the town of Gramsh for food processing, garments, and various military industries. These enterprises were closed down after the collapse of the dictatorship and this has led to a considerable increase of local unemployment. Further, many of the abandoned and unused buildings began to deteriorate from lack of maintenance. Creating new jobs and generating economic development are the main challenges confronting the local administration. In an attempt to make better use of the real property assets (land and buildings) inherited from the past, the Municipality has leased some its buildings for family businesses, such as processing of medicinal plants, stone processing, wood processing (for furniture), bottled water, etc. The Municipality is also seeking to attract foreign investments in these former industrial buildings. However, some challenges relating to ownership titles for assets in the process of transfer from the central government to the Municipality, and some decisions for selecting the most effective management for these buildings, remain to be resolved. The process of transfer of real property assets from the central government to local government units is new to Albania, and to date, only a few local government units have been able to complete the entire process successfully. The asset transfer process will be really meaningful only when the local government unit obtains the ownership title from

the Immovable Property Registration Office. This document provides a legal basis to allow local governments to properly manage these assets. The legal framework, including the Law on Organization and Functioning of Local Governments and the Law on Transfer of Assets from the Central Government to Local Governments, transforms the role of the local government units from a user of these public assets to an owner and manager of immovable properties, which can in turn be used to meet a variety of local public objectives.

In this regard, the Municipality of Gramsh considers the completion of this transfer process to be very important. Completion of the transfer process will make the Municipality the legal owner, with full rights of use and management. Having taken ownership of these assets, the local government unit can now become a true manager of its assets, enter the free market, and generate additional revenues for its town and community, improving thus the quality of life of its citizens. The Municipality of Gramsh was one of the first local government units to receive the Council of Ministers' Decision on the final list of transferred assets – with about 480 immovable properties, of which 61 assets have potential to generate revenues. The registration of these assets in the Immovable Property Registration Office became a top priority of the local technical staff.

Through the assistance of USAID's Local Governance Program in Albania (LGPA), the Municipality of Gramsh completed the asset transfer process. LGPA experts provided technical assistance on the registration of assets, their management, training of local staff in this direction, and promotion of assets for economic use to potential investment partners (national and international business community).

Important Achievements

A Council of Ministers' Decision transferred the public assets to the Municipal of Gramsh as of July 11, 2007. Despite this decision, and the recognized value of these assets, no steps were taken to register the new ownership status of the Municipality. The assistance of the USAID LGPA program enabled the formal registration of these assets at the Immovable Property Registration Office; the creation of a GIS database and a manual of asset management; preparation and publication of the catalog of assets; and training the local staff on updating and the efficient use of a municipal asset database.

The Council of Ministers' Decision gave to Gramsh Municipality about 480 assets. The technical experts, working closely with relevant municipal staff, collected the entire supportive documentation and maps from various public institutions, such as the Municipality, Immovable Property Registration Office (IPRO), etc. These documents were scanned to establish an electronic archive. As this information was being collected, the experts and local staff examined the assets on site to collect accurate and current data in order to prepare the building site plan and location for each item. These two documents served as the basis for the preparation of the cartographic documentation and any other documents required by the Immovable Property Registration Office to register the assets. Complete hard and soft files were prepared for each asset. Upon completion of the files, the Municipality sent the application for registration to the Immovable Property Registration Office of Elbasan Region. Currently, the Municipality has sent to the Immovable Property Registration Office all the necessary files for obtaining the ownership title on all assets transferred through the Council of Ministers' Decision (CMD). It is expected that during July–August 2009 the local government will obtain the ownership title for all the assets – for 480 assets with

clear transferred status. The Municipality of Gramsh has been able to obtain the ownership certificate already for 80 assets, while for 400 assets the entire cartographic information has been prepared for the registration at the Immovable Property Registration Office.

Besides registration of assets with the assistance of LGPA, a manual on asset management was prepared and the local technical staff was trained on the use and evaluation of assets. The electronic database of information was used to establish a GIS system for the management of assets and for the preparation and printing of the Municipal Assets Catalog for economic use. The GIS system on Asset Management enables the organization of and simplifies access to various types of information (maps with the database of municipal assets). This was made possible by the considerable effort of the municipal staff, who entered the data in the database established for the assets and (with the technical assistance of LGPA experts) correlated the maps with the cartographic information and produced the necessary reports. With this system, the Municipality can manage, select, update, and analyze the database of assets.

This system can be used to help solve various problems on assets, including the case of the Municipality of Gramsh on establishing a mailing address system.

A Municipal Assets Catalog was one of the important outputs of this system. Designed for marketing of the municipal assets, this catalog contains cartographic information and detailed maps for 61 municipal assets that could be of interest to various national and/or international business investors. This publication will be presented and promoted by the Municipality during the Business Day of Gramsh.

MUNICIPALITY OF ORIKUM

PARTICIPATORY URBAN PLANNING

US Embassy through Urban Research Institute (URI) supported the Municipality of Orikum to implement a participatory process of Urban Planning during the period of September 2008-February 2009. Orikum already had a Regulatory Plan, approved by Territory Regulatory Committee of Republic of Albania in 2005, which however is not accompanied by Terms of References, but simply exists in the form of a general map and thematic individual maps. The lack of the Terms of Reference which would allow a reasonable and easily understood implementation of the rules as graphically specified in the maps has made difficult the control of new development in the area and renders ineffective the maps themselves.

The process of preparing the Terms of Reference, followed by the revision of the existing Urban Planning document, has given Orikum Municipality an opportunity to establish a guiding document, providing the instruments needed to achieve sustainable urban development. At the same time, these new planning tools created the possibility to review and analyze the dynamic development of the community in Orikum, which was achieved through common meetings with both officials and citizens. URI has facilitated all the meetings and assured that all the opinions and recommendations of the citizens have found a space to be reflected, both in Terms of Reference and in the new Urban Planning document.

The major goal of the project was to enhance citizens' participation into governmental processes in order to improve local governance and to increase the citizens' trust towards local government institutions

In order to achieve this goal, the project focused on urban planning using a functional zoning concept. This modern, short-term, and flexible instrument consists of "The Regulation of Functional Zoning" along with "The Map of Functional Zoning" as an integral part of it. These tools facilitate and guide the local government towards a more efficient urban development of the city over a three to five year period. The Regulation of Functional Zoning together with its Map produce a clear identification of zones and their characteristics. This enables the Municipality's Urban Department, as well as the entire local government, to evaluate development proposals and give construction permits that are consistent with the normal and proper development of the city. These planning documents also treat functions and rules of development for the sub-urban zone (or reserve zone), and for the new zones which are foreseen to be developed in the future. These urban planning tools can also help institutions to categorize state-owned properties and to make better calculation of property taxes.

The project was realized in six months, from September 2008 until March 2009, proceeding in a parallel process with development of both Terms of Reference and Zoning Document preparation. These documents were foreseen to be developed through citizen participation methods during the life

of the project. Through this approach citizens were able to participate directly in governmental processes. Based on the results of the Orikum project, it can be stated that using citizen participation as an approach in implementing Urban Planning processes and related documents can be seen as a successful experience and model for other Albanian communities.

The Project implementation went through five phases:

- First phase - mobilizing stakeholders and main actors
- Second phase - collecting information, ideas, interests, suggestions, concerns, needs and issues from the groups of interests
- Third phase - analyzing the collected information, figures, data, etc., and preparing a draft of the Regulation of Functional Zoning document
- Fourth phase - presenting the Terms of Reference to the Territory Regulatory Committee of Orikum Municipality for approval and, after approval, sending it for approval to the Territory Regulatory Committee of Vlora region
- Fifth phase – following receipt of the above approvals, finalizing the draft, identifying lessons learned, and completing the final reporting.

Introduce the project. A meeting was held with the Municipality of Orikum and local representatives to establish roles of cooperation and contact points with Orikum Municipality representatives and Municipality professionals. This meeting provided basic information for all mentioned participants and clarified the situation at Orikum Municipality regarding both social and economic aspects. A description of the project (including the phases it would pass through, particular activities to be implemented, and expected accomplishments) was provided to the participants. It was agreed to establish a permanent working group. During this meeting it was also agreed to sign a Memorandum of Cooperation between URI and the Municipality of Orikum which would be presented for approval in the next City Council meeting.

Establish the Working Group & Expert Groups. At the initial working Group meeting, the project objectives and phases were discussed in detail, timeframes established for conducting individual and collective activities, and assignments

made of the work that would be handled by each member of the Group. It was also agreed to perform a SWOT analyses with the Working Group in order to revise in the best possible way the existing Urban Plan.

A number of further technical tasks to be conducted after this meeting included:

- Structuring of information to be gathered in order to better analyze the situation
- Updating of existing information in the Projection Study of Radhime
- Finding, gathering and studying all the decisions or legal acts which determine the urban usage and land usage within the Municipality territory, including the protected area of lagoon, archeological park, etc.
- Organizing community meetings, introducing the project, and gathering citizen input
- Engaging the Working Group and their resources in order to elaborate the information which serves as the base of the urban planning analyses and findings
- Updating existing maps showing topography, infrastructure, constructions (with and without permissions), defining the extent of informal areas, etc.

Meetings with groups of interest. A meeting was held with representatives of the Municipality (including urban planning, finance, services, and infrastructure departments) and municipal councilors. Private citizens representing the city business community, mainly from the construction and trade sectors, were also present in this meeting. The meeting was organized in a joint format, where first was given an introduction to the project, and the need to conduct a SWOT analyses as a first step in creating a future vision of the city. Then the business community was invited to provide their suggestions and recommendations for the best alternatives for development of business activity. The next step involved holding open meetings in two different neighborhoods of Orikum, aimed introducing the project to the citizens and eliciting their views on the future of the Municipality and the quality of life that they desired to achieve through a better planned and more carefully developed environment.

Technical Work with the Working Group. Most of the subsequent technical meetings were devoted to designing the thematic maps to support the new urban planning of Orikum. After collecting ideas from the community and other target groups of the city, the work focused on: the content of the Regulation; identifying new zones, based upon the requests of community and the Municipality; characteristics of each zone; and collection, mapping and analysis of additional data. There were several consultations with various interest groups, especially regarding the road network, and several development scenarios were preliminary designed on the maps.

In order to give shape to the information collected and mapped, the experts conducted six other meetings in the Municipality, working closely with municipal experts, engineers, members of community and former officials of Municipality and other enterprises of Orikum city. The meetings were organized to:

- Discuss the feedback and incorporate comments of the community into the Terms of Reference document
- Establish a working group for preparation of thematic maps and the general zoning map, and obtain information from Municipality and other enterprises like road enterprise, water enterprise, archeological park, etc.
- Develop team work with Municipality experts regarding thematic maps, environment, road network and green areas, sport center, city center, cemetery area, economical zone, finalizing of functional zoning map and reviewing of the existing administrative line (yellow line).

Achievements: Almost all Municipality Council members participated in the open meeting where drafts of the new urban planning documents were presented and discussed. Since they represented different political parties, this indicated the likelihood of reaching a political consensus. In fact, the Council gave its approval in its first meeting, without any problem or concern.

The unanimous approval of the Terms of Reference by the Territory Regulatory Committee of Vlora Region also was as a result of a well prepared document having all the necessary phases included, as well as participation of citizens not only in the open meetings but also in the preparation of this document.

Problems encountered:

- The document approval process at the central level will occur during the parliamentary election campaign. This could affect the approval of the Terms of Reference and Zoning document in the Territory Regulatory Comittee of the Republic of Albania. URI and local governement representatives are aware of this challenge and will exercise maximum effort to ensure that the review and approval process does not become overly politicized.
- During the first meetings with representatives of Orikum Municipality, it was discovered that there was a considerable lack of basic documentation. Some of these were:
    a. The administrative line (yellow line) doesn't match with the limited construction line and the protected area of the lagoon.
    b. Orikum Municipality has only the Map of Urban Zones and the roadway net. There are missing the rules for development of each zone, and all other papers of the Study.
    c. Even in the existing Map of Urban Zones, an economic zone is not foreseen. This was raised as a major concern by both local officials and the citizen, taking into consideration the rapid pace of Orikum city expansion.

To overcome these difficulties, URI supported Orikum urban experts to find the necessary documents and papers, and in collaboration with the representatives of the local government, local experts and the community was able to develop a contemporary tool for the management of Orikum city. Citizens were skeptical whether the group of experts would seriously take into consideration their ideas, needs and concerns. In order to show them that their contributions had been taken into account, the draft of Functional Zoning Document was shared with the citizens prior to finalization.

MUNICIPALITY OF SUKTH

URBAN INTEGRATION OF INFORMAL SETTLEMENTS

Brief description of Informal Settlements in the region

Before the 1990s Albania was a tightly closed society where the state had a high degree of ownership and exercised rigorous control on urbanization. Since communism fell in 1991, the movement of Albania's population in the first ten years of the transition period can be understood in two major phenomena: one being the decline in population by 3.6 percent, because many took advantage of newfound freedom to emigrate to escape domestic economic and political crises, and the other being a reallocation of the population internally, with the migration flowing from the northern, interior, and mountain regions to the center and coast. Remittances that emigrants send home have been a key factor in the remarkable recent economic growth of the country. The massive urbanization in the Tirana-Durres region—home of the nation's capital and its main port—become magnets for ambitious and entrepreneurial people. This has led to a land development boom with residential, retail and industrial properties leading the way. This new constructions and urbanization were spontaneous and occurred with little government intervention. Informal settlements were a practical and natural response to address the massive demographic and economic changes. In Albania, the total number of informal settlements is approximately 300,000 over a total surface of 350,000 ha.

One of the areas having a considerable development of informal settlements (more than 60%) is the Municipality of Sukth, which is part of Durres County, and located close to the Tirana-Durres highway. Regularizing Sukth and similar settlements, both legally and through linkage to urban infrastructure and service systems, remains one of the key challenges for Albania.

Prevalent building typology

The Albanian Association of Municipalities, in collaboration with the Network of Associations of Local Authorities for South-East Europe and with the support of GTZ – German Agency for Economic Development, is responsible for implementation of the pilot project on "Urban integration of informal settlement" in Sukth Municipality. The project design considered the growth of the urban informal sector as one of the priority problems to be tackled by the Albanian government. With the signing of the Vienna Declaration, the urban, social and economical integration of informal settlements in Balkan countries is becoming a key factor in preparing for accession to the EU.

The current project is assisting the Municipality of Sukth to integrate a fairly high number of informal housing into the urban structure, to improve the urban planning process, and to compile a strategic document for future urban development and preparation of an Urban Plan.

The Municipality of Sukth comprises approximately 5,700 ha and 25,000 inhabitants, forming some 5,900 households out of which 4,100 are in the process of legalization, which means that for the time being approx. 70%

are living in informal dwellings. Approximately 3,100 households or 12,860 inhabitants are undergoing WHICH IS IT: 4,100 or 3,100??? the process of legalization. The Municipality includes the protected area of Rrushkull and the beach area, both located along the 9 km of the coastline. The Municipality is composed of seven villages: Sukth i Ri - 395 ha; Vadardhe - 660 ha; Kulle - 503 ha; Rrushkull - 1182 ha; Perlat - 324 ha; and Hamall - Hidrovor- 1165 ha. About 73 per cent of the built area consists of one-story buildings, 16 per cent are two-story buildings and 11 per cent are three-story buildings. They are built without planning permission and often without clear legal rights to the land on which construction took place. Entire new suburbs of some size were developed without proper roads, public transport, street lighting, utility services like electricity, water and sewerage, public open space or public services. The built houses are generally not substandard structures, as in many under-developed nations experiencing urbanization driven by rural migrants. Instead, they are usually solid, adequately designed blocks with individual houses that, with better services, could be perfectly good homes for many decades to come.

Informal buildings in Sukth Municipality

The family size in Sukth Municipality is 5.07 (15% extended family structure), higher than the national average of 4.22. 50.3% are migrant households from Diber (a city located in the North part of Albania) who came to Sukth mainly during the 1990s. About 40%, of households who arrived in Sukth after 1990 own a second house located in their place of origin. The migrant households rely in large measure on remittances from work abroad. 60% of all households, migrant and non-migrant, own a plot of land used for agricultural purposes. The overall unemployment rate in the Municipality is 17%, but higher in the informal settlement areas. Individual informal buildings in Sukth Municipality are constructed on agriculture land, considered as a middle-good category, which has been given in small plots for privatization or in use to the former employees of the cooperative farms.

Technique and tools

Property issues in Albanian are very complex, relating the legal history on privatization of agricultural land and restitution of the property to the pre-socialist owners. This makes the resolution of land tenure issues more complicated in informally settled areas such as exist in Sukth.

The first law on legalization and integration of informal settlements was enacted in 2004. There have been frequent changes and amendments affecting the legalization process in the years 2006 and 2008. The last law facilitates the administration of payment for land titles, and increases affordability for illegal building owners, thereby reducing the effective price per square meter. The process of legalization, which requires review and decision on a case by case basis, begins with the submission of a self-declaration by the owners of informal buildings, followed by payment of the land price by the owners, and is concluded with the issuance of the legalization permit. The pilot project "Urban Integration of Informal Settlements," which is assisting the Municipality of Sukth to integrate a fairly high number of informal housing areas into the urban structure, is proceeding in parallel with the legalization process. The pilot project will improve the urban planning process and develop an Urban Plan for areas where the legalization process is completed. The Urban Plan will lead to better urbanization and integration through such actions as defining the rights of the way within the newly-legalized informal settlements, and enabling the efficient extension of infrastructure networks such as access roads, water supply, and sewage.

MUNICIPALITY OF TIRANA

IMPLEMENTATION OF A GEOGRAPHIC INFORMATION SYSTEM (GIS)

Introduction:

In previous projects (2004 – 2007) between Tirana Municipality and various donors (e.g., World Bank, Dutch and German Governments) a number of spatial datasets (satellite images, buildings, parcels, utilities, etc.) have been created, acquired, and/or updated to create an increasingly rich information base for the Department of Urban Planning. Standard GIS software has been purchased for internal use and an internet based GIS has been set up to facilitate public access to the Municipality's spatial information. While the internet based GIS was well accepted and assimilated by the public, the internal GIS has so far been used only rarely by the Municipality staff, and certainly not to the extent of its potential. The current project has been set up to overcome this situation, make better use of the existing (spatial) data, and put them in value. This project was active from July 2008 to July 2009, and was funded by the German Government, through the *Deutsche Gesellschaft für Technische Zusammenarbeit* (German Technical Assistance Agency, GTZ).

Initial Situation / Problem:

To support and achieve its strategic goals and objectives, Tirana (like any other municipality) depends to a large extent on the use of spatial data. Although there are many (spatial) datasets of different currency available within the Municipality, they are not currently being used to their full potential. This situation is caused by various factors:

- Heads and staff of most departments do not know whether and which data are available because data are neither documented nor catalogued properly.
- A good understanding of how to make best use of spatial data to support the business processes within the departments does not exist in many cases.
- Suitable, customized tools to support the daily working processes of the departments, to make better use of spatial data, and to valorise such data are not available.

