



Agjencia për Mbështetjen e Vetëqeverisjes Vendore

MUNICIPALITIES IN THE PROCESS OF INTEGRATION OF ALBANIA IN THE EUROPEAN UNION

Assessment Report 2022

May 2023



BASHKITË PËR NË EVROPE
Një projekt i financuar nga BE



Agjencia për Mbështetjen e Vetëqeverisjes Vendore

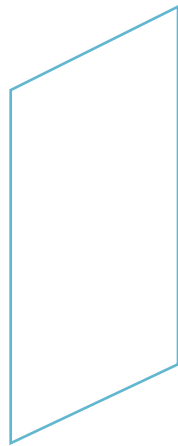


BASHKITË PËR NË EVROPË
Një projekt i financuar nga BE

MUNICIPALITIES IN THE PROCESS OF INTEGRATION OF ALBANIA IN THE EUROPEAN UNION

Assessment Report 2022

May 2023



This report presents the progress of local self-government institutions in the process of Albania's integration into the European Union in terms of fulfilling the obligations arising from the criteria and commitments of the European integration process, during 2022.

The European Integration Units in each municipality have coordinated the internal organization of data collection, while the guidance and monitoring of the reporting process has been carried out by the Agency for the Support Local Self-Government (ASLG). The analysis of the data and the preparation of the report were also assisted by the experts of "Municipalities for Europe", Mrs. Mirsa Titka and Mrs. Valbona Kuko, under the supervision of the Team Leader Mrs. Jolanda Trebicka.

NOTE

This publication was realized with the financial support of the "Municipalities for Europe" Project funded by the European Union. Its contents are the sole responsibility of the authors and do not necessarily reflect the views of the European Union.

Table of content

EXECUTIVE SUMMARY	08
I. POLITICAL CRITERIA	25
1.1 DEMOCRACY	26
1.1.1 Governance	26
1.1.2 Enhancement of the Transparency of Local Finances	32
1.1.3 Public Administration	35
1.1.4 Ombudsman	45
1.1.5 Civil society	46
1.2 RULE OF LAW	50
1.2.1 Fight against corruption	50
1.2.2 Human rights and protection of minorities	53
II. ECONOMIC CRITERIA	55
2. Existence of a functioning market economy	56
III. ABILITY TO ASSUME OBLIGATIONS OF MEMBERSHIP	59
3.1 Chapter 11: Agriculture and Rural Development	60
3.2 Chapter 12: Food safety, veterinary and phytosanitary policies	66
3.3 Chapter 14: Transport Policies	69
3.4 Chapter 15: Energy	74
3.5 Chapter 16: Taxes	78
3.6 Chapter 19: Social policies and employment	84
3.7 Chapter 22: Regional policies and coordination of structural instruments	88
3.8 Chapter 23: Judiciary and fundamental rights	91
3.9 Chapter 24: Justice, Freedom, and Security	102
3.10 Chapter 26: Education and Culture	104
3.11 Chapter 27: Environment and Climate Change	108
3.12 Chapter 32: Financial control	119
<i>Appendix 1: Assessment of progress achieved according to the evaluation indicators</i>	<i>126</i>

Abbreviations

AAM	Association of Albanian Municipalities
ALA	Association of Local Autonomy
ALPEX	Albanian Power Exchange
AP	Action Plan
AR	Annual Report
ASLG	Agency for the Support of Local Self-Government
ASPA	Albanian School of Public Administration
AU	Administrative Unit
CC	Consultative Council
CG	Central Government
CoM	Council of Ministers
CPARS	Crosscutting Public Administration Reform Strategy 2015-2020
CPD	Commissioner for Protection from Discrimination
CSDLG	Crosscutting Strategy for Decentralization and Local Governance 2015-2020
CSO	Civil Society Organizations
DoPA	Department of Public Administration
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EU	European Union
GTĐ	General Taxation Directorate
HIDAACI	High Inspectorate of Declaration and Control of Assets and Conflict of Interest
HRMIS	Human Resources Management Information System
IOSSH	Integrated One-Stop-Shop
ISSAC	Inter-Sectoral Strategy against Corruption 2015-2020
IT	Information technology
ITS	Intelligent Transport Systems
IWM	Integrated Waste Management
LG	Local Government
LGP	Local General Plan
LGU	Local Self-Government Unit
LPEE	Local Plan for Energy Efficiency
LPIREM	Local Plan for the Integration of Roma and Egyptian Minorities