Objective(s):

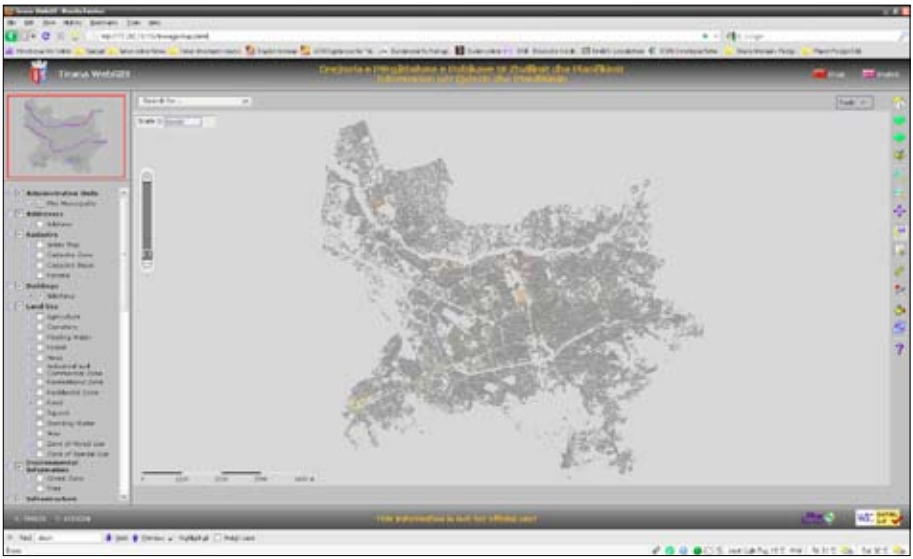
- Support the Municipality to use cadastre data and spatial data in general for planning and decision-making processes
- Implement a customized GIS to support, facilitate and speed up the Municipality's business processes, and to provide a tool supporting in better decision making
- Raise awareness among management and staff of the Municipality for the topic "GIS" to recognize the advantages and potential benefits of its use
- Motivate management and staff to use GIS

Methodological approach:

- Evaluate the situation in the Municipality regarding the use of geo-spatial information and databases
- Identify the needs of the Municipality and the interest on GIS use
- Build a prototype WebGIS application based on the existing GIS information in Tirana Municipality as a starting phase to raise the

interest of the Municipality and increase awareness for GIS usage and its benefits

- Analyse processes in Municipality structures related to GIS and prepare the project concept and structure for building up a step-by-step GIS system in the Municipality
- Hold an initial workshop to get commitment of Municipal management for the planning process and to establish a GIS team within the Municipality
- Hold workshops / trainings on GIS basics for staff and management, both to raise their awareness and make them fit to express their needs regarding the GIS
- Define specific GIS requirements by meeting with staff of the involved departments and gathering information about the Municipality's needs from their perspective
- Define a list of information products which the GIS must be able to create
- Define the scope of the GIS
- Define a data model



WebGIS of Tirana Municipality

- Implement the GIS
- Supervise migration of data from previous systems or different formats
- Install, train, and maintain the GIS

For many of the described steps, significant commitment and input was / is required from the highest levels of the Municipality.

Impacts and Results achieved:

- Staff and management of the Municipality have a clearer picture of what is GIS, and what are its advantages and benefits.
- A comprehensive concept for implementation of the GIS has been prepared.
- Based on this concept, Terms of Reference for the implementation of the GIS have been defined and tendered.
- The GIS has been implemented and customized by GISDATA Company from Skopje / Macedonia to support the daily working processes of the departments.
- A metadata catalogue and discovery service is currently being set up to allow for finding of spatial information in a standardized way by various criteria.
- A WebGIS is available allowing the public to access spatial information from various sectors via Internet. Data between will be updated frequently to provide current information to the public.
- A "view service" is provided by the Municipality allowing professional users to view the spatial data sets of the Municipality in their own GIS

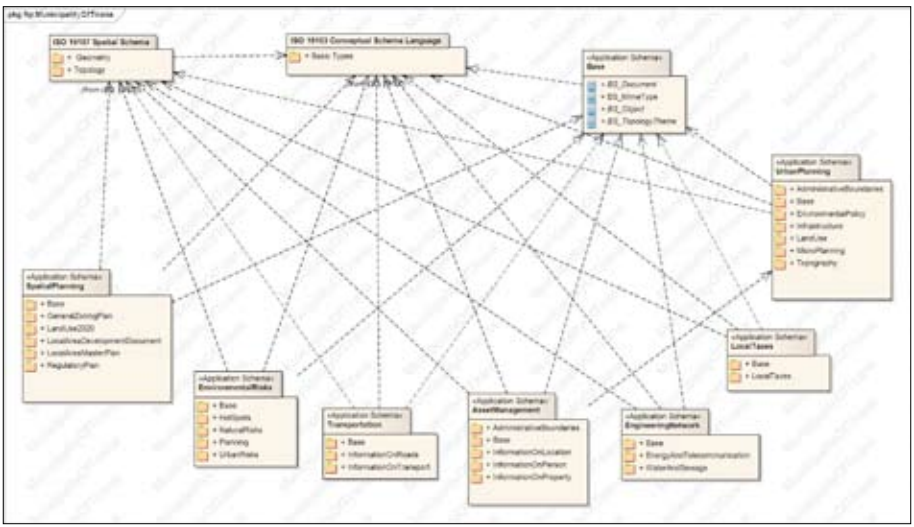
Reflection/Lessons Learned/Critical Assessment:

The experience gained within the project confirms that introducing new methods of working in public administration needs an adequate time, covering at least 2 years.

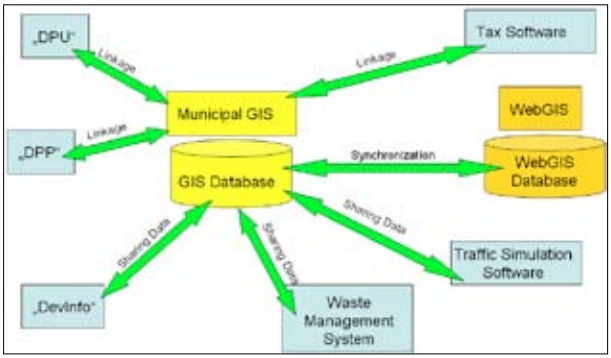
The administration may have difficulties in expressing its needs and a comprehensive analysis of municipal situation is important to bring the project on the right track. A combination of general municipal expertise with technical expertise is necessary during the evaluation phase and diagnosis. It is important that the administration starting from decision-making level understands and sees the benefit of the projects' expected results.

This can be done in a step-by-step process, having concrete and successful small examples at the beginning in order to gain commitment for the process. Introducing the WebGIS application and getting the public acceptance of this instrument raised also the internal awareness and interest.

Although Tirana Municipality made a commitment to support the planning process for the GIS, the time its staff has been able to devote to this matter was very little. Implementing and introducing a GIS within an organisation is a full time project and must be considered as such. Maintaining involvement of management level, to support with necessary resources, to monitor the development of the project, establishing a project internal team with defined tasks and responsibilities and the commitment to allocate the necessary human resources are some prerequisites for a successful project.



Overview of the data model for Tirana GIS



Integration of the GIS with existing applications

The time to analyse the existing situation in the departments and to define the specific GIS requirements together with the staff of the Municipality was very limited. It has shown that it takes quite a while to make people think in the GIS way and to be able to express their needs and requirements for such system. This is only normal – if one does not know a particular technology - one cannot know how it can support him / her. It is much recommended to hold a workshop on GIS basics before actually starting interviewing the staff (and heads) of the departments.

Even after the successful implementation of a GIS, system maintenance should not be neglected and sufficient resources in the organisation's budget shall be planned for that purpose. Maintenance includes:

- Regular software updates for bug fixes
- Upgrades to a newer version of the GIS
- Extending and customizing the GIS
- Acquiring, creating and updating data

These costs will easily exceed the initial costs for the actual implementation of the GIS.

To ensure sustainability and best use of the system the availability of staff able to maintain and work with the GIS is most important. Capacity building should be an important issue and staff training / qualification carried out constantly. Defined job descriptions, responsibilities and work instruction will be important for a sustainable implementation of the system.

MUNICIPALITY OF DURRËS

MUNICIPALITY SLOGAN: "DURRËS GO AHEAD!"

Durres is the most ancient city in Albania, as well as the main port and principal tourist resort of the country. It is the second largest Municipality from an economical, political, administrative, educational, scientific and cultural aspect.

Durres has recently witnessed important developments in the area of economy and demography. Major public and private investments have been made in the Municipality, especially in the beach area as well as in the southern part of the city. The Municipality of Durres, in particular the central zone that includes the most historical and cultural assets, has suffered heavily from very chaotic development during the years of transition, a phenomenon that has produced wealth on one side but has also distorted entirely the Municipality's image, functioning, and urban structure. Important urban open space has been lost, while the population has grown in both number and density. The Municipality's ability to provide basic public facilities and services to meet the needs of its citizens has been seriously impaired. Particularly in the rapidly developing suburbs, the Municipality suffers from the need to install and upgrade basic infrastructure (water, sewage, roads, etc.) to match the rapid growth in inhabitants. At present, the Municipality is seeking major funding for a serious project in infrastructure development. However, an Urban Plan for Durres center has been adopted, and is

designed to oversee and direct the previously spontaneous extension of the central part of the Municipality. Further, the Urban Plan for the Municipality's central zone creates the core of an integral development strategy for the entire Municipality, and introduces clear and widely accepted rules to shape growth and new development.

The new Urban Regulatory Plan for the Municipality center opens an entire new chapter in the history of the city. It launches a clear challenge for citizens and the business community alike to respond to: that of striking the correct balance between private and public interests, in the interests of a more sustainable and environmentally sensitive urban pattern. The new plan is just the beginning of a long process, where new projects, general and detailed plans, as well as new interactive procedures are to be piloted with the vision: "For a more balanced and sustainable urban development"

Some of the elements of the Plan include creation and recovery of green spaces alongside the byzantine road, renovation of Epidamus street including construction of the new coastal road that will serve the east waterfront and its touristic facilities. These are just the beginning of an urban recovery designed to improve the public environment and to add commercial value to private buildings located in adjacent areas, therefore contributing to development of a quality tourism center.

To realize these objectives, brave solutions are required, solutions that affect the Municipality's future, especially that of the ancient City Center. As of 2008, the Municipality of Durres, under the slogan *"Durrës go ahead,"* has cooperated with international organizations to launch a comprehensive urban reconstruction programme. This urban recovery aims to establish a balance between the Municipality and its ancient history without neglecting the possibility of introducing modern urban styles that enhance the cultural and environmental development and life quality improvement for the people.

In the framework of the implementation of the urban recovery plan, an international bidding process was launched to redesign Liria Square. The recovery programme started with this particular square because it plays a key symbolic role for the Municipality and its revitalization will encourage improvement in other parts of the Municipality.

Liria Square is the very heart of the Municipality, a Municipal symbol and principal site for public life. The redevelopment plan for Liria Square provides a unique chance for consolidation and renewal of the entire process of urban growth and development in Durres.

Proper planning and regulation of the main square will provide the possibility to introduce modern architectural solutions while preserving the urban and historic values of the Municipality. The aim of the Liria Square regulation plan is to build up a new and attractive center, transforming the square from a chaotic site to a pleasant place for use by citizens and tourists.

This structured approach to urban recovery abolishes the old trend and practice for Municipal extension that prevailed during the early years of transition to a market economy. That chaotic development period diminished the historical value of the Municipality and reduced the size and quality of public and green areas.

The bidding process for the Liria Square redesign attracted 36 international studios. Only five were shortlisted for the second phase. Following a review of the second phase submissions, the jury qualified the Italian studio Follding to carry out the project.

In addition to the Liria Square redesign, the Municipality of Durres will undertake other new projects in the framework of its new urbanization programme. Another international tender will be organized for design and construction of a new Waterfront on the west side of the Municipality in conjunction with the coast line from the Port to Currila.

Complexities in applying the ancient part of the Municipal Urban Plan will require yet another national urban competition, for piloting the normative rules of this planning process.

Within the framework of the LAMP Project, under an agreement between the World Bank, the Municipality of Durres, and the Government of Albania, the Italian Studio HYDEA will draft an overall Municipal Regulatory Plan. Greening, public spaces, archeological sites, urban recovery, a new center, renewable power resources - all these critical issues and concerns will be the objectives set by the Municipality in partnership with private entities, aimed at spuring the redevelopment and rebirth of Durres Municipality.

COMMUNE OF DAJÇ

CITIZENS' INFORMATION CENTRE AND ONE-STOP SHOP

The Swiss Programme for Local Development and Decentralization (DLDP) supported the Commune of Dajç during the period of April 2008–May 2009 to establish a citizens' information centre and "One-Stop Shop" (OSS). The objective of this project was to improve the quality of information provided to citizens and communications between the Commune and its citizens, thus improving transparency, efficiency and effectiveness of the communal administration. Through a one-stop shop system, the administration introduced new management approaches and ensured high-quality administrative service delivery. In addition, the one-stop shop in the Commune of Dajç serves as a pilot model for replication in other communes and municipalities

The main achievement of the project was the establishment of a location/office, where *citizens can get, in the shortest possible time*, *at one place, all administrative information and documents/ permits, from a citizens-oriented and well informed staff.* In addition, the OSS was combined with new mechanisms for citizens' requests, feedback and consultation.

Other achievements include:

- The administrative staff of the Commune was introduced to and now uses a new intranet system linking the

different departments for a more efficient, effective and transparent functioning of the administration with appropriate management processes

- The internal organization/structure of the Commune administration was adapted according to the scheme of OSS, with front and back offices
- This OSS was combined with other citizen information and communication tools (e.g. citizens 'info boards' in the villages)
- Capacities of the communal administration, through trainings and on the job coaching on the new tools and methodologies, have been significantly improved

Service provision in an OSS can be set up in two different ways: the OSS not only receives but also processes all service requests on the spot, or the OSS both receives and later returns the service requests that are processed in the respective departments. The Dajç example has shown that a combination of the two models is the most appropriate and logical option. The complexity and legal requirements of a certain service will usually determine whether it is feasible and suitable to provide that service directly in the OSS, or whether it should be transferred to the department for final action. This organizational setup influences both the internal management and supervising responsibilities for the OSS in a Commune. One-Stop Shops lead to more effective, efficient and transparent service provision that is equally accessible to the population. The modern technological facilities have been an important way to increase the effectiveness and efficiency of service provision. Another significant factor is that citizens now have better information regarding the requirements, fees and procedures for obtaining a service – a central point addressed by the OSS. The pleasant setup and

furnishing of OSS facilities highlight the position of citizens as customers who are exercising their rights and showing increased satisfaction with the Commune's work.

The OSS avoids most of the problems of the traditional service system, where services are frequently unnecessarily expensive and slow, and the risk of corruption as well as the staff's bureaucratic behavior often prevents citizens from applying for service provision. An ineffective, inefficient and corrupt service provision therefore has negative impact on both sides – the Commune and the citizens.

The aim of the OSS is to improve service delivery and quality of life for citizens. A One-Stop Shop can make it possible for the public administration to take all necessary steps for reaching a certain goal at a single location. The idea is as simple as it is effective. Citizens visit just one desk or office at the Commune where they can apply for one service (one door, one service). The citizen deals with one municipal clerk and is no longer obliged to visit different offices to get all the required stamps or documents needed. Instead, the front desk staff of the OSS is in charge of organizing all the steps for proceeding and providing the service request. Citizens just pick up the desired document at the same front desk where he or she applied, or receive it by mail.

Problems encountered and overcome:

1. The main problem was that this OSS was the first OSS established in a commune in Albania and the use of other experiences from all over Albania were not very appropriate.

   Solution: First the administrative staff was introduced to the experience which exists in Albania and their inputs and suggestions, together with

their commitment and close collaboration with the project staff helped to implement step by step the design scheme of the OSS.

2. Another problem was the complexity of the project. The establishment of the OSS was accompanied at the same time with the rehabilitation of the entire Commune building and setting up an intranet system. Commune officials were not accustomed to entering and updating data into the new IT system.

Solution: Coordination of the actions of different actors in this project, putting them together and discussing all the problems encountered by everyone in order to find common and reasonable solutions.

Lessons learned regarding the establishment and functioning of the OSS:

- **Commitment and leadership of municipal management** is crucial to starting the process. The mayor is the first one that must favor an OSS project.
- **Good cooperation between the mayor and council** is important because the council allocates the budget. The commitment of both the mayor and the council is needed, and a bad relationship between the two can lead to delays or a serious hampering of the process.
- **Municipal staff that are directly concerned with service provision are important to the success of the OSS** because without their support and acceptance of the OSS the process is blocked. The staff will not usually favor the OSS at the beginning, but practical successful examples of other municipalities will help win their approval.
- **Convenient setup of facilities and maintenance** is crucial for a good working environment and customers' and employees' satisfaction. This will help improve the staff's attitude. Regular maintenance is also needed.

- **The IT system** is the essential component in setting up an OSS, including building a network. It brings the necessary changes to the working methods, processes and internal organizations in municipal offices. The IT system also constitutes the biggest change as it is something new in Albania.
- **Information network** of the One Stop Shop is complete ëhen easily accessable from the community. It takes special importance especially in rural areas where the deconcentration of the inhabited areas is high (many informational billboards are set up in all villages)
- **Running costs** are manageable and do not result in a significant budgetary increase as no extra staff members need to be employed. Usually all OSS staff members remain in the jobs they had in the previous system. The combined-model organizational setup also contributes to this.
- **Maintenance costs** are basically for the IT system, and municipal officials need to keep this in mind when allocating the municipal budget.
- **Local revenue** could be increased due to the possibility of offering neë services and through improving the quality of the existing services.

COMMUNE OF DAJÇ

CITIZENS PARTICIPATION, A KEY TO SUCCESS

This model will be useful to all Communes, Municipalities and Qarks that wish to learn about successful cooperation between the community, the local government, and donors. The project was conducted with support of the Swiss Programme for Local Development and Decentralization (DLDP).

The project, which was was implemented during the period July-November 2007, establishes a model of collaboration between community and local government, based on mutual trust, and enhances the contributions of each side in the improvement of public services. It enabled 3,360 inhabitants of five rural villages to have better access to public services and improved relations between the villages. As a result of the project, road access to 35% of local businesses was improved, and 25% of school pupils benefited from improved access to the school and health center services (deconcentrated services). The positive impact of the project is ongoing.

One of the DLDP objectives was to support (through co-financing and technical assistance) the partner LGUs to identify *urgent needs* and improve *local public services.* This was accomplished through technical assessments and resulting priority lists of the LGUs prepared in close collaboration with the community.

The Commune of Dajc, in the frame of this objective, applied to improve the rural infrastructure through *community based initiatives*. For example, the idea to reconstruct a communal road to a village came from members of *Alba-Migrantes.* [The association Alba-Migrantes was established in December 2004 by a group of Albanian emigrants originally from the Commune of Dajç, now living in Pistoja in Italy (around 1/3 of the population of Dajç is currently living in Pistoja and its surroundings). The association keeps close contacts with Albania by providing ideas for development and education, and by supporting concrete initiatives to improve local services and infrastructure.] The village, in cooperation with the Commune of Dajc and emigrants in Italy, raised the funds to co-finance the investment. The Commune and DLDP offered additional financial resources and created a set of transparent legal procedures for combining three sources of budget support (community-donor-local government). The collaboration continues to this day and has been extended to additional activities as a result of a positive chain reaction through the community.

Activity: 5,052 m2 of road have been paved through a contribution of IC (46%), LGU (26%) and the Community (28%) funds, which enables better road access to 5 villages, and directly benefits 39% of inhabitants and 35% of the local business.

The commune has a surface of 30.15 km2 and is composed of 11 villages, with 8,564 inhabitants. Its annual budget for 2007 was 70,581,973 Lek.

Migration is one of the social phenomena the area faced after the 1990s. Recently, the emigrants have organized into associations and are contributing to the development of their villages. *Alba-Migrantes* is one of these organized groups which operate from Pistoja, Italy, in close collaboration with the Commune of Dajç.

This model of collaboration between the community and local authorities (including donor contribution) in planning, managing, monitoring and maintaining public services is now well-established. The model helped bring about other follow-up initiatives by other local groups and villages, and efforts are continuing to improve the mechanisms of participation and collaboration. The model of applying transparent procedures in preparing, implementing and monitoring collaborative projects are also established. The trust between the community and local authorities has increased and provides a base for future partnership.

Stakeholders	Responsibilities	Capacities Built
Commune	• Co-financing, planning and designing the project • Managing the process of planning and implementation • Maintenance	• Writing project proposals • Planning and managing together with community
Alba-Migrantes Association	• Co-financing, planning and designing the project • Monitoring the process of implementation	• Planning and managing together with local authorities
Intercooperation	• Co-financing and facilitating the project	• Practicing a cooperative model between civil society and local authorities

Sustainability of the community-commune partnership:

- Based on the experience with Alba-Migrantes, and similar experiences with other migrant groups, and with other local communities within

Dajc Commune (including Pentar, Belaj and Mali i Gjymtit villages), the funding of the Commune's budget for public services and investments has risen and sources are diversified (Emigrants in the USA, Alba-Migrantes, Central Government, DLDP).