Abbreviations

LPIWM	Local Plan for Integrated Waste Management
MoI	Ministry of Interior
MoIE	Ministry of Infrastructure and Energy
MoTE	Ministry of Tourism and Environment
MTBP	Medium Term Budget Program
NAPIREM	National Action Plan for the Integration of Roma and Egyptian Minorities 2016-2020
NAPPWD	National Action Plan for Persons with Disabilities
NAVPP	National Authority for Veterinary and Plant Protection
NESA	National Employment and Skills Agency
NSEE	National Strategy for Energy Efficiency
NSES	National Strategy for Employment and Skills 2019-2022
OSSH	One-Stop Shop
PAR	Public Administration Reform
PDO	Power Distribution Operator
PFM	Public Finance Management
PWD	Person with Disabilities
QAS	Quality Assurance System
SAA	Stabilization and Association Agreement
SIPP	Social Inclusion Policy Paper
SME	Small and Medium Enterprises
WB	World Bank
WG	Working Group

A dark blue vertical bar on the left side of the page. It contains a light blue geometric shape in the upper left, consisting of a square with a smaller square inside it, and a light blue parallelogram below it.

Executive Summary

POLITICAL CRITERIA

1.1 Democracy

1.1.1. Governance

The Albanian government has maintained the focus on reforms on the country's path to the EU despite the challenges of addressing the triple shock of the 2019 earthquake, the COVID-19 pandemic and, finally, Russian aggression against Ukraine¹. Drafting of the Inter-sectoral Strategy for Decentralization and Local Government 2023-2030 and the action plan started in 2022 under the guidance of the Ministry of the Interior.

The Consultative Council has functioned as the main forum for institutional dialogue and coordination between the central government and local governments, thus enabling the consultation of a higher number of draft acts drawn up by line ministries in the 7 meetings of the Council of Ministers organized in 2022 (47 draft acts consulted out of 55 draft acts presented).

Consultation of the local government in the process of adopting the EU directives into the national legislation is a very important process. In addition to individual ministries consultation process taking place for specific important legal acts, the LGUs have an opportunity to provide their additional contribution in the moment that these legal acts are discussed in the Consultative Council. For 2022, 18 out of 47 legal acts, or in total 39% were adopting one or more directives, thus providing an opportunity for the LGUs to get informed not only on the legal changes, but also on the alignment with the EU legislation and effects to the LGUs processes.

Although the level of participation of line ministries has increased during the reporting year, the problem of non-representation of their ministries with the appropriate political level continues. Meanwhile, there has been a slight increase of the level of local self-government representation compared to 2021.

The **Network of European Integration Units** has strengthened the involvement of LGUs in the EU accession process, **whereas the frequent turnover of the units' staff jeopardizes their ability to perform properly**. Complex procedures for opening dedicated bank accounts represent serious obstacles to Albanian municipalities accessing funding from the Instrument for Pre-Accession (IPA)².

1.1.2 Services and digital transformation

Institutional and legal frameworks have been established in the field of **services and digital transformation** to provide public services and to ensure a user-oriented public administration. Albania was ranked eighth in Europe after Slovenia for transformation, culture of innovation and codification of legislation and nineteenth in the world, according to a new public indicator from the United Nations, for digital public services according to the "Digital Development Compass" Report³.

More citizens have applied to One-Stop Shops in 2022, while the operation of the system in all sectors of the municipality and the updating of administrative services in accordance with legal amendments and the functions of local self-government remains a challenge. Priorities for the provision of digital services encompass the increase of cyber security and the protection of personal data, the provision of access to the e-Albania platform by persons with disabilities, in addition to the adoption of public service standards.

¹ European Commission Progress Report for Albania (October 2022)

² European Commission Progress Report for Albania (October 2022)

³ <https://e-albania.al/Pages/NewsDetail.aspx?id=750> ; <https://akshi.gov.al/sherbimet-digjitale-okb-shqiperia-e-8-ta-ne-europe-e-19-ta-ne-bote/>

1.1.3. Public administration

Improvements have been made in terms of capacity building for public consultations and regulatory impact assessments, preparations for the salary reform started, and the automated payroll system was expanded. The country has created a comprehensive platform for digital services⁴.