- Even more local communities (the villages Darragjat, Shirq, Samrish i Ri and some other neighborhoods of Samrish i Vjetër, and Mushan and Dajç) have expressed their wish to join the existing partnership and to invest in their villages with the support of the Commune.
- New investments in local infrastructure are achieved, based on this partnership model; related fields of collaboration are exploited, such as open access to community information.
- The local administration is enabled to manage cooperative projects with communities utilizing funds provided by the state or other development programs.

Problems encountered:

- Lack of established procedures and legal framework for promoting collaboration with community members and groups (procurement, on budget support, fiscal rules, etc.);
- Limited trust of community members towards the local administration due to a polluted, non-transparent history of interaction;
- Low reception of central government towards such positive models to support enhancement.

MUNICIPALITY OF FIER

PARTICIPATORY BUDGETING

Participatory Budgeting (PB) was initiated in the Municipality of Fier in 2007. Introduction of Participatory Budgeting was preceded by a three year period during which the City Development Strategy was designed through an open participatory process. The success of this innovative participatory effort led the local authorities to extend citizen participation to the process of deciding the allocation of a portion of the annual Municipal budget. Thus, since 2004, the Municipality of Fier has opened its doors to all its citizens, thereby institutionalizing citizen participation in the management and the development of the city.

The methodology applied for the PB process was originally designed by the World Bank and adapted to the Fier context by Co-PLAN and the Municipality of Fier. Financial support for the implementation of the PB cycle in Fier was provided by Dutch Government through EGUG II -- Extension Program, and by NOSA, Network of Open Society for Albania.

The PB process began with the establishment of a PB working group within the Municipality. To make the process more transparent and objective, two NGO organizations operating in Fier were appointed as facilitators: SNV Fier and RDA Fier. Also participating in the larger network of local organizations were NGO Dea and the Youth Forum of Fier. Cooperation among the various actors was institutionalized via a signed Memorandum of Understanding.

The Municipality of Fier considers PB to be an exceptionally democratic method of governance, defined as a common decision-making process aimed at providing solutions to the many issues raised by the citizens, and set in the larger framework of the City Development Strategy for Fier.

The PB working group adopted a slogan to introduce the PB process to the citizens of Fier: "Participate, discuss, and let's decide together." This was the start of an intensive awareness raising phase, where tools as varied as posters, leaflets, TV announcements, etc. were used to attract citizen attention to the process. During the first year of the PB process, the Municipal Council, the highest decision-making body of Fier, agreed to set aside 50 million Lek of the Municipality's total annual budget, and allowed the citizens to decide where and how to spend it. This sum constituted about 25% of the Municipality's investment funds coming from the Municipality's own revenues and since 2007 this percentage has increased annually.

Citizen meetings were conceptualized in two rounds: the first round was targeted at informing the citizens of Fier about this new process, while the second round aimed at identifying and selecting the investment priorities. Participants included citizen representatives for each of the four administrative units of the Municipality of Fier.

Due to the importance of the issues being debated, these meetings were characterized by heated discussions among the citizens. Nevertheless, an operating consensus was achieved, which led to a selection of investment priorities. Out of all the priorities identified by the participants, the three most voted priorities in each area of the city were selected and added to the overall priorities list. In addition, participants in these second-

round meetings also voted to elect two citizens who would represent them in a Participatory Budgeting Council.

The PB Council was first assembled in November 2007, and continues to meet periodically. It has a total of 16 voting members, 8 non-voting members from the community and other non-voting members from the Municipal Council. The chairman of the PB Council is the Mayor of Fier. During its first meeting, the Council approved its internal regulation (statute) and discussed the criteria to be used in the evaluation of each of the projects. These criteria were approved in following meetings, and later used during the field trip to each of the projects, a process called the Caravan. After each of the projects had been visited, the PB Council gathered again to vote for each of the projects based on the criteria previously approved by this body. These criteria include:

- cost of the investment;
- number of direct and indirect beneficiaries;
- compliance with the City Development Strategy;
- quality of the existing infrastructure in that area, etc.

After the final ranking, a total of 10 projects were selected to be financed through the annual budget.

The engagement of the PB Council does not end with the selection of the projects and their final approval in the Municipal Council. PB Council members are an important part of the implementation process as well, where they have the right to monitor implementation of the civil works and report back to the Municipality in case of any irregularities.

The more concrete impacts of this process (that is, the investment projects financed and realized during the year) are expected to act as the most effective awareness-raising tool for publicizing the next year's PB process, thereby increasing the total number of people participating in it.

Intended objectives & beneficiaries:

The overall goal of the PB process is to serve as a social accountability mechanism that ensures citizen participation and consultation in Municipal

budget preparation and monitoring as a means to enable greater citizen influence in public decision making and to strengthen the accountability of government to the people.

More specific objectives of the PB process include:

- promote active citizenship in decision-making;
- increase efficiency and effectiveness in the use of public funds;
- increase accountability of the Municipality to the community and especially to more marginalized groups;
- implement objectives of the City Development Strategy;
- build local capacity; and
- increase transparency.

Significant achievements:

Fier's PB process has enabled real citizen participation in all steps of information and decision-making for good governance. The unanimous approval of the list of priorities by the City Councilors was testimony to the effective representation of the voice of community by citizens themselves.

The establishment and capacity building of the Participatory Budgeting Council (PBC) with its defined role and functions is one of the main achievements of the PB process. This body has institutionalized the citizen participation process, making it more than a "one-off" series of information meetings. Being composed by territorial and sectoral community representatives, it is an important instrument that ensures implementation of the City Development Strategy through community participation. As a result, the strategic aims and long-term objectives of the Municipality are reflected in its short-term decisions.

The definition of priorities by community representatives and their verification in the field strengthens the influence of citizens in decision-making,

highlights the collaboration between the citizens and the Municipality, and increases efficiency and effectiveness in the use of public funds.

Continuous communication between residents and representatives of the Municipality (including the Mayor) resulted in increasing the confidence of citizens towards the PB process specifically, and towards the local government in general. Transparency was increased and information exchanged through the awareness campaign. The level of confidence will be increased further as citizens witness the better performance of the Municipality.

The role of civil society representatives as community facilitators was very much appreciated by the community. Citizens felt more confident in expressing opinions and voicing their needs through these intermediaries. Moreover, the two local NGOs played a crucial role in identifying representatives of vulnerable groups and making them part of the process.

The media's role was also of great importance for increasing public awareness about participatory processes, increasing transparency, and make citizens feel more confident about the decisions of the local government, as well as for paving the way for replication of a good PB practice in future years.

Problems encountered and overcome:

Regardless of the huge efforts made during the start-up phase to inform all stakeholders about the PB process, during the MOU negotiation phase there were still unclear issues and uncertainties in the minds of the City Council Members, particularly regarding the role of the PB Council.

To overcome this situation, more and continuous information on the PB process was provided by the project team and greater involvement of the City Council was acquired in each successive step of the process.

Women are generally not very active participants in local governance activities. However, seven out of the 25 PBC representatives were women. This is a high figure, considering that women very rarely become members of citizen councils.

Ethnic groups like the Roma and the Egyptian are underrepresented (or not at all represented) in public life and decision-making, and the inclusion of

these marginalized groups was low in the PB Process and PB Council in Fier. Efforts need to be made by the Municipality to improve this performance in the PB Process in coming years.

Some people have expressed distrust towards local government and have criticized previous Municipality performance. They have stated that it is still hard to believe in this process, since it has not happened before. In Fier, however, the transparency of the process and the support given by Municipal leaders and staff during the process has successfully raised the confidence of citizens in the PB process.

Conclusions on the participatory budgeting process at the municipal level in Albania

Because of inherited problems stemming from the prior political and societal regime and lack of community cohesion, citizen participation in governance and city development is still weak in Albania. The experience of the last 15 years with participatory mechanisms suggests that citizens still lack trust in their local governments.

Further, citizens do not understand well the concrete benefits that may be obtained from participatory urban planning, participatory strategic planning, and other participatory approaches that aim at envisioning the future of their cities. The experience of PBP at the local government level in Fier has shown that participatory budgeting, in contrast to other participation mechanisms, is very attractive to citizens and is easily understood by them.

Participatory budgeting provides a direct link between financial resources with short-term objectives for city and neighborhood upgrading. The implementation of the objectives will take place less than one year after resource allocation is made by the citizens and Municipal officials and it will be monitored by citizens themselves, thus increasing citizens' confidence in their local government leaders and institutions. In short, PB is one of the participatory planning mechanisms that has been successful in the Albanian context. However, experience in Fier has shown that the process needs to be implemented for two or three consecutive years before full and effective participation is reached.

It is often stated that PB is a social accountability mechanism that increases the efficiency of fund allocation and public investments in cities. The experience in Fier shows that for a higher efficiency to be attained, PB should be linked to the City Development Strategy and/or other long term development and spatial plans. PB should be regarded as a mechanism that ensures the sustainability and implementation of the long-term city development objectives. While long-term strategies may sound abstract to citizens, through participation in the yearly budgeting cycle of the Local Government, they can more easily grasp the links that exist between strategic planning and project implementation. In concrete terms this can be achieved through introducing the relevance of citizen priorities to strategic goals and objectives as criteria for the evaluation and prioritization of the projects selected by citizens.

Finally, PB is a mechanism that guarantees accountability of government toward citizens, and especially the more marginalized community groups. PB can thus be regarded as one of the tools that will reinforce a proper decentralization process in Albania. Thus, PB is an important part of the decentralization reform movement.

MUNICIPALITY OF **HIMARA**

ESTABLISHMENT OF THE PUBLIC INFORMATION OFFICE (PIO)

The Municipality of Himara extends a length of 55 km along the Southern Albanian coast, and some 5 km deep from the coastline. There are 13,000 inhabitants living in Himara, in seven panoramic villages along the coastline, and in a forestry zone where olive trees and oranges/citrus are mainly cultivated. Himara is noted for its exceptional beauty and its potential as a major tourist destination in Albania. Only 30% of the registered population is currently full-time residents; much of the population lives in Greece or other foreign locations because of the better employment opportunities offered there. Himara experiences peak population at Christmas time, as well as in the July-August period, when immigrants in Greece and tourists visit the city. During those two seasons there may be up to 30,000 people in residence in Himara.

The Municipality of Himara is interested in properly serving its citizens and to assist tourists. It was selected as one of 10 pilot municipalities by USAID's Local Governance in Albania Program, which has assisted the municipality staff with training and study tours. The on-going establishment of the Municipality's Public Information Office (PIO) is modeled after a Public Information Office in Bulgaria observed by the Deputy Mayor during an LGPA-sponsored study tour in 2008. The public information office in Bulgaria had previously been funded by USAID.

Himara's PIO will have delegated functions from every office in the Municipality, and will be responsible for collecting citizen requests and returning respective answers. In this manner, no citizen will need to have direct contact with administrative staff but only with the information officer, who will not have a decision making role but only a coordinating role. That is, the Information Officer will only register citizens' requests in the online system, where the administrative staff person can resolve it.

Himara's public information office aims to:

- Improve communications between citizens and the municipality administration;
- Improve the efficiency of municipal staff;
- Increase transparency and citizens' trust in local government.

Beneficiaries of this service are:

- Citizens of Himara, both full-time and part-time residents
- The business community in Himara and domestic and foreign investors

Key achievements (anticipated):

- Municipality of Himara has invested in the establishment of a Public Information Office that is designed as a "one-stop-shop" solution located

in the entrance hall of the municipality. Information Officers stay behind their own desks, each representing a respective directorate, providing all information and services as citizens require.

- The Regional Development Agency (RDA) in Fier, which is funded under the Grants Program of the USAID/LGPA Project, is working with Municipal staff to prepare and structure standard information to be available for citizens. Such standard information is about the services that each department offers. Information will be made available to the public using leaflets and an electronic database.
- The Public Information Office will be the first contact a citizen has with the municipal administration. Work is under way to prepare a register for citizens' requests, information and services.
- An Information Bulletin on municipal activities will be prepared in order to keep citizens updated and to promote tourism. To date, a survey on citizens' feedback and a survey on tourism have been carried out. These surveys reveal citizens' opinions on the municipal work and service level as well as what tourists think about the quality of the environment and the municipal services. This work is done as part of the public communication strategy that the municipality is developing under this project. The survey results have been published and reviewed in order to acknowledge problems and to improve the quality of future services provided to citizens and to businesses in the tourism sector.

Future activities:

- Preparation of standard information to be made available to the public. Establishment of an information site where the municipality provides information that can be accessed throughout the municipality;
- Allocating computers for the Public Information Office;
- The Public Information Office is expected to be fully operational by November-December 2009.

MUNICIPALITY OF PESHKOPI

SUPPORT PROGRAM FOR STRENGTHENING LOCAL GOVERNANCE IN THE DIBER REGION

This program was initiated in 2005 by the Municipality of Peshkopi, in partnership with the Diber Regional Council, the Embassy of the Kingdom of the Netherlands, and SNV-Diber. **Vision:** By 2015 Peshkopi will be a developed and attractive town. It will be an environmentally clean and demographically stable community with modern schools, where tradition blends with contemporary development. Peshkopi, with its road connection to Macedonia, is a town that continues to play a very important strategic role for northeastern Albania. To reach this vision, the following objectives must be achieved:

Planned Infrastructure Activities:

- Develop and approve the Urban and Regulatory Plan of Peshkopi
- Create a green public park
- Reconstruct the network of streets
- Improve public services
- Protect the environment from erosion and pollution

Economic Development:

- Promote local initiatives for establishing Small and Medium Enterprises, focusing primarily on fruits processing and preserves, and other local products

- Construct facilities / markets for local products
- Manage natural resources sustainably, particularly water resources
- Complete the process of transferring public property and develop a management plan for public properties

Social Development (Education, culture, sport):

- Increase education system standards
- Improve the social life of citizens
- Protect and promote historical heritage

Good governance:

- Improve the Municipal information office based on the developed models in other municipalities
  - Reconstruct the information office
  - Provide equipment for the information office
  - Employ ICT for providing better services for citizens
  - Apply various tools for communicating with citizens (newsletters, leaflets, information bulletins, etc)
- Promote citizens' initiatives for creating participatory models in community life
- Reconstruct Municipal premises
- Increase administrative and Municipal Council capacities.

All of these activities aim toward increasing and improving conditions and services for the 19,200 inhabitants of Peshkopi Municipality, but also for offering better services, standards and value for tourists and visitors coming to our town.

Significant achievements:

Program overview: The overall objective of the "The support program for the Diber Regional Council" is to strengthen local government structures in the region by:

- Assisting municipalities and communes to implement their strategic development plans, and
- Capacity building for the Regional Council and communes/ municipalities administration.

The project is designed as two inter-related components following the specific program objectives:

- The first component is the Trust Fund. The Trust Fund is a competitive investment fund from which funds are awarded to the winning communes and municipalities in twice yearly rounds;
- The second component is for capacity building. The focus of this component is to support regional and local governments in planning and implementing investment programs.

The program enhances the ability for local governments to implement their strategic plans. These plans are developed through participatory community based processes. They are aimed at reducing poverty and improving public service infrastructure, including education and health facilities.

Achievements: As a participant in this program the Municipality of Peshkopi was able to effectively use funds for project development and implementation, with application of national standards in all aspects. Project development and implementation corresponded with the Regional Development Strategy, thus supporting a greater impact from the investments and providing support from the Central Government.

The comprehensive table of completed Municipality investments in all the four rounds of the program is given below:

- Application in the four rounds with:
  - infrastructure projects:
    - Reconstruction of the market road at the former park
    - Reconstruction of electrical sub-station road
  - Improve community services (cleaning, greenery) through purchasing equipment such as a roller, watering vehicle, excavator and waste baskets.
  - Renovation of the City Museum
  - Renovation of the Peshkopi Spa Center

Project Details:

- Reconstruction of the market road at the former park:
  - Project fund, without VAT, 163,000 Euro, or 20 million Lek
  - Financing from the donor – TF, 98,000 Euro
  - Financing from Municipality (MF), 65,000 Euro
  - Amount of VAT, 4 million Lek, from Ministry of Finance
  - Total value of the investment, 24 million Lek
- Reconstruction of electrical sub-station road:
  - Project fund, without VAT, 163,000 Euro, or 20 million Lek
  - Financing from the donor – TF, 98,000 Euro
  - Financing from Municipality (MF), 65,000 Euro
  - Amount of VAT, 4 million Lek, from Ministry of Finance
  - Total value of the investment, 24 million Lek
- Reconstruction of the Peshkopi Spa Centre:
  - Project fund, without VAT, 163,000 Euro, or 20 million Lek
  - Financing from the Donor – TF, 98,000 Euro
  - Financing from Municipality (MF), 65,000 Euro
  - Amount of VAT, 4 million Lek, from Ministry of Finance
  - Total value of the investment, 24 million Lek
- Reconstruction of the City Museum :
  - Project fund, without VAT, 12 million Lek
  - Financing from the Donor (TF), 7 million Lek
  - Financing from Municipality (MF), 5 million Lek
  - Amount of VAT, 2.4 million Lek, from the Ministry of Finance will be reimbursed to Diber Regional Council

  - Total value of the investment, 14.5 million Lek
- Improvement of the Municipal services:
  - Project fund, without VAT, 12 million Lek
  - Financing from the Donor (TF), 7 million Lek
  - Financing from Municipality (MF), 5 million Lek
  - Amount of VAT, 2.4 million Lek, from Ministry of Finance will be reimbursed to Diber Regional Council
  - Total value of the investment, 14.5 million Lek
- Asphalting Internal Roads
  - Project fund, without VAT, 24.3 million Lek
  - Financing from the Donor (TF),10.3 million Lek
  - Financing from Municipality (MF), 14 million Lek (Competitive Grant from Ministry of Interior)
  - Amount of VAT, 4.7 million Lek, from Ministry of Finance will be reimbursed to Diber Regional Council
  - Total value of the investment, 29 million Lek

Problems encountered and overcome:

Despite the insurance of the fund, we faced some challenges during project preparation, implementation and management

Challenges during project preparation:

- Lack of experience in writing projects and proposals

- Difficulties in preparation of good technical projects
- Ensuring matching funds and approval at the Municipal council
- Legal issues and fulfillment of the necessary legal documentation
- Tasks finalized at the last moment and with no time to take measures

Challenges in project implementation:

- Tendering Procedures
    - Long duration
    - Lack of real competition
- Monitoring
- Collaboration between actors
- Fulfillment of the documentation in accordance of the Diber Region requirements (Interim and Final reports)

Challenges in project management :

- Local Government Units (LGU) do not prepare management plans when they prepare the project
- Lack of capacities for implementation of management plans
- Collaboration between the actors
- Non-implementation of the management plans

Lessons learned:

- To build the capacities of the administration for compiling project proposals based on the requirements
- Good technical projects in compliance with standards
- Good and in-time planning of the budget (provision of MF)
- Having in reserve a 'Plan B'
- Increase the collaboration between Local Government Units
- Achieve good collaboration with government ministries
- Tendering should start at the moment that the Municipality receives confirmation that the project is awarded
- Structured and timely collaboration with Training Unit and the Region
- Solving of the supervisor issue (LGU-s cooperate and hire one supervisor), not only for this case
- Continuous project monitoring
- Preparation of the management plan from the beginning, when the project proposal is prepared

MUNICIPALITY OF POGRADEC

PREPARING A 5-YEAR CAPITAL INVESTMENT PLAN (CIP), 2010-2014

Pogradec is located in eastern part of the country, along Southwest shore of Lake Ohrid. The city lies 696 meters above sea level, with a total surface of 233.4 ha.

The project for drafting the Capital Investment Plan (CIP) for a 5-year period 2010-2014 was initiated by Pogradec Municipality in the framework of increasing Municipal management capacity, using limited resources in a more efficient way, facilitating the relations between the local government and the private sector, and improving the process for achieving sustainable economic development. The activities to realize this plan have been supported by USAID in the framework of Local Governance Program in Albania (LGPA). The CIP document was realized by Urban Research Institute in cooperation with a Municipal Working Group. This 5-year CIP is a projection of needs which are related to the improvement of the main assets and infrastructure of the municipality, and was designed to realize the following objectives:

- Maintain the value and quality of existing investments, and realize new investments related to the security and health of citizens;
- Decrease long term operational expenditures;
- Encourage private investment and job creation

- Increasing of Municipal 'own revenues';
- Enable the conditions for public-private partnerships in infrastructure and public services;
- Support the Action Plan of Environment Protection (year 2005) and other development strategies designed as a guide to orient investments;
- Provide the possibility to Pogradec citizens to react to Municipal priorities, prior to the project staring phase.