Progress has been achieved in the outcomes-oriented monitoring, including performance analysis in public administration institutions and in LGUs. In 2022, under the direction of the Commissioner for the Oversight of the Civil Service, a process has begun in cooperation with DoPA, the Ministry of the Interior/Agency For Support of Local Self-Government and the District Prefect to analyze and bring the organizational structure of the municipalities to legal standards. On average, 15.5% of vacancies in the civil service have not been filled, while municipalities and prefectures had the highest number of vacancies (about 20%)⁵.

The HRMIS system has continued to be populated with data, although at a slow pace. HRMIS does not include fully up-to-date data on civil servants. Fewer municipalities have had a functional HRMIS system in 2022. The government has managed to take steps to establish a coordinating mechanism between the central and local levels for monitoring and evaluating human resources management.

The number of civil servants in the LGUs increased in 2022 compared to 2020 and 2021, in addition to the number of women in the civil service at the local level (about 40.6% is the average of female civil servants or 3.8 p.p. higher compared to 2021). Moreover, the recruitment of women in management positions has increased during 2022 compared to 2021. It is observed that the number of staff leaving the local administration during 2022 has decreased compared to 2020-2021.

The new strategic framework for Public Administration Reform is expected to be approved during 2023. The implementation of the Civil Servant Law needs to be improved in the LGUs at all levels and this requires a higher level of cooperation between the institutions that are part of civil service. In addition, the process of legal harmonization with the Code of Administrative Procedures needs to be completed and the administrative and professional skills of civil servants at the local level should be built further.

Municipalities have encouraged **public participation in their decision-making** by organizing online meetings of the Municipal Council and meetings open to the public. **Budget transparency** remains satisfactory with the publication of key budget documents, which allows for sufficient public discussion. However, the institutional framework for effective and inclusive participation needs further strengthening.⁶ *Improvement is evident concerning the preparation of the budget in an understandable format for citizens* – more municipalities have prepared the budget in an understandable format for the citizens. Additionally, more municipalities have published the local budget on the official website of the municipality compared to 2020 and 2021, as well as more public hearings have been organized with citizens and vulnerable groups during the process of preparing the new local budget. There has been a decrease of the average number of recommendations provided by civil society stakeholders and other interest groups, which were taken into consideration by the municipality in the final document of the MTBP and the annual budget in the reporting year 2022, compared to the previous year.

⁴ European Commission Progress Report for Albania, Public Administration (October 2022)

⁵ Commissioner for the Oversight of the Civil Service in the Parliament (May 2022); <http://www.kmshe.al/wp-content/uploads/2022/05/Fjala-e-Komisioneres-ne-Kuvend-date-30.05.2022-final.pdf>

⁶ European Commission Progress Report for Albania (October 2022)

The reflection of the projections of the economic and financial indicators of the budget based on the priorities of the LGUs should be taken into consideration when preparing the Medium Term Budget Program and the annual budget⁷, in addition to keeping in mind the desired level of services delivered to citizens. A timely publication of the budget execution reports and the audit report is required, in particular the reporting by the LGUs about the arrears⁸.

There has been an improvement concerning the accountability of the local government regarding the number of responses provided by the local administration in relation to the demands of the citizens. The indicator has marked a slight increase during 2022, compared to 2021, maintaining an increasing trend for the period of 2019-2022. In addition, there has been an increase of the degree of publication of local decision-making acts (a positive increasing trend for the period of 2017-2022), so a slight increase of the proactive transparency is observed in the central and subordinate public authorities, as well as in the LGUs.

Albania has signed in 2022 the protocols of the CETS Conventions No. 223 (108+)⁹ and CETS No. 205 of the Council of Europe (CoE) - two important documents for strengthening the rule of law, democracy and respect for basic human rights. Two draft laws were consulted during 2022, in the Consultative Council of the central government and local government - draft law "On some additions and amendments to Law. No. 119/2014 "On the Right to Information" and the draft Law "On the Protection of Personal Data" (No. 9887, dated March 10, 2008, as amended). The legal amendments aim to create a set of uniform rules throughout the European Union and in Albania, adapted to the digital age, with the aim of improving legal certainty and boosting the trust of citizens and enterprises in the unique digital market¹⁰.

Strengthening of cooperation between state agencies at the regional level and local institutions for addressing the issues recommended by the Commissioner for Protection against Discrimination, increasing the degree of familiarization with the legislation related to protection against discrimination remains a challenge. Increased attention is required for professional growth, through continuous training of the personal data protection staff and periodic updating of the transparency program and the Register of Requests, since they constitute the main sources of retrieving public documentation.

1.1.4 Ombudsman

Local Self-Government Units have received fewer recommendations from the Ombudsman in 2022, compared to 2021, while the level of acceptance and taking of respective steps by the LGUs to address the problem raised by the Ombudsman was higher compared to 2021.

It is recommended to enhance the transparency towards the public regarding the implementation of the recommendations through the publication on the official website of the municipality by the LGUs of the recommendations provided by the Ombudsman

1.1.5. Civil society

The total number of **recommendations provided by civil society organizations to local decision-makers** during 2022 was higher compared to 2021, but the degree of acceptance/reflection by the decision-making bodies of the LGUs was slightly lower compared to 2021. There were more grants provided in 2022 compared to 2021.

⁷ Compliance Report on the Performance Monitoring at Municipal Level (October 2022)

⁸ European Commission Progress Report for Albania (October 2022)

⁹ Protocol (CETS No. 223) on the modernization of the Convention of the Council of Europe "On the Protection of Individuals with regard to Automatic Processing of Personal Data and the Convention on Access to Official Documents (CETS No. 205)

¹⁰ Agency for the Support of Local Self-Government / Secretariat of the Consultative Council

More transparency and proactive approach is needed in terms of sharing of information by public institutions, which would contribute to effective cooperation mechanisms with CSOs in policy-making and decision-making, as well as to the EU membership negotiation process.¹¹

1.2 Rule of law

1.2.1. Fight against corruption

Progress has been made in the process of setting up the electronic register of requests and complaints in 2022, therefore 88% of municipalities have a functional electronic register. This positive development has also had an impact on the increase of transparency of the municipalities towards the community, as well as other law enforcement bodies. The same positive trend has been achieved in the rate of the resolution of the citizens' requests and complaints according to the time limits defined in the legislation, **where it was reported that it had been at an average level of 83% in 2022.**

Indicators, which remain at unsatisfactory levels, are related to the significant number of municipalities, which is 57% of them, *which have failed to attend training on issues about the fight against corruption, as well as the lack of integrity plans in 50% of municipalities.*

Further efforts should be made to improve the situation in the areas most affected by corruption. The sectors, which are most vulnerable to corruption, require targeted risk assessments and the undertaking of dedicated actions. The recommendations of the Group of States of the Council of Europe against Corruption (GRECO) should also be effectively addressed along with the timely implementation of the relevant action plan; adoption of Integrity Plans and corruption prevention within all line ministries and state authorities¹².

1.2.2. Human rights and protection of minorities

The number of cases of violation of human rights referred to and reviewed in the municipality has also increased. Cooperation between institutions and with NGOs operating in this field has been at a satisfactory pace.

The protection of human rights in the municipality continues to be a priority and attention has been paid to the capacity building of local officials on human rights issues. Although the number of trainings and trained staff has increased, there were still 38% of municipalities in 2022 that have failed to benefit from any training program. Greater attention should be paid to the treatment and protection of the rights of minorities and marginalized groups. Financial resources for dealing with issues referred to the municipality still remain limited. Cooperation with International Organizations operating in this field should be further strengthened to enable the expansion of their activities at the local level.

¹¹ Partners Albania for Change and Development, Monitoring Matrix on the Enabling Environment for the Development of Civil Society (28.07.2022). <http://partnersalbania.org/publication/matrica-e-monitorimit-mbi-mjedisin-mundesues-per-zhvillimin-e-shoqerise-civile-raporti-per-shqiperine-2021/>

¹² European Commission Progress Report for Albania (2022)

ECONOMIC CRITERIA

2 *The existence of a functional market economy*

Economic integration with regional and European markets poses a significant challenge for local economic operators and for the small and medium-sized enterprises (SMEs) to cope with increasing competition. Despite the increase of the number of stimulating initiatives and services undertaken by municipalities to support the activity of small and medium-sized enterprises, funding remains still at low levels.