The CIP was drafted with the consultancy of a citizen commission, composed of 50% of individual residents, external experts, and Municipal Councilors. In addition, project priorities were established and evaluated in terms of security and health with the assistance of an opinion survey of 100 citizens.

Expected results from the CIP:

- Improve in a sustainable way the local Municipal infrastructure, which will help assure the provision of better quality public services and a resulting increase in citizen satisfaction;
- Improve the Municipality's success in attracting public and private investors who will lead to an increase of direct public investments.
- Seventy-one individual projects will be supported by the CIP 2010-2014, whereas the largest part (27%) will address improvement of roads and sidewalks, as well as tourism, cultural and sport development.

As a result of the good management of Municipal finances, the 5 year CIP can be financed with revenues produced at the current local tax level. On average, the annually funded capital investment projects reach a value of 113,000 thousand Lek (from own revenues), or 135,000 thousand Lek if possible conditional resources are accounted for.

CIP process

The process of CIP preparation involved not only the principal Municipal department leaders and units dependent to Pogradec Municipality, but also individual citizens and Municipal Councilors through:

- Establish a commission where 50% are citizens, external experts and councilors.

- Evaluate projects in terms of citizens' security and health, based on the survey of 100 citizens.
- Introduce the CIP to citizens and institution through media and other notifications.
- Hold an open public meeting for the presentation and discussion of projects and new proposals.
- Harmonize the information and actual situation with other information and documents drafted through citizen participation:
  - The proposed CIP projects are in keeping with the vision defined in the strategic plan for economic development of year 2000, which aims to transform Pogradec into a nice place to work, live and visit, by protecting existing values of nature, and coming closer in all aspects to community traditions.
  - The Local Environment Action Plan designed in 2005, served as a guide for investment in coming years, as a result of which there were proposed 9 important projects in the CIP.
  - Approximately 20 projects were proposed referring to the Council of Ministers decision regarding the transfer of public assets to the ownership of Municipality.
  - Around 35 projects were from recent Municipal Council decisions and actual citizens' needs which were proposed by various Municipal departments.
  - Around 10 projects were proposed by the citizen commission for CIP drafting, and as output of the public meeting for presentation of the draft CIP.

The usage of efficient methods to plan CIP support and the forecast of funds available for the capital budget for the period 2010-2014 came as a result of financial analysis of the period 2006-2008. For the year 2008, an important part of resources were revenues from tariffs (they cover 24% of total resources). Expenditures for investments from own resources (taxes, tariffs) had an increase in 2008, and they cover 19% of total expenditures, compared to 8% that cover investments financed by central resources (unconditional and conditional transfers).

Defining some criteria and policies to forecast the strategic budget

It is considered that the local tax levels will not change significantly, and that the main revenue increase will come from an increase in the number of taxpaying families. Thus, the revenues will be increased by 27% in 2014 compared to 2008. It is planned that municipality will collect 610,840 thousand Lek from all resources.

Pogradec Municipality will continue to perform the same governmental functions as in year 2008-2009. It is expected that an obvious increase of service level in case of three priority functions of the Municipality as presented in CIP, where will be allocated 10% more funds in Roads, Greening and Cleaning.

CIP project provided full documentation and data for each project

In each municipal sector, there is a full folder for each proposed project, where citizens and donors can find explanatory elements related to the project need, total cost, the effect of the project on the budget, possible funding resources, and a map or photo where a change is expected.

Transparent methods and criteria were used to evaluate and prioritize investments

The Municipality used two methods to evaluate the most important investments which were included in the CIP:

- Important evaluation information was provided by a survey of 100 citizens, in which the security and health of citizens was used as the priority criterion for project selection. From a list of 57 projects, the citizens assessed as 'urgent projects' in terms of security and health, 24 projects or 34% of the list proposed by the departments (14 projects were assessed with 1 and 10 projects assessed with 2).
- The second selection was realized using other criteria defined by the CIP preparation commission. This resulted in the inclusion of 57 projects or 80% of the proposals; whereas 24 of them fulfilled four or five of the criteria (secure resources or request of law, ongoing project, council objective, security and health of citizens (the survey), longevity more than 20 years); and 33 projects fulfilled 3 criteria.

The CIP document increases transparency and efficient in the use of funds

There is already in place a document approved by the Municipal Council, beyond their mandate, where the citizens as part of the process, expect around 57 projects to be realized from own sources, unconditional transfers, and committed donor sources. Citizens can be part of monitoring of this plan, through following project implementation each year. This document includes, for each particular project:

- A map which provides the project location
- Photo of current conditions or the location of the project
- Name of the project and description of changes by the investment
- The total cost
- The programmed field of development

The staff and municipal council will refer to this long-term planning document from time to time, in the course of implementing and progress reporting on the capital budget each year.

As a program that settles the finances and strengthens the continuity of investment even in the time when is over the timeline or the mandate or even in cases of staff changes, the CIP made possible for the community to focus on this transparent document to realize long-term and sustainable objectives in order to support expensive-cost projects.

Problems faced and resolved during the preparation of the CIP

Staff readiness to support this project:

Although the project was an initiative of the mayor, not all the department leaders were ready to fulfill the requests for projects along with all explanatory elements. The information was hardly provided, through the maximal engagement of Urban Planning department. The

number of people that have continuity in their engagement reduces in 3 to 4 who try new transparent methods in their working place.

Difficulties in analyzing and financial planning:

Financial management mechanism is weak.

Finance department owns information shared with many units and different data according to each function or funding source of last three years, as well for units depending from Municipality. The financial analyze comprises only data regarding cash flow use and not an information regarding stated obligations.

Holding of public meetings:

The municipality does not have a good tradition regarding public meetings; there is a lack of forms which make the citizens part of budgeting process. The communication of Municipality is through some elected NGO and not in the same level with other ones, as regards meetings and discussions that require citizens' consensus.

Transparency of reporting:

The city Council ask for more transparency from the Municipality for the donor funded projects' evaluation as from the experience, even if they are designed in a transparent manner, they do not get implemented and reported in the same level of transparency.

MUNICIPALITY OF SHIJAK

PUBLIC INFORMATION OFFICE

The Municipality of Shijak has identified the improvement of services to its community as one of its priorities. In the framework of the Albanian Leadership Program funded by Council of Europe, OSCE, AAM and OSI/Hungary, the Municipality of Shijak has received assistance in the drafting and preparation of its community plan. Among other activities, a Citizens' Committee was established and several initiatives to improve services to citizens were undertaken. One of the projects carried out in the framework of the Albanian Leadership Program was the establishment of a Public Information Office. Financial support was provided to the Municipality of Shijak to purchase office equipment, such as computer and printer. The Municipality has adapted an appropriate office space and has employed a specialist in this office. The establishment of the Public Information Office had a triple purpose:

- Increase the level of public information
- Increase transparency
- Facilitate bureaucratic procedures

Among indicators of leadership are the provision of information to the community, and the increase of transparency. Prior to 2008, the Municipality of Shijak did not have an organized system of public information. Citizens would have to personally visit the local government offices to obtain information, submit a request, or file a complaint with

various offices. Quite often they would not receive a clear or immediate answer to their concerns. This resulted in a loss of time to citizens and a lack of coordination of work among the Municipal staff, which translated into a failure to duly perform their duty. To address this situation, the Municipal management team decided to establish a Public Information Office in accordance with an organized information system and with the support of the Leadership Program.

The citizens of Shijak are the direct beneficiaries of this office. They now receive quick service without inconvenience or loss of time. On average, about 20 citizens per day obtain various information or services from the Public Information Office. Likewise, the Municipality benefits as they now have more time available to deal with administrative documents and issues by channeling the information and contacts with citizens in a more organized and professional way through the specialist of the Public Information Office.

Important Achievements:

The establishment of an organized system of public information has produced many successful results. Some of them are listed below:

Requests for *basic information and documents* of the Municipality are responded to quickly, usually within two minutes. Firstly, in enforcing the law on the right to official documents, citizens are entitled to obtain basic official information and documentation of the Municipality without a special written request. The Public Information Office has reduced to two minutes the time to make copies of these documents available to citizens who request them. These documents are available to the public at all times in this office, and can be provided in two minutes when requested by citizens. Some of the documents include: approved Municipal budget, regulation on operation of Municipality, organizational chart of the Municipality, standard request/complaint form.

Reduction of the time required to obtain certificates and other standard documents from Municipality to five minutes: The time has been reduced to five minutes for the preparation and delivery of documents from the Public Information Office. Such documents include: certificate of local residency, copies of decisions of the Municipal Council, Ready forms for permits and licenses, such as urban planning, taxi service, etc.

Organized system for addressing citizens' requests and complaints: The organized system for addressing the citizens' requests and complaints consists of identifying the rules on the administrative review of citizens' requests and complaints in compliance with the terms and procedures of the Administrative Procedures Code. There is a standard form for requests and complaints. A completed form is then submitted to the Public Information Office, which, in turn, protocols it and delivers it to the relevant office in order to start the administrative practice so as to provide a solution to the concerns in compliance with the established deadlines. As all requests and complaints have their unique protocol number, it is easy to monitor the method and timeliness of the review from the relevant Municipal office in order to avoid delays in the treatment of the citizens' concerns. This has been achieved thanks to the organization of the system.

A professional and polite service to citizens by the trained specialist of the Public Information Office: As the Public Information Office was being established, besides being furnished with the required equipment and furniture, the Municipality of Shijak paid special attention to employ a person who would possess the skills and the manners to serve the citizens. Since, this specialist is the first contact point with the citizens and serves as the face and voice of the Municipality, this person shapes the increase and improvement of the public image of the Municipality. In addition, the specialist of the Public Information Office has been trained on treatment of documents and Public Information Office before being hired in this position.

Citizens do not lose time wandering in Municipal offices to obtain

information, and Municipal staff does not lose time to clarify citizens about which office reviews their requests: One of the most significant achievements is the facilitation of procedures on information and review of requests and complaints of citizens, by concentrating them in one point. Thus, citizens can save time, because from now on they will not 'wander' through Municipal offices, but will be served timely and duly at the Public Information Office. As a result, Municipal staff will now have more time to deal with documents and solve administrative issues in time, because the staff will not be "disturbed" by citizens that enter and disrupt every office until they find the correct one.

Problems Encountered and Overcome:

The use of the Public Information Office to distribute forms and receive requests has eased the work load of other Municipal departments, and has made more time available to relevant specialists for the review and solution of citizens' concerns, which used to be a problem for the Municipal staff.

One of the problems encountered so far was some resistance and 'dissatisfaction' from a few officials, who, upon establishment of the Public Information Office, seem to have lost some influence, because citizens now do not go to their desk, but deal with the Public Information Office. These issues are often encountered whenever there is change in the philosophy and management of work, but they were solved over time as these officials noticed that application of this new practice has facilitated their administrative work on documents and review of issues. This has led to better collaboration with the Public Information Office.

On the other hand, although the objectives are quite clear and serve to the improvement of services to citizens, practical difficulties have been identified as citizens are not used to the new procedures. They want to solve their problems directly with the Mayor or Deputy Mayor, regarding them as the first office for the solution of their concerns, without going first to the Public Information Office and the relevant department responsible for the review of their issues. Mutual collaboration with other Municipal departments, and an effort to increase public awareness of the Public Information Office and its benefits should help to encourage citizens to rely on the effective operation of this office as a means to solve their problems.

MUNICILALITY OF BERAT

CULTURE AND HERITAGE FOR SOCIAL AND ECONOMIC DEVELOPMENT

The 'Culture and Heritage for Social and Economic Development' Program, funded by the United Nations and implemented by UNDP and UNESCO in collaboration with the Municipality of Berat, extends over 2008-2010 and seeks to promote the town by making use of its heritage and tourist resources to foster social and economic development. The objective of the project is the realization of improved tourist infrastructure in the town through the establishment of a tourist information office, tourist signage, creation of a promotional package and presentation of the town in international tourist fairs, support with technical expertise on drafting a management plan of the historical center, as well as support for local craftsmanship by encouraging the creation of so-called 'business incubators for craftsmen' that seek to preserve the tradition of artisanal works and enhance the availability of these products for tourists. This program helps not only the Municipality of Berat and the Department of Monuments of Culture, but also benefits to visitors, tourist businesses and operators, artisans, communities of museum areas, and the town in general.

The 'Culture and Heritage for Social and Economic Development' Program is a broad project, which has three components, where the Municipality of Berat is directly involved and additional components that involve the town only indirectly. Berat's components include:

- Establishment and refurbishment of a municipal tourist information office
- Tourist signage in town
- Drafting of a management plan for the historical center of Berat

The first component of the program involved the establishment of a tourist information office in the town to increase the level of information about the town and its historic center, as well as other tourism resources. This office provides practical information to visitors on accommodation, tourist sites in town, events and activities, regional and national road transportation, museums, art galleries, craftsman centers, natural resources, and everything the town offers to tourists in the areas of culture, nature and history. The establishment of this office was achieved through a successful collaboration with the UNDP (United Nations Development Programme). Some of the equipment and furniture, such as computers, promotional stands, and other equipment, were donated by the Berat Branch of Raiffeissen Bank.

While the tourist information office was being established, the Municipality of Berat undertook the training of a first group of tour guides, composed of a group of young people working on a voluntary basis at the tourist information office. These young people took part in a 5-week training as part of the '***I Love Ecotourism***' project. They were informed about tourist resources of the town and how to communicate with visitors. Particular attention was given during the training to sports and recreational activities of interest to tourists and offered through the natural resources of the town, tourist infrastructure, hotel and restaurant network, bed and breakfast, etc.

The training was conducted on site, at the premises of the Historical Center and at monuments of first category in the City, so that training participants were able to study these assets closely. In addition to training tour guides, the project involved other young people in raising awareness among locals to preserve and revitalize the historical center. To support this effort, the Municipality prepared a tourist package on the town, including catalogs, DVDs, maps, CDs, and practical guides for visitors; in addition, the Municipality updated its website and completed the virtual tours of the town. All these promotional publications are available through the Tourist Information office and increase the quality of information provided to national and international visitors.

UNDP provided financial support to the Municipality of Berat to participate in the International Tourism Fair in London in November 2008. Berat presented its cultural, historic, and tourist values to the many international tourist organizations and agencies that took part in this fair. The Municipality gave a press conference for the media and organized a workshop for participants.

The second component included the improvement of tourist signage, including installation of 19 informational signs, in Albanian and English, positioned at the entrances to the town, and at various important landmarks. This component is considered very important for the town's tourist infrastructure, thus complying with one of UNESCO's requirements to sites on its ***World Heritage*** list. The technical specifications for the signs were carefully prepared, taking into consideration international standards on tourist signage for historical centers and the features of the town. The project was conducted by the Department of Monuments for the signage of the Castle Quarter, by specifying the cultural objects and monuments of interest to visitors.

The third component of the program deals with the drafting of an Updated Management Plan for the Historic Area. UNESCO experts worked closely with Municipal and Monument of Culture Department specialists in drafting the Management Plan of Historic Areas in compliance with the standards established by UNESCO. The international experts and local specialists seek to consider all relevant factors in updating this plan in order to include citizens in the protection and revitalization of the historical values of the town. Assisted by international experts, the local work group will update the management plan to include all actions, projects and programs to be undertaken by the town in the future.

To date, the overall progress of the program has been very good. The few difficulties encountered so far relate to the lack of necessary human capacities for drafting the technical specification of the tourist signage in conformity with the UNESCO standards, and for the preparation of an updated management plan on historic areas. Collaboration with the experts of cultural heritage, of the Regional Department of Monuments of Culture and the expertise provided by UNDP has made it possible to overcome these difficulties and implement the program successfully.

MUNICIPALITY OF FIER

FORMULATION AND MONITORING OF THE CITY DEVELOPMENT STRATEGY

Fier is one of the main economic, trade and cultural centers of Albania. The City has a very favorable geographic position, and has historically served to connect the Central, South and Southeast parts of the country. Several important communication axes pass through Fier: the National North – South highway; the roads connecting Tirana with Gjirokastra and Vlora; and the railway lines Tirana – Ballsh and Tirana – Vlora.

Fier, with a population of 85,000 inhabitants, is also the Prefecture and Qark center. Its population has grown considerably in the past decade due to population migration and the attraction of employment opportunities. The Municipality of Fier works hard to anticipate city development needs and to meet the citizens' increasing demand for better services.

Preparation of the City Development Strategy:

Beginning in 2004, the Municipality initiated a comprehensive and participatory strategic planning process, within the framework of the Enabling Good Urban Governance II program (EGUG II), leading to formulation in 2006 of a City Development Strategy. EGUG II was implemented with support from the Dutch Government and the technical input of Co-Plan.

The aim of the Development Strategy was threefold: i) to define a common vision and set of objectives for the future development of Fier; ii) to establish an efficient city wide participatory process and institutionalize it for legitimacy; and iii) to increase local capacity by enabling local government to design and implement a strategic planning process;

"Our city development strategy is a big step forward but it's only the start. Dialogue has started and now we need to continue broader discussions with citizens and institutions to ensure that our common vision is translated into tangible reality. This requires, as we know, our greater commitment."[1]

Since its adoption in 2006, the City Development Strategy (CDS) has been applied to the annual budgeting process, according to the strategic priorities articulated in the Strategy. It soon became apparent, however, that a monitoring and evaluation program is needed to measure the effectiveness of activities designed and budgeted to achieve the stated objectives. With the support of USAID's Local Governance Program (LGPA), Fier has designed and begun to apply such a monitoring plan for the City Development Strategy (CDS).

Monitoring the Development Strategy:

During the CDS formulation, local stakeholders were made aware that the strategy represents only the first milestone in the multifaceted process of Municipal development. It is of course a solid and crucial milestone, but only carefully selected implementation activities and continual monitoring can guarantee the sustainability of the CDS as the overarching and guiding instrument for the City's growth and transformation. Implementation of the CDS began in 2006 with the initiation of a series of projects by the Municipality Council. Starting in 2008, within the framework of the LGPA, the Regional Development Agency (RDA) in Fier assisted the municipality in preparing a manual for CDS monitoring, and undertook the initial steps for implementing the monitoring process. The monitoring process and manual were conceived with the following aims: i) to support and guarantee the successful and efficient

1 Baftjar Zeqaj, Fier City Mayor, Fier Development Strategy, 2006.

implementation of the CDS in Fier; ii) to enable a transparent decision making process and improve communication among local stakeholders; and iii) to increase local capacity in the monitoring phase of the strategic planning process.
As was the case during the CDS formulation phase, the Municipal staff, the Municipal Council, local stakeholders, and the citizens are and will be the main beneficiaries of the CDS monitoring process.

Objectives of the City Development Strategy Monitoring Plan include:

- Evaluate the performance of public services and projects defined by the Development Strategy, through the clear definition and measurement of performance indicators.
- Analyze the efficiency of management to set objectives to reduce the cost of services.
- Analyze the efficiency of activities and interventions to facilitate reevaluation of priorities and for determination of next steps.
- Enhance transparency in the decision-making process and improve the quality of information to make it simple and understandable for the public, Municipal Council, and the business community; disseminate and publicize this information to public.
- Improve communication with all stakeholders: establish joint working groups with the Municipal staff, Municipal Council, business community, and interested citizens.
- Raise capacity of municipal staff: learning by doing, and through trainings provided to those responsible for monitoring the strategy

Significant achievements:

The major achievements of both strategic planning phases, as described above, stand with the formulation of the two strategic documents, namely the City of Fier Development Strategy and the Manual for Monitoring of the Fier CDS. Further, the city-wide participation organized during the CDS formulation represents a distinguished process of its kind in Albania. This is due to the multitude of activities as well as the different instruments used to generate local awareness and sustain the interest of the community during the formulation of

the CDS. Considerable effort was employed by the CDS formulation team to design and implement real participation at the city and neighborhood levels. Consequently, concepts like inclusiveness, equitable sharing of benefits and responsibilities and realistic development objectives, became tangible for the local stakeholders and stood at the heart of the CDS formulation process.

The monitoring team has made use of the institutional structure established during CDS formulation, for revitalizing the stakeholder groups during the monitoring phase as well. As a result, the definition of the indicators measuring the successful implementation of the CDS was made through participation, thus ensuring transparency, a high degree of credibility, and the continuity of the Municipality`s accountability.

Another important achievement of the Fier CDS was facilitation of the concurrent design of the Urban Regulatory Plan (URP), and designation of a realistic list of infrastructure projects to be implemented. The URP was approved both locally and centrally in 2006, and the city has received hard investments from the Central Government and various donor programs, as well as from private investors. Investor confidence in the soundness and reliability of the Municipality's City Development Strategy is an important factor in the ability to secure these needed investments.

Last but not least, through the development of CDS and the monitoring of its implementation, the Municipality of Fier developed a solid system of information and increased communications capacity internally, while increasing its accountability towards the citizens. In summary, the key achievements of these interrelated programs include:

- The design of the Development Strategy Monitoring Plan has incorporated practical measures and analyses leading to improvements in the process of providing public services and investments in the Municipality of Fier. It is now possible to ascertain citizen demands and measure satisfaction, thereby creating a 'chain of continuous improvement' in the process.
- The process of designing the Development Strategy Monitoring Plan was conducted with participation of Municipality staff, NGOs, and experts of organizing trainings and meetings related to this process. This has ensured participation of all potential stakeholders, through the creation

of a working group incorporating Municipality staff and experts related to different municipality projects.

- A functional plan that ensures full information about the Municipality is available in a single source. Based on defined indicators, relevant information is collected, entered to the database, analyzed, and published as reports according to the objectives of the strategy, the reporting departments, years, type of indicators, etc. This not only helps the Mayor, Municipality staff and Council to do a periodic scan of the situation, but also serves for research purposes by students, projects, businesses, etc.
- The necessary information is collected from different sources within the Municipality and other state and local institutions. The 2008 data is already entered and used in planning the 2009 annual budget.
    - 205 indicators are defined:
        - 36 result indicators
        - 19 source indicators
        - 150 product indicators
    - for 149 indicators, the basic value for 2008 has been defined
    - for 56 indicators, some additional work is required for the information collection:
        - Add more information for businesses
        - Add more information for visitors and tourists
        - Add questions in the general questionnaire
        - A preliminary estimation of the indicators related to money budgeted from the municipality in 2009 and the uncovered indicators.
    - There are 102 indicators or 50 percent of the overall indicators planned to be improved from the 2009 budget, such as:
        - Indicators related to public health
        - Indicators related to urban studies and designs
        - Indicators related to investments in infrastructure and greening
        - Indicators related to artistic and cultural activities
    - Uncovered indicators
        - Insuring standards in public schools
        - Measurements on case of fire and first aid offered

  - Humidity, ventilation and hygiene issues
  - Sport facilities / libraries
  - Employment projects
  - Infrastructure in rural areas
- The data are housed in an electronic database, which generates annual progress reports for each indicator. These reports are published in hard copies and/or in the Municipality web page from the respective department.
- A special structure has been created in the Municipality, called the General Department of Policy Coordination and Strategy Monitoring. This group will develop working relations with other municipality departments and several municipality partners, based on memoranda of understanding and collaboration.
- A public hearing was held lead by the Mayor, with participation of representatives from the Municipal council, Prefecture, Qark, local businesses, citizens, civil society and municipality staff.
- The Development Strategy Monitoring Plan consists of three elements: the Monitoring Manual, the electronic database, and the indicators report. The Manual has been published, relevant information has processed, and a first round of final reports has been published.

Problems encountered:

The main problems encountered to date were in collecting the required information, due to a lack of data, mainly from businesses. This problem will be solved next year by ensuring additional information from the businesses.

Another issue is related to the poor exchange of information among the municipality and other state institutions located in Fier, and the gaps and discrepancies resulting from this. In 2009, the information was collected in both formal and informal ways. Some institutions remain unavailable to provide the required information. Also, during the creation of the database attempts were made to unify the information received from different sources. The municipality of Fier suggests the data to be unified with other municipalities at the national level, in such a way to allow for the comparison of indicators and the defining of standards of services to be provided at the local governance level. Such an initiative would require support of central government authorities.

FUSHE-KRUJE

FINANCING A SEGMENT OF THE NORTHERN RING ROAD THROUGH A COMMERCIAL LOAN

The community has identified the construction of this part of the town's ring road as necessary to promote the economic growth and improvement of safety in the downtown. With technical assistance from the USAID Local Governance Program in Albania and through an all-inclusive process (involving the Local Economic Growth Committee), the local government has drafted a medium-term plan for the economic development of the town. The construction of the town's ring road, particularly its northern part, is the number one priority of this plan. The vigorous economic development of the town and of the entire region necessitates the construction of this road not only for the town but also for the community of the region. Many existing factories, (brick factory, stone quarries, etc.) must utilize the existing road that passes through the city center, causing significant damage to the roadway and polluting adjacent areas. What is more important is that this heavy traffic activity jeopardizes the life of the citizens. In summary, the lack of good infrastructure hinders further economic development of the town. The new road will avoid the movement of large transport trucks that pollute and seriously threaten the life of the local population. It is estimated that more than 500 large-capacity trucks

drive through the city center on an hourly basis. Further, it is estimated that the volumes of traffic to be generated by the new ring road of Fushe-Kruje is significant.

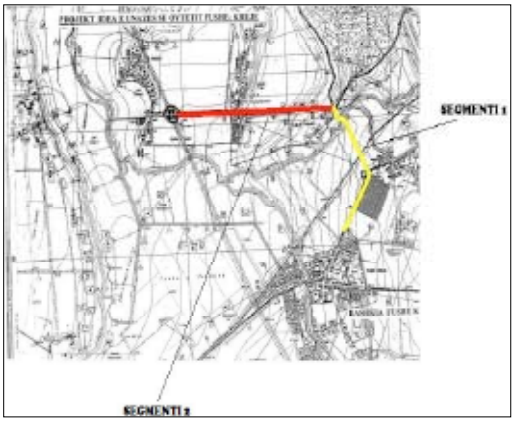
Important achievements:

The project includes construction of a part of the ring road of the town (only its northern part is financed by the commercial loan) in a distance of 2.8 km. This road is composed of two segments: (i) the segment of the existing national road of a distance of 1.2 km [shown in yellow in Figure 1]; and, (ii) the segment of the existing rural road of a distance of 1.6 km, along both sides of which it is expected that the town's future industrial development will be concentrated [shown in red, above]. The second segment will connect the internal road of the town with the Fushe-Kruje – Milot National Highway in a new intersection.

Construction of the first segment is the responsibility of the Central Government that, under the pressures and continuous requirements of the municipality and with the coordination of the USAID/LGPA program, has agreed to construct it and is currently upgrading this section.

The second segment of the current road is unpaved and has a width of 5-5.5m. This segment is under the authority of the Fushe-Kruje municipality. The cost of upgrade of this segment, including paving, widening, construction of sidewalks, and lighting, is 127 million Lek, VAT inclusive. For the realization of this project, the town secured a loan from the commercial banking market in Albania, in the amount of 100 million Lek, from the National Commercial Bank. The loan carries a flexible interest rate based on the rate of bi-annual treasury bonds of the Central Government, plus 3.08, with a maturity term of 8 years. The rest of the required 27 million Lek will be directly funded from the budget of the municipality. This marks the first commercial loan for a local government unit in the history of the Albanian public finances.

The second segment of this road and the national highway will be connected with a grade-separated overpass. The Ministry of Transport and Public Works



has approved the construction of this overpass. The construction of this segment will promote the development of an industrial zone.

The USAID/LGPA Program is also assisting Fushe-Kruje Municipality in the preparation of a regulatory plan of the town and surrounding communes. This plan, drafted through the involvement of other stakeholders, foresees the creation of a new industrial zone on both sides of the second segment of the northern ring road of the town.

The size of this new industrial zone is estimated to be 20-25 hectares of land, which will be transformed for economic/industrial use. This area lies in the northwestern part of the city alongside the national highway and is bordered in the north with the road that connects the cement factory with the national highway of Fushe-Kruje – Lezha. One of the reasons for the improvement of this road segment is not only the deviation of the excessive volume of trucks driving through the City, but also the potential development that will be focused in this part of the town and the concentration of new economic activities to be opened and operating in the town. By providing an industrial zone, the Municipality will be better organized in order to assist the local business with the final goal of encouraging local economic development of a high quality.

Problems Identified and Overcome

Realization of the financing of the northern ring road project through a commercial loan was both difficult and bureaucratic due to the lengthy and numerous procedures required for the enforcement of the law on local borrowing as well as the lack of experience in this regard. This is the first commercial loan for a local government unit. It required almost a year from the identification of the financial needs to implement the northern ring road project to the signing of the loan agreement, of which only five months were needed for the process of the loan agreement terms. This entire procedure implied the calculation

of the legal limits to a local loan, the maximal amount allowable for the annual debt service to be used, starting the process for attracting the interest of private banks, preparation of the necessary paper work and documentation for the interested banks, negotiation of technical and financial offers with the banks, selection of the best offer, approval at the municipal council, approval from the Ministry of Finances, and, finally, signing of the loan agreement with the bank, and disbursement of funds for the municipality.

The successful realization of this project was evident in not only the application of all required legal procedures but also in the fact that the period during which this process was accomplished coincided with the critical situation currently confronting the financial market in general and the banking market in particular due to the world financial crisis (November 2008 – February 2009). It is worth mentioning that the interest rate of the loan is very good, based on the Government of Albania's 6-month treasury bonds plus 3.08% and a maturity term of 8 years.

The Municipality's technical staff was responsible in accomplishing this loan contract. Since this loan indicates an investment to be undertaken during this year and to be paid in the coming ones, beyond the office terms of the current mayor, the local staff negotiated and agreed with the selected bank on making possible to repay most of the loan during the next two years (during the remaining mandate of the current mayor).

The discussion on this loan in the municipal council was open to the public. Almost all members of the municipal council took part in the meeting and, after much objective discussion; the funding of the northern ring road construction project through a commercial loan was approved unanimously by the councilors.

MUNICIPALITY OF KORÇA

PUBLIC/PRIVATE PARTNERSHIP (PPP) LAND DEVELOPMENT PROGRAM FOR SOCIAL HOUSING AND NEIGHBORHOOD IMPROVEMENT

The main objective of this project is to improve local asset management and attract private sector investment on a competitive and transparent basis to redevelop under-used urban lands to provide shelter and related services for the community. This objective is in line with those of Korca Municipality, and aims to develop city-owned land within a competitive but regulated urban market context. The completed project will provide both market rate housing and social housing opportunities for some families that are not able to access market financial instruments. The project will also include leased retail/commercial space, open areas, parking, and other necessary public infrastructure improvements. This project was assisted by USAID's Local Governance Program in Albania (LGPA) through its partner the Urban Research Institute (URI). Although final precise figures will depend on the final project design and the competitive offers put forward by housing developers, the project is expected to produce up to 463 residences, of which 75-80% will be market rate units, and 20-25% will be subsidized social housing units. The project will enhance living standards in a well-designed neighborhood community, while simultaneously increasing

the capacity of municipal staff to leverage private investments through a Public-Private Partnership (PPP) structure. Design standards and quality will be enforced through a development contract to be signed with the winning developer.

The principal goals of the project are:

- To increase the value of underused public assets owned by the Municipality;
- To increase the Municipality's investment portfolio in infrastructure and improvement of public services by developing skills and abilities in analyzing project feasibility and identifying suitable project financing alternatives;
- To analyze and assemble the financial and engineering data for the selected site so as to present attractive investment opportunities for the private sector;
- To establish concrete parameters for the project and to conduct a competition-based PPP selection and disposition process;
- To fulfill the needs for social housing by engaging in direct investments with the private sector through a PPP mechanism;
- To ensure that all procedures and documentation are correct and sufficient under applicable laws and regulations governing development projects undertaken by municipal authorities.

Benefits to Korca Municipality:

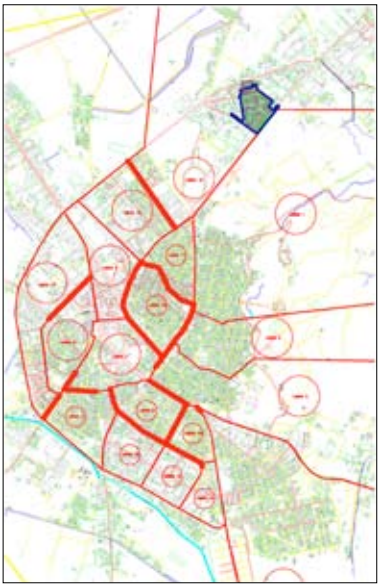
Activities under this project will help the Municipality of Korca to overcome problems in asset management, by identifying uses that maximize the proper and productive use of those assets, thereby generating resources that can be employed to raise the quality of municipal public services. Additionally, this project enables the Municipality to increase the experience and capacity of municipal administration staff and elected officials in asset management based on internationally accepted approaches. Improved asset management

will enable the Municipality to make more strategic use of their properties to generate needed revenue and underwrite the cost of providing better public services.

Proper identification of key project parameters will ensure a competitive situation that will result in a transparent and qualitative evaluation process for selecting the right private investor. At the same time, this project is focused on enhancing the group work and team spirit that are key factors in facilitating the process of knowledge transfer and adaptation into similar situations in the future.

The Community benefits from a process where the right to benefit from an asset is earned rather than given. The community will be consulted and involved in both the project design process and the developer selection process. As the ultimate beneficiary of the Municipality's planning activities and development programs, the community will reap the rewards of the local government's commitment to better manage public assets for service improvement. In particular, it is expected that a significant number of the listed homeless households in Korca will benefit from the development of the proposed PPP development.

The Private Sector benefits from the opportunity to compete in a fair and transparent process for the right to develop a major mixed-use project in an important Albanian city. The Municipality will select the proposal that follows the designated design parameters established by the Municipality that is feasible and realistic as a business venture, and provides the greatest benefit or return to the community. Nevertheless, it is understood that the developer will also realize a fair profit as a result of his involvement in the project.



Area location

Significant achievements:

The most significant achievement of this project has been the presentation of the PPP mechanism, a new concept for Albania, as an efficient alternative in managing local assets by creating a long term relationship between the private sector and local government. The PPP structure establishes a workable collaboration between the two parties by sharing the risks, contribution capital and benefits of successful project implementation. In this way, two goals are achieved:

- Increasing the value of the public asset. Project implementation creates a 'value added' to the pubic asset of around 139%, which is a greater return than produced by the other alternatives taken into consideration
- Fulfilling an important part of the social housing demand in Korca

Social Housing: This project is an important initial phase of a 10-year Housing Program developed by Korca Municipality that is targeted at reducing up to 13% the housing demand from homeless families in the coming years. An important preliminary step for the project implementation was the feasibility study which was based on the general analysis of the demographic development in Korca and an assessment of the homeless segment. Korca today has approximately 1,500 homeless families, of which 738 have re-applied for housing according to Law 9232 (dated 13.05.2004) on Social Programs for Housing of Citizens in Urban Areas.

Legal Issues: A major part of the URI feasibility study has focused on preparation of a full set of legal documents for implementation of a PPP agreement and identifying possible areas where new legislation and regulations may be necessary for a successful PPP. Part of the project was the legal analysis that answered three basic questions:

- Whether there are legal obstacles that would impede the Municipality to develop a PPP-based social housing program;
- Identify and define the legal path and procedures for the implementation of the project and determine if there are obstacles to impede the municipality in project development; and
- Prepare a set of documents that will be used by the city to conduct a competitive PPP selection and disposition process.

Financial and Engineering Analysis: A careful analysis of the financial and engineering information for the project site and its environs, and a careful consideration of former, actual and possible land uses with respective financial outcomes, was also carried out for the proposed project. Financial analysis was conducted from two points of view:

- 1st point of view: analyze the budget process and the tendencies in operating surplus in order to determine the fiscal capacity of the municipality to invest in this project or to assess its creditworthiness to apply for a loan from commercial banks.
- 2nd point of view: analyze the financial viability of the project by assessing the possible value enhancement of the public asset that is provided by the project realization as compared to market conditions and other opportunity costs.

PPP Structure: Based on the engineering, financial and legal analyses, URI prepared an implementation model for a PPP-based Municipal Social Housing Program for the selected demonstration site. This PPP model is based on negotiating an Exchange Contract between the public partner (Municipality) and the private partner (investor/developer). In this partnership structure, the Municipality contributes the land parcel of around 40,000 m2, and receives in return a certain exchange percentage converted into apartments and commercial areas.

11% is the minimum level of exchange for the Municipality but the actual percentage will be defined by the offers of the private investor/developers that will participate in the competitive auction. Based on preliminary data that are used in the project study, this project shall result in the construction of 463 apartments. The city will receive 93 apartment units of different size, or approximately 20% of the constructed units. (The 93 units would then be used to satisfy 13% of social housing needs from a total of 738 families re-registered as homeless based on the strict legal requirements.)

Project evaluation and phasing: Several scenarios were evaluated on a cost/benefit basis and towards the percentage of the homeless demand in Korca City. Project parameters such as plot surface; construction surface sub-divided by construction surface for housing purpose, commercial and social space; roads; parking lots; and greening were also calculated versus the capital value

that the city will be contributing to the enterprise. Due to the high investment required, the anticipated pace of housing demand conditions in the market, as well as the capacities of construction firms, the project is proposed to be implemented in three phases, over a time span of 6 to 8 years.

Discussion with Stakeholders: The project has been presented in a wide discussion group with participants from construction business, civil society, banks, etc., in order to assure wide support from different interest groups.
The idea of an open meeting to discuss the proposed project was welcomed positively by the participants. They see the project as an opportunity for the development of the city's construction sector and housing sector in particular. Participant's comments are summarized below:

- Participants conveyed the perception that the project is somewhat large and ambitious for a city such as Korca, and for the housing construction market in particular. Therefore, the investor/developer competition should be opened to companies beyond the City of Korca.
- The municipality should share and support financing of infrastructure costs;
- The municipality should define clear criteria for the evaluation of private investor's proposals;
- The project should refine market assessments, including local needs and capacities;
- The Municipality should be aware of the desirability of building up the capacity of the Municipal administration for replication of this experience in other cases.

Problems encountered and overcome:

Legal context: During the project development process, the legal framework was one of the most important issues. PPP is a new concept in Albania and this will be one of the first experiences in this field. As a result, there is not a clear legal framework or defined process.

Property issues: Another problem faced while determining the legal statues of the asset, was whether the property is free of any obstacle or claim from third parties. The asset ownership has been transferred to the Municipality by the Central Government, but the registration process has not been completed due to a mismatch of the area boundaries. URI has intervened to overcome this obstacle and to push forward the registration process of the public asset.

PPP contract issues: An important part of the project was the preparation of the Exchange Contract and the calculation of the exchange percentage for the construction area between the municipality and the private investor. URI has assisted the Ministry of Public Works to issue Instruction no.6 dated 14.05.2009 on Orientation Method for Calculation of Apartment Size for Selling Purposes of Land Equipped with Infrastructure, that was necessary in creating the legal basis for exchange calculation.

Need for data refinement: Difficulties were also faced during the financial and engineering analyses with regard to data collection. Some required information was missing, or needed to be updated and/or clarified in terms of the sources and underlying assumptions.

All these problems and difficulties were overcome due to the hard work of the Municipal Working Group and the URI team. Their efforts were motivated by the prospect of succeeding in a new experience that has the potential to be a successful tool for linking the private and public sectors.

MUNICIPALITY OF KUKES

FEASIBILITY STUDY TO DEVELOP A CONSOLIDATED BUSINESS CENTER

This initiative is a product of the USAID Local Governance Program in Albania (LGPA), and was realized by the Municipality of Kukes, with the technical support of Co-PLAN. The study assessed the possibility to move the existing industrial market to another more appropriate site, aiming to improve the local business climate and push for the economic development of the town. Through a rapid assessment, the Municipality of Kukes identified three potential sites in town where the Business Center could be developed.