Local Development Plans have not yet been approved in a number of municipalities, thus creating premises for failing to have a sustainable development of regions, failing to utilize the economic potentials and to integrate them with long-term priorities. The human and financial capacity of the municipalities to support the creation of new businesses with activity and direct financing remain very limited and concentrated in large municipalities. **The opening of new businesses, as well as their termination, continued during 2022 at the same pace as in 2021.** This indicator testifies to the dynamics of the free market and the influence of external factors and the inevitable effects of competition.

3.1

CAPACITY TO ASSUME MEMBERSHIP OBLIGATIONS

3.1 *Agriculture and Rural Development*

The legal framework has been strengthened with the drafting and approval of the Law¹³ "On the Organization and Functioning of Local Action Groups (LAG)", the draft Law "On Beekeeping", the draft Law "On Vineyards and Wine", which were also consulted in the Consultative Council of the central government and local government. Funding from the state budget has increased by about 14% to cope with climate change in terms of irrigation and drainage infrastructure and flood protection¹⁴. Agricultural exports marked an increase of 15.6% for the 10th month of 2022. The IPARD III Program (2022-2027) of 146 million Euros will support investments of rural development, including a number of sectors that were not included before, such as olives and olive oil, fish processing and medicinal plants and will contribute to the certification of agricultural products¹⁵. The budget for agriculture for 2023 (142 billion Albanian Lek) is 12% higher compared to 2022.

No progress has been made regarding the establishment and operation of the Office of Agricultural Information and Counseling (OAIC). The fund allocated for agriculture by LGU-s has undergone a slight increase in 2022 compared to the previous reporting year. What's more, improvement has been made concerning the administration and maintenance of the irrigation network and the drainage network by LGUs during 2022, which has resulted in an increase of the area of irrigated agricultural land compared to 2021, although reaching the level of 2020.

It is necessary to implement in practice a series of initiatives related to the development of sustainable agriculture in the face of climate change challenges, to increase funding from the government and the local budget for agriculture and rural development in addition to funding from the IPARD program¹⁶, to improve further the management of irrigation and drainage infrastructure by LGUs, to design irrigation schemes based on specific budgets and service performance, to establish Offices of Agricultural Information and Counseling (OAIC) in other municipalities and to establish/operate Local Action Groups.

¹³ Law No. 36, dated 14.04.2022

¹⁴ Ministry of Agriculture and Rural Development; <https://bujqesia.gov.al/ministrja-krifca-ne-konferencen-financimi-i-gjelber-14-rritje-te-buxhetit-per-perballimin-e-ndryshimeve-klimatike/>

¹⁵ Ministry of Agriculture and Rural Development; <https://www.bujqesia.gov.al/>

¹⁶ European Commission Progress Report for Albania (2021)



Food safety, veterinary, and phytosanitary policies

In 2022, the average number of retail markets has been reduced in accordance with the required standards; this downward trend is also found in the average number of licensed livestock markets compared to the previous reporting year, while there is an increase of the number of centers for the protection of animals by the LGU-s. Regarding the objective of the efficient operation of the consumer protection system, **a much higher number of complaints from citizens about food safety** has been filed in 2022 with the consumer office in the municipality compared to the previous reporting year, but there is no evidence of progress in terms of the opening of new customer offices in other LGUs.

Additionally, it is necessary to set up an office for consumer protection in other LGUs and train new staff, boost funding from LGUs to improve the standards of public markets and their full licensing.



Transport policy

Progress has been made in terms of aligning the national legislation for road transport by approving part of the enforcement legislation for the technical inspection of motor vehicles. The execution of projects by the Albanian Development Fund (ADF), which also includes road infrastructure from several programs financed by the World Bank (WB), the European Bank for Reconstruction and Development (EBRD) and the Albanian Government, has continued in a number of municipalities of the country, such as Shkodra, Saranda, Gjirokastra, Fier, Korça, Pogradec and investments under the 100 Villages program.