Methodology and the process:

1. *Detailed analysis of three pre-selected sites where the Business Center might be built.*

An analysis was carried out, based on an assessment of multiple factors for each selected site, including natural features, property ownership, pedestrian and traffic flows in the surrounding area, as well as the possibility of people to have access from different directions, links to the site with the entire Kukes district, functionality solutions from architectonic and urban viewpoints, need for parking, status of existing urban infrastructure, potential costs for on-site infrastructure improvements, as well as the

potential impact on environment. Zone 1 was identified as the most appropriate location for erecting the Business Center. Zone 1 is located alongside one of the main streets of the City, and is part of the important Tirane-Morine inter-urban axis. Furthermore, Zone 1 is close to the existing industrial market. It is also to be noted that the local business community shares the same opinion that this area is the most appropriate.

2. Graphical elaboration of the urban and architectonic design for the Business Center in Zone 1 (Project Plan)

This part of the study honors some specific principles such as:

- creation of a voluminous complex that should be distinguishable in urban structure of Kukes City;
- creation of trade spaces of different size but adjustable in order to better serve business demand, creation of necessary internal spaces that facilitate movement of people, goods, supplies, and service provision;

The graphical design of the Project Plan has determined the organizational scheme for space management within the Business Center in Zone 1. Functional small shops within the building complex are foreseen and at the same time elements like buyers, people access and movement, including transport circulation and parking space are duly considered.

From the volumetric aspect, construction of a massive covered facility is foreseen in order to have clients feel comfortable therein.

Connection with roads-Zone II

3. Cost assessment

Based on the project design, financial calculations were made considering: building construction cost; construction cost for the parking space; cost for constructing extra infrastructure; cost for construction of water supply systems, lighting cost; etc.

Calculations were made based on reference prices set out in ***"Technical Manuals for Construction Prices and Technical Analyses."*** While the proposal remains as a scheme idea, the work volumes and resulting prices are estimated in an approximated manner.

Therefore, cost estimation for constructing the Business Center in Zone 1 is 103,915,000 Lek.

In addition, the operational and administration costs for the functioning of the Business Center were calculated, taking into consideration the likely land rent proce, administration expenses as well as depreciation rates in future years.

Total operational cost for running the Business Center is estimated to be **586,000 ALL per month or 7,032,000 ALL per year.**

In order to decide on the better administration option, the operational cost is preserved unchanged while different administration scenarios were considered.

The proposed design

Taking into account all cost estimations versus available surface on sale/ hire, renting fee must be more than 230 ALL/ m^2 per month.

Determining the scheme for financing construction and administration of the Business Center

As concerning the financing of Business Center construction, there are two options in the feasibility study:

Option 1 – *The Municipality will finance construction of the Business Center out of its own budget or grants from the central government. In this case, there no need to anticipate an initial investment pay off. Therefore, only running cost shall be affecting the renting fees.*

Option 2 – *Business Center construction will be financed by a loan provided by a commercial financial institution and it could cover up to 80% of the constructing cost (80% of the investment is the maximum limit of crediting under a business loan)*

As concerning the administration of the Business Center, there are three options in the feasibility study:

1. The Municipality will take on full responsibility for Business Center administration (including financing of its construction).

Based on initial calculations, this is the most suitable option from users' respect, because this alternative allows keeping a lower tariff fee for its users. On the other hand, financing the construction cost and running costs out of the municipal budget is difficult as the Municipality has got a limited budget resource.

2. The Business Center will be administrated in partnership

In a typical case, a partnership arrangement anticipates a balanced sharing cost approach; a 50-50% solution applicable to the total costs, i.e. preliminary investment for construction plus all running costs (depreciation and the maintenance costs). However, other sharing formulas are also possible, and depend on the specific circumstances of the project and the partners. In any event, a partnership solution demands for finding the right balance between the need of dealers to earn money and the social profile such a center has to provide for.

If the total cost of investment is taken into the account, a public/private partnership will help in minimizing the costs if the Municipality undertakes to invest erection and afford the running costs itself. Meantime, the number

of partners in this enterprise, and their shares, will depend on their financial capacity as well on the Municipality decision making process.

3. Business Center is commissioned to private concessionaries

This alternative almost removes the Municipality from responsibility to invest and manage the Business Center, except for paying a rental fee regarding tenancy of land. Under this approach, the Municipality has only to facilitate the transaction among interested parties, as well as assure that all necessary services are in place, like having functional water supply/draining systems and solid waste management.

But there are also problems in applying this alternative. Private investors will not be able to subsidize prospective tenants, since they must recover the full cost of their investment from the fees paid by the dealers using the facility. The private ownership and administration of the Business Center may thus force small dealers to abandon it, as they may not be able to afford an increased fee or cost for hiring the place. In this situation, an additional Municipality role could be to identify and implement a special balancing instrument, or subsidy, that will also allow small dealers to have a place in the new Business Center.

Analyzing all these alternatives, because of the investment cost involved, the most feasible option, if the Municipality cannot benefit from any foreign donation or a central governmental grant, ***is the construction and management of Business Center by private concessionaires.***

Construction of the new Business Center:

As the proposed design-scheme for the Business Center in Zone 1 consumes a considerable area, where construction costs are high, one possibility is to phase the investment. Thus, it is proposed that Business Center will be built in two separate phases.

Test interior

Phase 1: the building complex is constructed, including parts of the internal shops and service space. Parking space is also anticipated to be constructed during this phase, including the road linking the center with Agriculture Market Place. After assessing the income and demand from functional rented areas, it is possible to foresee the future needs for additional rental space. This phase covers the three first years of Business Center use. Experience gained during this initial phase can be used to consolidate and further improve the functional and management schemes for the Business Center.

Phase 2: It consists of increasing the coefficient for using the functional space of the Business Center, aiming at achieving its functioning at full capacities. There is not a time limit for this phase as it is the final format for Business Center functioning.

An indicator of a successful investment will be if there will be a need to extend the Business Center capacity after the first five years of its functioning.

MUNICIPALITY OF LAÇ

2008-2015 MID-TERM ECONOMIC DEVELOPMENT STRATEGY PLAN

An Economic Development Strategy Plan for Laç Municipality, and the Laç-Milot-Rubik-Rrëshen-Orosh-Fan Regional Community was prepared during March-April 2008.

A Mid-Term Economic Development Strategy Plan for the Municipality of Laç was drafted in the framework of the Albanian Leadership Program. The Leadership Program, a joint initiative of the Association of Albanian Municipalities, Council of Europe's Expertise Center for Reforms of Local Governments, the OSCE Presence in Albania, and Open Society Institute (Initiative for Local Governments and Reforms in Public Services), assists selected Municipalities to articulate a development vision as well as to achieve it through effective management and greater involvement of local communities. Representatives of civil society groups, public institutions, businesses, technical experts and individual citizens of Laç Municipality were involved in the process of developing this basic document. The Strategic Development Plan reflects the needs and mid-term priorities of the Municipality and identifies projects to be undertaken to meet these priorities. As a result, the Municipality of Laç can quite well present to donors and foreign and domestic investors these two important development documents – the

Economic Development Strategy Plan of the Municipality of Laç and the Economic Development Strategy Plan of Laç-Milot-Rubik-Rrëshen-Orosh-Fan Regional Community. In the process of drafting these strategic plans, the initiators of the Leadership Program also funded the installation of Financial Software, training of the finance staff, and the creation of the website for the Municipality of Laç.

Intended objective and beneficiaries

Article 10/III/a of the Law No. 8652, dated 30.07.2000, "On Organization and Functioning of the Local Government" sets out the legal obligation of Municipalities for drafting a local economic plan. The very initiative undertaken by the Municipality of Laç to prepare a Mid-Term Economic Development Strategy Plan is in line with the requirements of this law. The Municipality endeavored to make effective and efficient use of human, natural, social, institutional, financial, and physical resources in order to make a friendlier environment for its inhabitants and businesses as well as to make the town attractive to visitors, investors, and donors. The strategic plan is the platform for supporting all projects that support the economic development of the town, for attracting businesses, and for creating new jobs through defining the directions to be followed in the future and by focusing on a better use of existing resources. For this reason, the Municipality of Laç committed itself seriously in this planning process. This strategic plan is the first of its kind for this town; it seeks to facilitate collaboration among all stakeholders and constitutes an effort to generate change in the manner and quality of governance as well as in the decision making process.

Intended Objectives

The Mid-Term Economic Development Strategy Plan is an all-inclusive plan aiming to identify the vision and strategic goals for the development of the town, to lead and consolidate the Municipal and community efforts in the establishment of a supportive and favorable environment for business development. The strategic plan increased the synergy among groups of interest involved in it. A joint vision was established for the improvement of community life, for creating a friendly and attractive environment for local businesses and foreigners. This plan addresses the needs of the public administration of the Municipality and of the community in terms of increasing the quality and diversity of jobs, public services provided by the local administration, and improvement of quality of life and environment for business development. The main objectives that permeate the strategic plan are:

- Give to the community and public administration a guidance document for defining the preferred directions for economic growth;
- Establish an example on strategic decision-making among local politicians and business community;
- Facilitate cooperation among private and public partners for the coordinated development of the Municipality;
- Create the frame for decision-making on issues such as public services, infrastructure, and cooperation with business;
- Create an experience and install a culture on planning of economic development;
- Create a favorable environment for current business development and diversification, because few chances exist for emerging new businesses in an environment where current businesses are not satisfied;
- Influence the funding and technical assistance policies of the central government and donors;

- Give to the Municipality the proper leadership authority in planning of economic development;
- Enable a transparent, effective and professional local government that meets the needs and expectations of locals and visitors.

The structure of the strategic plan supports a range of programs and projects that address the concerns of many interest groups inside the large groups of the community, business, public agencies and civil society.

Results achieved:

The community regained its confidence in the public administration of Laç Municipality and was more concretely informed on the financial and legal limitations of the local government in providing services in terms of quality and quantity. The community provided an endless number of ideas and was assured that its opinions would be constantly considered on any initiative undertaken by the public administration on what is going to occur in the town of Laç in the 10 coming years.

The public administration increased its capacity and created a foundation for successful and continuous collaboration with the community. In addition, it laid the foundation for a steady and professional transparency on periodic accountability on the exercise of its activity. Likewise, it received concrete assistance in decision-making on the solution of difficult problems for the application of ideas and programs innovatively and generated broad support, which translates into a better operation of the local government in the future.

Civil society organizations had the opportunity not only to speak out and institutionalize in a written agreement the previous promises of the local government, but to find a common denominator with the public administration on projects of community service by placing the magic triangle –public administration-civil society-community – in this foundation.

The business community found in the projects of the strategic plans all its needs for fiscal support, improved infrastructure, and for facilities in creating a friendly business environment. Now, business is no longer regarded by the public administration simply as the basis for fulfilling the revenues plan of its annual budget, but as an important and fundamental partner in the economic growth of the town, in the decrease of unemployment, and in the increase of living standards.

Donors enjoyed the fruits of success of the leadership program, which was disseminated in the form of brochures to other local government units throughout Albania to learn from this experience. Foundations were laid and practices for the preparation of professional projects were created that clearly articulate the demands for investments of an entire town.

The regions found in the Municipality of Laç a prepared and more professional partner ready to understand and promote the practices of long-term planning, but now at a regional level. The development of a strategic plan of the Municipality of Laç and the round tables organized in this process served simultaneously to help draft the strategic plan of the above-mentioned regional community. The process of developing a mid-term strategic plan For the Municipality of Laç underwent the standard process of four preparatory phases, as elaborated below:

Preparatory Phase

This phase included increasing the awareness to political leadership, public administration, community, business groups, civil society, public institutions, and all stakeholders for active cooperation and participation in the process of drafting the strategic plan. Posters were printed and posted in public places, media notifications were prepared, and open meetings with interest groups were organized in order to familiarize them with the agenda on the initiation and progress of the mid-term strategic planning. The political support of the Municipal Council as a collegial decision-making body and representative of the community and the support of the Mayor as representative of the public administration were both promising and stimulating to this process. During this phase, the following was achieved:

- **Expression of political will** by the Mayor and the Municipal Council as the decision-making structures of the Municipality;
- **Political leadership:** A working group of councilors was established headed by the Mayor to lead this process;
- **Hiring of the project staff:** the project leader and staff were selected in consideration of their possession of good knowledge on strategy, local economy, and community involvement, as well as technical capabilities for managing a project;
- **Definition of project structure:** the topics and supportive groups of experts were identified for the continuation of the project;
- **Outside expertise:** collaboration was established with the Association of Albanian Municipalities to ensure outside expertise on drafting the community profile, analysis of trends, identification of optimal ways of involving various actors, drafting of matrixes, etc.;
- **Plan of Project:** the project plan was drafted for developing a strategic plan, a project timeline was defined, and deadlines were set for the project milestones.
- **Stakeholders:** A list of stakeholders was prepared to contact for consultations and opinions and a plan of involving them was also drafted.
- **Local, regional, and central governance:** All central government units located in the town of Laç were informed; likewise, the regional units and neighboring local government units were informed on the process and areas where they could contribute with information and ideas.

The political leadership became an active part of the planning process and followed this process in all its life.

Second Phase – Community Profile

A successful realization of this phase generated a large volume of important information not only for the strategic planning but also for the promotion of

tourist, religious, historic, and coastal values of the town of Laç. During this phase, the local government unit identified the natural resources, population and its demographic trend; prepared the data for the local economic situation and its importance in the regional and national economy; collected data on geography, climate, fauna, and flora; analyzed the opportunities for housing, education, health, agriculture, and livestock; collected data on services of cleaning, greenery, water supply, sewer, and lots of other data. This phase included:

- **Selection of data:** the data for study were selected and their sources identified;
- **Collection of data:** the data were collected from the identified sources;
- **Analysis of data:** the data were analyzed to identify the main trends;
- **Comparison of data:** the data were compared with similar data of the other local government units of Albania;
- **Community profile**: a written report was prepared to describe the main economic, social, demographic, tourist, cultural, and environmental characteristics of the town.

An achievement worth mentioning in this phase was the collection of a large volume of information by public agencies and the solutions they sought to give in advance to problems in areas they covered.

Continuation of Work

This phase, in whose foundation lays the definition of "Where are we going?" by groups participating in the planning process, achieved two objectives:

- **Engagement of actors:** various methods were utilized to involve and push the participation of various groups of interest in the strategic planning, such as public meetings, polls with citizens, and focus groups;
- **Analysis of trends:** simple methods, such as brainstorming sessions, were used with thematic groups in particular areas, like education, culture, healthcare, and social issues; economic growth and infrastructure; tourism, agri-business and forestry, environment and alternative energy.

The strategic planning process is a serious one and requires technical expertise. Lack of this expertise can make the process boring for the public. Since collection of ideas from the community and common citizens is crucial to the success of the project, the moderators used simplified introduction techniques; in addition, they encouraged the division of interest groups not only based on their representation (community, civil society, public agencies, business), but also in accordance with the areas where participants felt more prepared and familiarized to present their knowledge and opinions on the town's development.

The engagement of the community in the planning process produced an accountability of the public administration on the activities run by the Municipality and offered a broader view of the resources available to the local government on realization of various projects to the benefit of its community. On the other hand, the public administration became more aware of the importance of the involvement of citizens and civil society groups, and their opinions not only in the development of the mid-term strategic plan but also in all public initiatives. This strategic plan laid sound foundations of participatory planning, not only in mid or long term issues, but also in short-term issues, such as participatory budgeting. Finally, a fundamental principle was established: the Municipal staff does not know everything; therefore, cooperation is essential to the success of their work.

A **Bank of Ideas** for the town of Laç was created. It served as the basis for creating the Bank of Ideas of Laç-Milot-Rubik-Rrëshen-Orosh-Fan Regional Community, and the Bank of Ideas of the Region. These ideas are then matured by the technical experts and generate programs and projects to support the solution of community's concerns. The participants gave many ideas on how to collect the citizens' opinions for the strategic plan. Some supported the idea of running a simple poll to be organized with questionnaires to all

families of the town. Thus, the strategic plan would genuinely be all-inclusive and represent the opinions of all citizens. This option, however, was difficult considering the conditions of the Municipality of Laç, because it was expensive, time-consuming and hard to manage.

Other participants suggested including the opinions of emigrants or students abroad, as people what might have a more correct perception and live closer to future trends. Due to the lack of a Municipal website to realize online forums where young people or emigrants from Laç could express their own opinion on orientation of economic and social development of Laç, this important source of ideas was not included in the strategic plan. However, once the Municipal website is created and running, these ideas will serve to improve the strategic plan in the future, which is a continuous process.

The mid-term strategic planning process was associated with the increase of technical capacities of the public administration and of improvement of viewpoints on problems from a perspective plan. The administration familiarized with the solution of routine and short-term problems was able to grasp a new method of thinking strategically and of prioritizing the issues in a long-term plan, thus leading to a more effective and productive work.

Creation of Vision Statement

A SWOT analysis was conducted in this phase and a vision was created, which clearly defines the aspiration of the community on how it will be in the future. This phase included:

- **Conduct a SWOT analysis:** this analysis was based on information collected, such as the community profile, analysis of trends, and consultations with the community. It identified strengths and weaknesses, such as internal factors of the local government unit, as well as opportunities and threats as external factors affected by economic, social, political, environmental, and technological trends.
- **Creation of vision statement:** it resulted as a final product of discussions of a series of visions constructed from the selection of the 10 most important issues among strengths, weaknesses, opportunities, and threats, and their categorization in accordance with their ranking importance in three groups.

At the end of this phase, all actors involved in the strategic planning process agreed with the creation of this vision statement: *"In the 10 coming years, Laç will be able to consolidate its unique values, where the planned development of tourism, combined with the historic, religious and coastal tourism, and supported by the development of agri-business, light industry, trade, and craftsmanship, will make Laç a town with below average unemployment and above average family income."*

Development of Strategic Plan

Once the vision was stated, work continued with the development of a plan to achieve it and to define "how we are going there". This phase included:

- Indentify the main goals to achieve the vision;
- Indentify the main objectives to achieve each goal;
- Define programs to achieve each objective;
- Define projects to realize each program;
- Identify and assess financial and human resource needs as well as legal implications and partnerships for each program and project. Define whether a program or project is realistic and achievable and how to ensure the human and financial resources for their realization;
- Assign a responsible person for each program and project;
- Publish the Vision and Strategic Action Plan in a report (to be accomplished soon);
- Finally, monitor and evaluate progress during the implementation of the strategic action plan (underway).

MUNICIPALITY OF PERMET

ECOLOGICAL AND CULTURAL TOURISM IN PERMET

With the assistance of experts from OSCE, EU, and the Association of Albanian Municipalities, and in the framework of the Albanian Leadership Program, the Municipality of Permet has drafted its Strategic Development Plan. The Plan identifies the town's development priorities for 2008-2015.

In consideration of the available resources for development, the Municipality has defined the following vision: **Permet, a place of tradition and culture, will in 2015 be a town recognized nationally and internationally for ecological and cultural tourism, for its traditional and distinctive products, where both locals and visitors will enjoy a clean environment and a high quality living standard.**

- A well-known tradition of hospitality
- Robust cultural tradition of outstanding, rich cuisine produced in both households and restaurant businesses
- Tradition in the production of high quality natural meat and grape products (wine and raki), etc. Recently, further important steps are being undertaken to increase both the quality and quantity of traditional products and to improve marketing and promotion.
- Outstanding artistic tradition, characterized by beautiful folk music and dance of domestic and international recognition.

In accordance with the Municipality's vision, potential opportunities for the town's development include ecological

and cultural tourism as resources with a significant impact in the improvement of the wellbeing of local community and the surrounding areas. The Municipality of Permet has presented its Strategic Development Plan to several important decision-making institutions, to domestic and international donors, and to various tourism agencies operating in Albania. As a result, the Municipality has obtained financial support for the promotion of ecological and cultural tourism. This will help the Municipality to achieve its vision as identified in the Strategic Development Plan, and to promote related development initiatives.

Objectives

- Identify of the diversified tourist resources of Permet and its surrounding areas, including:
  - Natural beauty of Permet's geographic terrain, attractive to tourism
  - Cleanliness and climate of this area, in both summer and winter
  - Promotion of traditional products which are produced at high quality and safety standards for visitors
  - Promotion of natural and cultural monuments located in the Permet region, which are unique in their form and type, and which present a special appeal to visitors.
- Encourage the business community to run their activities in consideration of the tourist potential in Permet;
- Encourage neighborhood communities, particularly the old neighborhood of Permet, to invest in family tourism;

- Encourage villagers and farmers around the Municipality to invest in their traditional agricultural and livestock products, and in agro-tourism;
- Encourage large businesses to be interested in tourism development of the surrounding villages of Permet;
- Provide awareness to central and regional institutions on the promotion and support of cultural association activities for the promotion of the traditional and rich folklore traditions in Permet;
- Provide awareness to central and regional institutions and civil society organizations on the development of sports activities such as hiking, riding, rowing, etc., at seasonal times.

Beneficiaries

Beneficiaries from the promotion of ecological and cultural tourism in Permet include:

- Local inhabitants will improved their quality of life from the increase of tourism revenue
- Business community of hotels and restaurants will see more economic activity
- Souvenir businesses in the town of Permet will see more economic activity
- Banking business currently present in Permet will expand
- Farmers' community will realize benefit from the revenues they generate from selling traditional and natural products
- The Municipality will increased revenues from the tax base, and from the increase of the town's promotion to visitors
- Civil society in general, tourism agencies, non-governmental organizations, etc., will benefit from greater interest and activity in the visitation to Permet

Significant Achievements

Permet is known as a town with a tradition of eco-tourism. Nevertheless, one of the pearls of Albanian nature, the Vjosa River Valley, has needed better promotion with the aim of increasing the number of local and foreign visitors. As visitation increases, this will significantly impact the development of social and cultural life of the area. In addition, they will better advertise the particular culture and tradition of Permet, which is highly recognized nationally.

The ideal location of Permet, at the intersection of the Gjirokaster, Korça, and Berat regions, and near the national border of a European Union country (Greece), is another advantage which supplements the town's other special characteristics. For example Permet, known as the "City of Roses", has a close proximity to the Vjosa River and Dhember Slope, the Town Rock (a natural monument), Bolenga Castle ruins, distinctive houses and stone-paved paths of the town.

Permet has many national historic and cultural personalities, culinary products, traditional cuisine in full harmony with eco-tourism, such as the thermal waters of Benje, the Stone Bridge of Kati, Langarica and Kamenca canyons, abysses of Nemerçka populated by wild animals such as chamois, deer, the National Park of Frasher (well known for its bears), Byzantine churches with rare icons, old assets of Ali Bey Kelcyra, Illyrian castle ruins, Illyrian tombs and mounds, the Stone Bridge of Ali Pasha Tepelena, etc. All these sites create a suitable environment for the increase of visits by tourists and provide the necessary basis for developing potential and increasing tourism.

Significant Achievements in Tourism

A first time publication of these resources established the new infrastructure for the presentation of Permet to visitors, starting from the tourist guide and ending with website pages, distribution of CDs, TV commercials, etc. From this viewpoint, the tourist industry, such as hotels, family tourism, river tourism (rowing), mountain tourism (hunting), etc., has significantly increased the wellbeing of inhabitants and considerably improved the tourism infrastructure of Permet.

The Municipality of Permet classified tourism as a priority for its social, economic, and cultural development, and this is clearly elaborated in the development strategy of the town.

Permet made use of its excellent tradition in tourism and published it in its web pages and in tourism guides, flyers, leaflets and brochures on cultural activities, to tourism agencies, etc.

The Municipality of Permet has introduced tourism as an important part of national eco-tourism, by estimating and identifying it as a valuable and indisputable resource, and as part of the surrounding areas (including the Thermal Waters of Benje, Kelcyra Outfall, its numerous canyons, the National

Park of Hotova, the rare icons and frescoes of churches, Vjosa River Valley, ancient settlements, Illyrian tombs and castle ruins) and in the broader regional area (including cross-border collaboration for tourism).

The Municipality of Permet has successfully presented its particular environment and geographical position that offer chances to know the terrain by making use of its special tradition and culture. Famous people such as Edith Durham have who cited Permet as a place with great eco-tourism resources. The continuous improvement of hotel service and the special cuisine tradition of Permet constitute another advantage for the development of tourism. This is strengthened with trainings on business management and modern conceptualization that are translated well into regional and cross border collaborations.

Problems Encountered and Overcome

- Lack of a vision on Permet's eco-tourism development and lack of an essential development plan that would clearly program the tourism strategy of the Municipality; drafting of a strategic development plan and identification of vision and concrete priorities for development are fundamental steps towards ensuring a stable and integrated development of the town.
- Publication of resources and establishment of a new infrastructure for the presentation of eco-tourism in Permet, starting with tourist guide, web pages, CDs, TV ads, tourist leaflets and brochures, etc. Thanks to prioritization and an increase of financial support from donors and other organizations, we now have improved the above promotional tools. The establishment of a tourist information office at the Municipality of Permet, as planned in the framework of structural changes of this Municipality, will be another tool for achieving the vision of the Municipality of Permet.
- Lack of training of business people on the development of tourism industry, including hotels, family tourism, river tourism (rowing), mountain tourism (hunting); collaboration with the central government, donors, and lobbying with stakeholders, such as the business community, and joint promotion of activities that would increase the number of visitors to Permet are some of solutions foreseen to overcome these obstacles.
- Lack of regional and cross-border collaboration for a stable development of Permet's eco-tourism; intensification of cross-border relations and exchange

of experiences on development of eco-cultural tourism are considered to be steps for the improvement of the situation in this direction.

- Lack of cooperation with regional, national, and international tourism agencies; improvement of promotional tools on the development of tourism will enable the establishment of contacts and collaboration with these agencies.
- Lack of an information office at the Municipality for creating the best conditions for visitors; the establishment of this office in the coming months will considerably improve the promotion of tourism and increase the satisfaction of visitors.
- Lack of urban road infrastructure of the town, water supply service and street lights; the town's infrastructure has improved and will continue to be improved. Infrastructure improvement is a clearly expressed priority in the Strategic Development Plan.

MUNICIPALITY OF VAU I DEJËS

SUSTAINABLE PLANNING FOR SMALL SIZE RURAL-URBAN LOCAL GOVERNMENT UNITS IN ALBANIA

This is a model intended for Communes and Municipalities of a mixed rural-urban character that would like to engage in a process of strategic planning with due consideration of the territorial management aspects of development. This activity was carried out by the Municipality of Vau Dejes, with the support of the Swiss Program for Local Development and Decentralization (DLDP) and the planning organization CO-Plan.

The Vau i Dejes Strategic Development Plan was prepared within the framework of the DLDP program being implemented in a number of communities in the Shkoder Region. Vau i Dejes is one of eight local government units partnering with DLDP, together with the Municipalities of Shkoder, Puke, Fushe Arrez, Koplik and the communes of Dajç, Velipoja and Gur i Zi.

The Strategic Development Plan for Vau i Dejes was developed in the period May 2007 – December 2008. Review and approval of the completed Urban Regulatory Plan is ongoing.

Intended objective and beneficiaries: This activity was designed to elaborate strategic planning and territorial management instruments for the sustainable development of Vau i Dejes, which consists of 12,345 inhabitants living in

eight villages and one town. The local government administration consists of 32 employees and 17 Councilors.

Given the small size and semi-rural nature of the community, the planning process had to be carefully based on an assessment of local needs, and reflect the likely course of development over the mid and long-term. Further, the process should maximize the use of participatory processes to reveal citizen desires and satisfaction with the planning process.

The aim of the Strategic Development Plan is to provide local authorities with a strategic guide that identifies main priorities for the Municipality's future development by addressing issues such as economic growth, interventions for improving physical and social infrastructures, distribution of necessary capacities of public services, the planning of territorial management, etc.

In order to fit with the current situation and needs in Northern Albania, the planning methodology was developed jointly by the experts and the partner municipalities and communes, with a particular focus on:

- Instituting an open, participatory, and transparent process, involving all principal local and regional stakeholders, in order to ensure a broad acceptance and lasting ownership of this important strategic document;
- combining the strategic plan with territorial management instruments in order to address the challenge of illegal constructions and encourage consistent land use and urban planning;
- linking and integrating the local development plan into regional and national strategies and policies, to avoid land use conflicts and ensure a coherent planning framework.

Significant achievements: Based on the outcome of this process, the Municipality now is able to guide its development and administrative procedures based on the strategic planning instruments which were developed in a participative way.

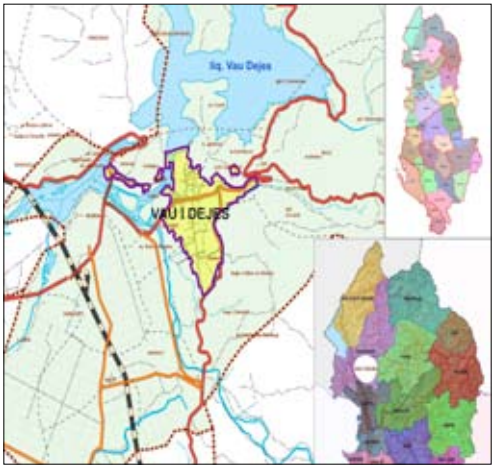
Strategic Development Plan and Urban Regulatory Plan

The design of each instrument was achieved through a participatory process that was planned in advance and discussed thoroughly with beneficiaries. The participatory process was tailored to local needs and adapted to the size, human resources, and community behavior of the Municipality.

The Strategic Development Plan was conceived as a dynamic, simple and flexible document, easy to understand and ready for use by the local administration. This document introduces a long-term development vision complemented by a realistic short and medium term action plan.

Further, both the development vision and the action plan were translated into a land use plan, whose aim is to define the physical limits of development and outline the impact that the development priorities will have on the territory. The land use plan is well aligned with the Strategic Development Plan as a territorial administration document, and serves as the first step towards its implementation. The Urban Regulatory Plan represents a unique example in Albania of local development management at this scale.

Other rural and urban municipalities have made efforts toward adapting territorial administration instruments such as the Urban Regulatory Plan. By law, zoning plans are required for predicting and guiding development in urban areas. There are several rural-urban combined municipalities in Albania whose urban area constitutes a very limited portion of the total area under the administration of the local government unit. Often the



regulatory plan is designed only for the urban space. Nevertheless, the plan should be carefully aligned with the overall anticipated development of the entire urban and rural area of the LGU, and also take into consideration zones which are not considered "urban pressure areas". The overarching objective of such planning and regulation is to ensure the attractiveness of rural and urban areas, and the sustainable use of natural resources and agricultural potential.

Problems encountered and overcome:

- Gaps in the legal framework for strategic development and territorial management (this will be addressed by the recently enacted new law on territorial management)
- The great number of strategies national and regional to be aligned
- The adaption of the local stategic plan with priorities of the regional strategy related to objectives and methodology
- Apathy of community to collaborate with local authorities

MUNICIPALITY OF ELBASAN

SOCIAL AREA PLAN

Local government and NGOs networking to better serve the community

In 2005, the Municipality of Elbasan drafted its first Social Area Plan, which was approved by Municipal Council decision on 27/04/2005. This was the first plan of its kind in Albania. This achievement by the city of Elbasan represents a positive step forward in sharing powers, establishing a network of services, and offering these services to the community. It represents a fundamental document on which to base efficient social service policies in the future.

Why this plan is considered necessary?

First, Social Area Plans are one of the most innovative experiences realized in Western developed countries with high levels of social services.

Second, Elbasan, as one of the largest cities in Albania, presents several serious social problems for a considerable number of most vulnerable groups, such as minors, women, the youth, people with limited capacities, the elderly and the Roma and Egyptian minorities.

Third, in addition to the public institutions in Elbasan, there is a powerful network of NGOs operating in the social field, offering a broad range of good quality services to the most vulnerable groups.

Thus, the Social Area Plan represents a new means to identify and implement social policies serving to integrate in a comprehensive network all social services offered within the territory of the Municipality. This enables various public and private entities, carriers of diverse values and roles, to coordinate efforts to meet the needs of their citizens. The Social Area Plan is the means by which an effective and integrated social activity can be realized. The Plan includes a demographic and territorial overview of Elbasan, information about currently available public services for economic assistance, information about groups at risk of social exclusion (disabled people, minors, women, elderly, and Roma population and other minorities), a project portfolio, and conclusions.
The aim of the Social Area Plan is:

- to analyze the socio-economic situation of the social groups in the city of Elbasan most exposed to poverty and social exclusion;
- to identify reasons for the situation;
- to propose social and economic interventions to improve the situation;
- to quantify and develop strategies to meet the needs for financial and human resources to face the related costs of services.

Background

With the assistance of the Italian organization CEFA, it was possible to open the Office of the Social Area Plan within the Municipality's Department of Social Care. This Office energizes the Social Area Plans according to the needs of the vulnerable target groups, promotes social inclusion, coordinates between institutions, and strengthens capacities of planning, according to the welfare-mix perspective.

This new organization of the social services sector facilitates the constant review and follow–up of the problems of all vulnerable groups, such as disabled

people, minors, women, the elderly, and minorities. Furthermore, through effective coordination with local NGOs, it is possible to offer more and improved services, as well as to define new priorities for the future through relevant studies.

The establishment of a general and integrated view of the social problems confronting the Municipality is of major importance. It is no one's fault that the situation for some individuals or groups of people in need is problematic, but it is necessary to facilitate their lives and integrate them into society. In a world of cooperation for integration, there is an increasing need to raise awareness of the fact that we cannot deal with serious problems separately. It is essential to join all the energies available and to work together. This capacity is also strategic to the increase of financial resources and services offered.

For these reasons, the Social Area Plan office shall be at the disposal of civil society and should provide assistance for the following:

- to address the needs of citizens,
- to identify emergencies and problems related to the most vulnerable groups in the territory,
- to coordinate various associations operating in the field of social services,
- to support them in seeking funds and in signing projects, and
- to strengthen the existing connection between the Municipality, other public institutions, and civil society, thus guiding the social services of the city of Elbasan into a more fruitful, transparent and suitable direction.

The Social Area Plan shall serve:

- to meet local policies for the development of the city of Elbasan;
- as a calendar of activities for implementing priorities in the field of social protection of minors, women, disabled people, minority and elderly groups as well as for the support of the households and individuals at risk of social exclusion.

How was the Social Area Plan developed?

To enable the preparation and implementation of the Social Area Plan the following steps were taken:

- Under the auspices of the Mayor of the Municipality, a working group was established composed of the staff from the General Directory of the Policies for the Economical and Strategic Development, experts of

CEFA and local NGOs, and other institutions such as Alexander Xhuvani University, the Regional Office of Social Services, the Tax Office, and the Finance Department.

- The collected information was analyzed by the social administrators of the six administrative units, the Social Assistance Sector, the Civil Registry Office, and NGOs that are active in the social field in the city of Elbasan as well as other actors.
- The data were processed by Municipality staff.
- The most critical issues in relation to the most vulnerable social groups were analyzed.
- The general Social Area Plan was drafted.
- The plan underwent discussions with the main actors in the Municipality of Elbasan and civil society organizations.

The Municipality has prepared an up-to-date document. Nonetheless, a question is raised given that the socio-economic situation changes from one year to another: what should we do in the future? The urban population in the city has increased by 41,096 inhabitants during the period 1990-2005. The number of households receiving social assistance since the year 2000 has been reduced to about 2,000. The number of people with mental and physical handicaps, blind, paraplegic, tetraplegic and labor disabled has increased from 1,276 in 2005 to 1,473 in 2008.

Also, the population of the Roma and Egyptian communities has risen, domestic violence has become more evident, the number of divorces has increased, trafficking of women has changed destination, the number of orphans and of lonely elderly people has grown, as well as that of drug users and alcohol addicted. Unemployment rates continue to be very high, at 37%, and even higher among disadvantaged groups. It is for these reasons that the Social Area Plan should not be considered a rigid instrument; on the contrary, it has to be continuously revised to suit the context in which it is put to use.

Results of the Social Area Planning Process:

- Capacity building of the Municipal staff
    - 22 seminars and training sessions were offered to the staff of the Municipality, including the topics of integration of disabled

children in schools, pedagogy, strategic planning, fundraising, and techniques for territory analysis

- 16 meetings of the Municipality staff to discuss the Social Area Plan

➢ A tool was created to encourage active participation of all different actors focused on social care

➢ Management of Social Services – relationship building between NGO's and the Municipality of Elbasan through roundtable meetings – approximately 21 NGOs were involved; in the first 6 months of 2009, 16 roundtables took place according to target group focus

➢ Integrated system of social services developed and implemented

➢ 10 awareness activities based on the social plan were organized with the community and schools

➢ 31 children at risk were taken into protection due to the involvement of the Office of Children's Rights

➢ Visits were paid by the Social Services office to 90 families in Elbasan who have serious social problems, including poverty, unemployment, and trafficking

➢ 175 families were offered economic support from the Social Services Department

➢ Two new services for children were developed – 50 children have been provided free food and 59 children have received free medical assistance

➢ Beneficiaries receiving social care from the Municipality include 73 children, 40 youth, 35 disabled people, and 82 elderly people

➢ Beneficiaries receiving social care from the NGOs include 554 children, 210 youth, 261 women, and 8 old people

➢ Use of the plan to monitor "where we are now" vs. "where we have been"

➢ Help provided to all participants to find common ways to respond to the identified needs of the community

MUNICIPALITY OF LEZHË

COLLECTION AND MANAGEMENT OF URBAN WASTES IN AN INNOVATIVE WAY

The Municipality of Lezha is the center of Lezha Qark. It is located in Northwest Albania, adjoining Shkodra to the North, Mat River to the South, Puka and Mirdita mountains to the East, and the Adriatic Sea to the West.

The Municipality's population totals some 35,000 inhabitants, and like other cities on the Albanian Coast, it has increased significantly in the recent past. Despite local business growth and new enterprises registered, the level of unemployment remains high (higher than the national average). Lezha is an important transport junction for the country as there all kind of transportation facilities, i.e. road, water and rail, are present. The Tiranë – Shkodër National Highway, the newly contracted Durrës – Kukës – Morinë Highway, including the North-South railway axis, Shengini Seaport and Gjadri Airport provide great development potential for Lezha.

Having good transport connections with the other countries in the region, such as Montenegro, Kosovo and Macedonia, the town is strategically well located to attract increased trade and services provision. The construction industry and various services are the main businesses developed in Lezha. Transport and light industry (food processing) are recently progressing and there is potential for sustainable growth in

these sectors in the future. Agriculture and agro-processing industry have good prospects because the local climate and geographical position are much in favor.

There are more than 850 active business entities (small and medium enterprises) in Lezha and there is a surface of 275 ha over which the Municipality provides various public services, including town cleaning and urban waste collection. There are 65 waste collection sites in the town, where 105 containers are placed. The Municipality has subcontracted to a private urban waste collection company, "Iridiani & Kodeli" Shpk Company. The Company realizes urban cleaning for some 104,223 m2 streets and sidewalks in town, including some 73,164 m2 seasonal street washing (from May to October). The Company capacity is 24 tons/day and they process urban waste daily, burying and disinfecting those at a certain depositing site sized of some 1.6 ha. The current status of town cleaning is considered satisfactory, services are offered in due time and with high quality, but wastes are collected without any separation and recycling.

For this reason, the Municipality engaged to implement a project for collection and management of urban waste in an innovative way. This is because just collecting and burying waste pollutes the environment considerably. Since the volume of municipal waste in Lezha is large, separation and recycling will allow organic wastes to be transported and disposed of at the disposal site, while the rest of the wastes might be recycled and used as raw material (such as glass, paper, plastics and aluminum).

Such a Project aims to achieve:

- Increased efficiency in waste recycling and the possibility to sell raw materials to cover some or all of the costs of separation;
- Reducing the volume of material requiring disposal and extending the useful life of the solid waste disposal site;

- Preserving an unchanged tariff fee for the service payable by people and businesses;
- Increasing the service quality for cleaning and urban waste management;
- Enhancing continuously the citizens' quality of life, and protecting the environment.