Progress has been achieved regarding the improvement of the rural road network according to road standards and signage compared to the previous reporting year, while the urban infrastructure remains at the same level. Moreover, an increase of the number of the villages of the LGUs connected between them by means of the road network is evident. Financing from the local budget for road construction and rehabilitation has decreased in 2022 compared to the previous reporting year.

Although progress has been achieved with the publication of the map of public transport lines, 36 LGUs (or 56%) have failed to fulfill this task until now.

Regarding the objective of promoting walking and biking, there is evidence of an increase of the network of riding bicycles (in particular in the Municipality of Tirana), in addition to the campaigns to promote walking and biking undertaken by the municipalities of the country.

It is necessary to further build the management and financing capacities for the construction and maintenance of the urban and rural road network managed by the LGUs in accordance with the standards, the improvement of road signage, the addition of interurban transport lines, the preparation and publication of the map of public transport.

In addition, efforts are needed to fully implement the Intelligent Transport Systems (ITS) Directive and to promote multimodality in accordance with the Transport Community Action Plans, harmonization of legislation with the EU acquis on passenger rights in all modes of transport, in addition to setting up systems for the electronic exchange of goods transport information.¹⁷



Energy

Progress has been made with the implementation of the Energy Performance in Buildings Directive, including the training and certification of energy auditors and energy performance¹⁸. The Agency for Energy Efficiency has trained 93 auditors of energy in buildings, 11 energy auditors in industrial installations, 153 certified energy managers¹⁹. The government has provided support through a financial scheme for the installation of water heaters (solar panels) - 4,000 beneficiary households.

In the frame of the smart municipalities project implemented by the Agency for Energy Efficiency, in cooperation with SECO (in 4 municipalities of the country, Korça, Berat, Shkodra and Përmet), Local Plans for EE (LPEE) will be drawn up for these municipalities, which will serve as models for all the other municipalities of Albania.

Progress has been made in terms of appointing an energy efficiency manager, although more than 50% of LGUs have not yet appointed and certified an energy efficiency manager. The number of projects implemented according to energy efficiency requirements has increased compared to the previous reporting year. What's more, the number of checks undertaken during 2022 by municipal services regarding the enforcement of energy efficiency requirements in buildings for public and private services has almost doubled compared to the previous reporting year.

The appointment and certification of the energy efficiency manager in cooperation with the AEE and the drafting/approval and implementation of the LPEE remain challenges for the LGUs.

¹⁷ European Commission Progress Report for Albania (2021)

¹⁸ 2022 Report of the Energy Community Secretariat <https://www.google.com/search?q=Progress+raport+on+Energy+Komunitetit>

¹⁹ National Agency for Energy Efficiency (AEE); <http://eficenca.gov.al/>



Taxes

Progress has been made in regard to respecting the agreed payment plans for VAT refunds and reducing the stock of VAT refund arrears²⁰.

Legal amendments were approved in order to replace the approved annual expenses with the actual annual expenses, in the formula for calculating the percentage of the value of the stock of accrued and unpaid liabilities that the Local Self-Government Units have towards third parties. Municipalities have had positive performance in all items of fiscal indicators in 2022. Local revenues have consolidated stable sources such as incomes from property tax or cleaning fees. The progress of the decentralization reform has necessitated the increase of the unconditional transfer percentage from 1% of GDP to 1.2 to 1.4%, in order for the local self-government to have more budget to carry out the decentralization reform in a number of sectors, in which the services are below minimum standards²¹.

A set of performance indicators have had an increasing trend compared to the previous reporting year, because more tax policy programs have been implemented during the reporting year, the number of onsite inspections undertaken by the local tax administration in order to prevent the informal economy has increased significantly, the base of the debtors of the municipality is established and operational. There has been a decrease of the number of public hearings, which municipal services have undertaken with stakeholders, in order to inform and involve them when discussing the tax policies of the municipality.

Improvement of the local tax administration system (digitalization and unification of the system for all municipalities), information and awareness about the formalization of businesses, increasing the number of taxpayers of the category of citizens who have moved from other areas of the country to some of the municipalities, limited on-site inspection capacities in a number of LGUs remain a challenge.