Considering the importance of the project for collection and differential management of urban wastes, the Municipality of Lezha has taken concrete steps toward its realization. There were organized meetings with key stakeholders, thus making possible a visit by the Schafer Company representatives in Lezha. They offered their cooperation to participate in the project, in anticipation of the concrete implementation of this project. As a first step, the technical staff of the Municipality paid a visit to premises of Schafer Gmbh in Germany, in June 2008. In July 2008, a contract between the Municipality and Schafer Gmbh was agreed upon for project implementation. The first phase of the project will cost 150 thousands Euros.

During the first phase of project implementation, the Municipality launched a citizens awareness campaign, starting with citizens, environmental associations, youth parliament, school headmasters, teachers and students, construction association, Municipal Council, etc. Leaflets and local Medias were employed for the campaign. Preparation of sites for placing new containers for waste separation followed, and the containers were installed on-surface and underground. At present, there are three sites where new containers are placed in the downtown of Lezhe, in areas that are considered of historical value and visited by national and foreign visitors. Thus, the project also serves to increase the value of these tourist sites.

Problems encountered and solutions adopted

To launch and implement a project like this nowadays is a major challenge, not only for Lezha but also for Albania. The Municipality of Lezha is the first city to initiate a project such as this. However it is still in the testing stage, and a good job has been done to make people aware of separating their waste. Nevertheless, one cannot find properly separated waste in each container (which means that people are not yet fully aware of the process) so the Municipality is not yet getting a benefit from selling recyclable wastes (like glass, paper, plastic and aluminums) which could have helped to pay back the project costs. It is expected that these problems will be overcome in the future, and that the benefits of waste separation and recycling will be evident for all Albanians.

Waste collection from the underground conteiners

MUNICIPALITY OF LIBRAZHD

IMPROVEMENT OF URBAN WASTE CLEANING SERVICES: COST ANALYSIS AND ACTION PLAN

The Municipality of Librazhd has a population of 10,126 inhabitants and an area of 150 ha. It is located at the eastern part of Albania, in Elbasan district, on the Durrës – Qafëthanë National Highway, which is one of the most important roads in Albania. Librazhd is just 100 km of distance from "Mother Teresa" International Airport of Rinas, 62 km away from Ohrid Airport of Macedonia, 100 km away from the Port of Durres and 40 km from Qafathana Border Crossing Station.

Until 2002, "Florina H" sh.p.k, a private company, provided the waste cleaning service for Librazhd. From August 2002 to date, the Municipality itself has been responsible for that service through its own cleaning-greening enterprise. This public enterprise has 19 employees and it is responsible, besides waste cleaning, for other services including maintenance of sidewalks and roads, maintenance of the public cemetery, street lighting, and city decoration. This enterprise owns two self-unloading trucks, each of 2 tons capacity, but those are not in good condition. It also maintains 45 cement bins to be used for the collection of urban wastes, which are then transported to a certain point of deposit that is about 4 km away from the town, called "Rypsat e Luzit". At the present, wastes are simply deposited at this place and no processing or other treatment occurs.

The Municipal enterprise for cleaning-greening engages 11 employees on urban street cleaning and maintenance of one public toilet located downtown. The remaining employees deal with urban waste collection and its transport to the place of deposit. On average, they move a total 11.7 tons of waste daily. Street and sidewalk cleaning covers a surface of 84,000 m2, which is about 76 % of the total urban street surface. The remaining 24% of urban streets is not cleaned at all because they consist of narrow and bad roads that do not allow entering and working. This part is mostly in the suburban zone.

In 2008, the urban waste collection service in Librazhd was offered to some 2,320 families or to approximately 10,126 inhabitants, of whom some 9,000 are residents in the town. There are 390 private businesses operating in Librazhd as well as 20 public/budgetary entities. There are about 310 families that are not living in town or do live there temporarily. There are some other 90 families (according to 2008 statistics) benefiting from economic aid as well as some 282 disabled individuals (employment invalids or physically disabled) who cannot afford to pay the cleaning tariff but they are served as well.

A survey questionnaire on waste cleaning services, completed in 2008, gives important feedback: 68.3% of the people interviewed expressed themselves very satisfied or satisfied with the service; the remaining 31.7% noted they were unsatisfied with it.

The survey revealed the attitude that the Municipality and its cleaning enterprise should work harder to provide for a qualitative cleaning service, particularly in the suburb area.

In response to the above, the Municipality identified its priority to carry out a complete cost analysis for urban waste management in order to come up with an Action Plan on service improvement. The cost analysis for waste cleaning service and Action Plan preparation were assisted by the USAID Local Governance Program in Albania (LGPA) through an NGO, Misionaret e te Drejtave Sociale (Missionaries for Social Rights, or MSR) and the active participation of a Citizens Advisory Committee.

Project goals include:

- Preparation of necessary materials related to cost calculation for public services;
- Increased transparency and communication with interest groups;
- Defining due tariff rates of services for every beneficiary group, realizing a logical distribution of costs;
- Defining the efficiency of public services and cost per unit for each cost entity;
- Increased transparency on costs calculation for the cleaning service;
- Increased efficiency aiming at cost decrease for each service unit;
- Increased staff capacities at the Municipality regarding definition of Public Service Standards, and enabling them to implement action plans on improvement of cleaning services;
- Improved communication with people and groups of interest;
- Increased inhabitants satisfaction in regard to cleaning service;
- Enlarged zone for providing cleaning, collection and waste transportation;
- Increased quality of cleaning of streets and quarters ;
- Increased awareness of the citizenry for keeping public and community areas clean;
- Making people aware of the need to pay a service fee in order to recover the necessary cost of services.

Important Achievements:

- Organization of meetings and seminars to present the methodology for defining costs of Public Services; responsible local staff and representatives of community interest groups participated in these events;
- Determination of costs for each beneficiary category and preparation of a tariff plan aiming at recovering the operational costs of service by an applicable fee;
- Determination of appropriated tariffs for each beneficiary group that was done with a wide range of participation from group of interest;
- Including the proposed tariffs under the new fiscal package (budget) to be approved by the Municipal Council
- Presenting the methodology and the new tariff proposal to the Municipal Council. As a result, the Municipal Council adopted the new proposed tariff schedule;
- Preparation of an Action Plan for improvement of cleaning service, based on the results of the cost analysis and by determining performance indicators for cleaning service;
- Organization of a study tour for Librazhd Municipality representatives to the Municipality of Korca;
- Preparation of a Monitoring Plan to be used to evaluate Action Plan implementation.

In meeting the above mentioned objectives, the Municipality of Librazhd is working to implement the adopted Action Plan, both aiming at service improvement as well as increasing the awareness of people and other interest groups. During the past year, the Municipality has managed to cooperate with some important local businesses, like banks, which were willing to co-finance some activities in the Action Plan.

Problems encountered and solutions made:

Taking into consideration the fact that this process is organized in Librazhd for the very first time, one of the difficulties to be overcome was to enable the members of the Municipal Council to understand the methodology,

as well as accept the need to impose an increased tariff for service. To address these issues in a timely fashion, the Municipality, assisted by MSR, has organized several individual and group meetings with representatives of the Municipal Council. As a result of the increased understanding of the Council members, it was possible to have the Action Plan and new tariff schedule adopted as part of 2009 fiscal package and budgeted further within the current year.

Future needs:

A key design goal of the Municipality's "New Plan for Town Arrangement" foresees a need to relocate the place for depositing urban wastes, with the view to introduce current technological solutions for their processing. For this issue, it is important to have also a National Solid Waste Management Strategy. To solve it, cooperation among several institutions at all levels of Government is needed in order to push for a solution which will have a minor impact on environment pollution and not interfere with town enlargement prospective.

MUNICIPALITY OF SHKODRA

WASTE COLLECTION SYSTEM MANAGEMENT AND AWARENESS

The project was conducted with support of the Swiss Programme for Local Development and Decentralization (DLDP) to improve the management of this crucial municipal public service, and can serve as a model for other local public service improvements. The objective was to offer to Shkodra Municipality a "full package" which would bring concrete and sustainable results.

The project enables the Municipality to adopt a longer term and more realistic planning horizon, by devising an investment plan for new equipment and material according to new standards and methods of collection. It ensures that the selected solid waste management company offers the right profile/resources for qualitative service in accordance with the municipal objectives and priorities defined in the plan. The project also developed procedures to support the Municipality in issuing and reviewing tender documents.

The project included: support in elaborating and monitoring of the waste management contract; support for the internal management of the Municipal department (management plan); awareness and education campaign among the citizens; and a pilot initiative to improve the waste management system and to raise awareness among citizens.

Main components of the project consist in supporting the Municipality to:

- conduct a detailed cost analysis and to collect and analyze data, quantitative as well as qualitative, on the present solid waste situation in the Municipality
- develop and analyze costs elements, as a basis to compare logistical solutions
- develop a new waste management and cleaning system, including transportation to and operation of the new landfill site
- develop a general management system/plan including budget, costs, an investment plan, billing and cost recovery system, new ways of collection and technical solutions, containers management and maintenance, quantitative as qualitative indicators and control, landfill management operation and control, citizens information, etc.
- prepare necessary tender documentation, based on new waste management plan and measurable indicators
- support the Municipality in putting in place a quality monitoring and penalties system

Based on the waste plan management drafted with IC/DLDP support, the Municipality of Shkodra began to implement a new waste system management in August 2008. The new system is more efficient and covers about 90% of garbage produced in Shkodra city. A waste management contract has been awarded to two private companies contracted by the Municipality of Shkodra. The new waste management contracts include new performance elements including periodic monitoring and the imposition of penalties for non-performance.

In order to raise community awareness as well as to assure system sustainability, the Municipality, with the financial support of IC, implemented an innovative strategy for public awareness and community education.

For the first time, Shkodra has an effective and comprehensive garbage collection system, as well as main roads washed according to a well prepared and widely discussed plan. The new waste management system was associated with an increase in the annual waste tax fee to 1500 LEK. This new tax is being

collected from 100% of the business community and institutions in the city. In addition, more efficient mechanisms for collecting this tax from the citizenry have been instituted.

Finally, the Municipality has allocated a specific fund for 2009 aiming to promote recycling and reusing garbage focused mainly to the paper. This initiative is a positive indicator for efficient planning providing economic and environmental efficiency.

Overall, the Shkodra waste management planning and management system is a good example to be replicated by municipalities similar with Shkodra. Over 110,000 inhabitants of the city of Shkodra now enjoy a cleaner city and a better quality of life.

- **Waste collection**

Average daily waste collection in Shkodra varies between 94 and 112 tons per day, with an average daily amount of 103 tons.

- **Work volume and organization**

Shkodra has taken a strategic decision to split the city in two zones, North and South, in order to promote competition between winning waste management companies. The total number of inhabitants of the City is about 111,000, of whom some 60 % live in the South zone and 40 in the North. The City has purchased 600 trash bins of 1100 liters capacity, 360 of which will be placed in the South zone, and 240 in the North. The total length of the streets in the South zone is about 36 km, while in the North it is 24 km. The position

of the collection bins in these streets will be arranged by the Municipality so that maximum service distance for the population is 200 meters. The current disposal site is situated on the Guri Zi commune territory, at a distance of 3 km from the city center.

- **Frequency of collection**

Two zones, presented on a map, are defined depending on the density of population:
City center: 2/3 of the bins will be located in the city center and will have to be collected once a day, 6 days a week, from Monday to Saturday.
Suburbs: 1/3 of the bins will be located in the suburbs and will have to be collected 3 times a week, 6 days a week, from Monday to Saturday.

- **Recycling, selected collection**

Innovative practices such as separation and recycling will be encouraged. They can be undertaken by the contractor during the contract. These practices must be presented to the Municipality for approval, but will be under the responsibility, risks and benefits of the contractor.

- **Cost of the waste collection**

Based on data provided by the Borshi Company, the cost of the waste collection with the old contract was 33,300,000 LEK/year, taxes included, but without the truck amortization and the bins maintenance. This cost is higher than the current budget. If the bins were correctly maintained, this amount would be 457,000 LEK higher.

Communications strategy

This strategy was designed to present the new waste system to the citizens of Shkodra, to inform them about the new system, and to increase their awareness on the proper management of the waste they produce.
The strategy had three main pillars for implementation:

- Establishment of a structure for managing the campaign and the possibility of communication and coordination of work with other actors in the city
- Information, communication, coordination, with Shkodra citizens through the organization of activities for awareness raising and reaching understanding with "the producer" (Family members, businesses, public institutions, etc.);

- Wide communication through local mass media (TV, radio, newspapers, forums, other outdoor communication means, etc.)

Six target groups were specified:

- **Citizens** - This strategy enabled Shkodra inhabitants to have info about the new waste system and encouraged their positive reaction in the support of implementation of this system. This strategy raised awareness and underscored the responsibility of inhabitants to keep the city clean through responsible behaviour.
- **Businesses community** - The strategy aimed to increase the awareness of businesses as one of the main "producers" of waste, so that they will act responsibly toward the new system. The strategy has foreseen a campaign with the businesses to enable them through information and facilitation.
- **Media** - Media is a crucial actor in raising civil awareness. Through the media, a wide information and communication/education of the community is reached, and interactive communication with inhabitants and their opinions and concerns about waste management is guaranteed.
- **Institutions working in the city** - Coordination with other institutions working in Shkodra city, and especially with schools, is a key factor to success in implementing the waste system and raising consumer and environmental education in the city.
- **Heads of quarters** - As the main persons responsible for monitoring the system, taking comments, requests and complaints of the citizens, they will play a crucial role in providing and disseminating information and ensuring open information flow from the citizens to the Municipality and vice-versa.
- **Waste companies** - The winning waste management companies were involved in all major communications activities, to help promote the message and objectives of the campaign.

Problems encountered and overcome:

Lack of reliable data and standards - During all the process we faced the problem that data and standards regarding the quality of the service to be delivered did not exist. To address this problem, some tools were developed

in order to analyze operational and technical options. First priority in cost calculation was to estimate the quantity of the waste produced. Initially we compared the situation and plans of other cities in Albania. As there is no systematic weighing of wastes, these data must be considered carefully and might not reflect the total amount of waste collected per year. The Municipality of Shkodra used to plan the waste management with a base of 0.9 kg of waste produced per day and per person. This value is based on instructions issued by the former government in 1996. Considering the volume of waste currently collected by a service that doesn't cover the entire city, and in comparison of others cities' production (Kuçova, 1.2 kg/p/d), we based our calculation on an estimate value of 1 kg per capita and per day.

Lack of accurate collection and operations data - The Shkodra Public Service Department needs reasonably accurate data about the quantity of wastes actually collected in order to pay the contracted waste management companies. We developed a system in order to have the possibility to "crosscheck" the data provided by the company with the data provided by supervisors, heads of quarter, and public service department staff. First of all the Municipality should produce an inventory of the bins. Each bin has a number and an "address" where it is placed. In this way having the same format and easily used, the Municipality has the possibility to oversee where the problems are and what is going on with the waste every day, and the possibility to pay only for the quantity of the service provided.

Trust between partners: Municipality-company-supervisor - According to the Municipality, the former supervision reports were not transparent nor understandable. A new monitoring system with accurate indicators was

elaborated and implemented to measure the real quality and quantity of the services, monitoring the effective situation and challenges. We advised the Municipality to maintain closer control by including the role of supervision in the tasks of the relevant municipal department and to assign this task to a competent staff member reporting to higher level.

Insufficient financial means - The estimated cleaning tax income for 2007 was 23,000,000 ALL from the businesses and 9,800,000 ALL from the families (according to the Municipality). The taxes do not cover the full operating costs, and the balance has to be paid directly from the Municipal budget. Following a full and transparent presentation of the situation to the municipal council, the answer from the council was very positive and they approved for the 2009 a budget line for the waste services, totaling approx. 80,000,000 ALL.

Waste disposal site/environmental problems - Environmental problems caused by these sites were not part of this first assessment. In the future, these problems should be resolved by the realization of the new controlled landfill in the Bushat commune. At the same time, the Municipality will have to plan measures and allocate resources to close the current sites.

Flexibility of the contract - The former management contract was not flexible, which caused many problems between municipal staff and the company. With the new contract we tried to build in flexibility through annual reviews, in order to adapt/integrate different issues related to the future waste management plan and the construction of the new landfill in Bushat. The contract is also more flexible to allow the continuous process of improvement and the future changes to be further defined in the waste management plan. For example, it should be adapted once the future landfill is constructed, having as consequence an additional transportation distance and possible additional costs.

MUNICIPALITY OF KAMZA

ONE-STOP SHOP

The Municipality of Kamza established a One-Stop Shop, using its own resources, in order to improve the services provided to citizens and businesses thereby ensuring transparency, ease of procedures, and information sharing. The One-Stop Shop was developed from 2008-2009.

The Municipality had three main objectives in the establishment of the One-Stop Shop:

- Collection, processing and organization of information through cooperation between all sectors of the Municipality for its services and the services of other state institutions;
- The creation and maintenance of a database which will be utilized for electronic communications within and outside the Municipality;
- To develop monitoring, transparency and reporting standards in order to attract citizens' opinions about current services and to introduce new services.

Significant achievements:

The One-Stop Shop in Kamza Municipality is one of the largest efforts of its kind implemented in Albania and in the region. Kamza City is located 7 km north of the capital city Tirana. The Municipality has grown significantly in the last two decades due to immigration into the City from across

the country, especially from the North–East. The population in 1990 was 6,000, whereas it has increased by more than 15 times to a current population of 90,000 people today, one of the six largest municipalities in the country. As a result of the population growth, the City faces numerous challenges in infrastructure, economic development and social services.

A priority area for remedial interventions has been institutional strengthening, including support for the decentralization process, improving good governance, and enhancing the quantity and quality of services, in order to promote social and economic development and the effectiveness and efficiency of local and central government. In this context, the Municipality, with its own resources, decided to establish a One-Stop Shop. In order to realize this project, the Municipality fully reconstructed its building in order to add the required offices for the One-Stop Shop. These offices were fully equipped with computer equipment including internet and software programs related to urban planning, civil services, taxes, and financial management. In addition, professional and capable staff was recruited who are dedicated to information and service to citizens.

The rapid rate of population growth, as well as the increase in private businesses (already at 1,200) has resulted in a corresponding demand for services from the local government. In order to accommodate this demand, the local government realized it needed to facilitate administrative procedures, increase transparency, improve information sharing regarding the work of the administration, and strengthen relations between various actors. This prompted

the municipal leadership and its decision-making body, the Municipal Council, to undertake one of the most important investments: the creation of a modern One-Stop Shop in Kamza Municipality,

One-Stop Shop services include:

- Citizen services including information, requests, complaints, protocol, marital status, address system, electronic application ID and biometric passport, marriage/death notices, building permits, licenses and transport, and employment.
- Business services including registration/re-registration of private entities, tax payments, social security, health licenses, agricultural license, bank branches, postal services, AMC, etc.

25 windows are included in the One-Stop Shop, with the largest and most numerous for services, including both local and national level services.

The creation of a One-Stop Shop within a relatively short period of time is the result of increased citizen participation in governance and exceptionally close cooperation between the public and private sectors. The creation of the One-Stop Shop stemmed from the agreement between the City and Kamza Business Development Center signed on 01/06/07 in which the Municipality agreed "to facilitate the administrative procedures for business registration and local registration, and to implement the necessary services electronically and more efficiently, through a well staff One-Stop Shop."

After completion of the first phase of the project, which entailed the establishment of the physical infrastructure and the provision of computer equipment and appropriate staff, the Municipality hopes to implement the second phase: installing the electronic network for on-line operation of the One-Stop Shop. On-line availability of the One-Stop shop services will establish a higher standard of quality services without interruption and access to all services. In order to conduct the second phase, the Municipality is seeking additional funds from donors.

Anticipated results:

- All required forms are updated and available to the public;
- Complaint forms are developed containing elements of the Administrative Procedure Code;
- Information services are provided in accordance with the relevant access to information laws;
- Improvement and reform of municipal administration operation is continually achieved resulting in greater economic development.