It is recommended to take actions to reduce tax expenditures, especially due to exemptions, simplification of the tax system by encouraging increased tax compliance²², strengthening of fiscal administration and full-scale implementation of the fiscal cadastre in all LGUs.

²⁰ European Commission Progress Report for Albania (October 2022)

²¹ Ministry of Finance and Economy

²² European Commission Progress Report for Albania (October 2022)



Social policies and employment

The implementation of social and employment policies has had a limited development during 2022. The efforts of the municipalities to set up the Needs Assessment and Referral Sector have continued. It has already become functional in 43% of the Municipalities. In the meantime, the municipal budget planned for social care expenses in 2022 was only 5% of the total municipal budget. *Additionally, the process of drawing up local plans and establishing the statistical basis for social inclusion has not made progress in 2022, thus remaining at the same levels in relation to the total number.*

More attention has been paid to the financial support of young people who graduate the university studies and professional training in order to support them for starting a private business in their professional field, and their number has kept increasing. **Close cooperation has been achieved with other institutions and 85% of the Municipalities have signed Memorandums of Cooperation with the Labor Office** for the employment of young people, as well as for the socio-economic re-integration of persons who receive cash social assistance.

The approval of the National Youth Strategy 2022-2029 upon the Decision of the Council of Ministers no. 692, dated 26.10.2022 was an important step for promoting policies and supporting young people. Concerning the youth employment policies, the National Youth Strategy is harmonized with the Employment and Training Strategy, the main purpose of which is to identify and draft appropriate policies for the employment and professional training of the workforce, in order to create jobs and quality opportunities for employment and skills throughout the life cycle.



Regional policies and coordination of structural instruments

Initiatives between Municipalities and cooperation at the Regional and European level have kept increasing. 55% of municipalities have had cooperation or participation in joint regional projects. However, the capacities of municipalities to absorb funding from EU funds and other donors with a number of beneficiary municipalities remain weak and dependent on the partners of the countries of the region or European ones.

The approval of the Decision of the Council of Ministers no. 497, dated 27.07.2022 *"On the establishment, composition, organization, activity, and rules of operation of the National Committee for Regional Development and Cohesion"* was a positive step.

The next necessary steps include drafting of the national strategy and plan for regional development and cohesion (2021-2027) and completing of the regional development plans (2021-2024). These plans aim to promote the potential of development through decentralized and integrated local and regional interventions. Another important step is to clarify the responsibilities between central and local authorities and further strengthen the administrative capacities of central, regional, and local bodies, especially by providing adequate personnel and revising the salary structure of local government in addition to maintaining fiscal decentralization on top of the agenda.²³



Judiciary and fundamental rights

Even in 2022, the municipalities have continued their efforts to fulfill legal obligations and build their capacities in regard to the protection and promotion of fundamental rights. Progress has been noted in terms of the increase of the number of social workers for child protection of (WCP) which doubled in 2022. Cooperation with civil society and donor projects for the protection of minority rights has increased, but the monitoring system for the violation of rights works in only 33% of Municipalities.

Insufficient human capacities to manage cases of rights violations, as well as very limited financial resources, remains a challenge.

Although the indicator has increased compared to previous years, it still remains at low levels compared to the needs of the municipalities to handle all cases. *There is still a significant lack of gender-sensitive budget planning in a significant number of municipalities, where in 2022 it has failed to be applied in 66% of municipalities.*

The Report of the European Commission of 2022 highlights the need for further efforts to ensure an adequate and systematic response to all types of violence against children. A more comprehensive legal framework on the status and responsibilities of social workers should be adopted. **Stronger efforts are needed to tackle discrimination and violence against persons with disabilities,** to improve general access, to promote employment and to collect statistical data on their situation.

The quality of education for children with disabilities, especially children with hearing impairment, continues to be a concern. The number of assistants for children with disabilities in the pre-university education system remains insufficient. Additional efforts are needed to provide training on inclusive education approaches to all teachers and early detection of disabilities. Discrimination against lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) people is still widespread, particularly in relation to access to health care, education, justice, employment and housing²⁴.

²³ European Commission Progress Report for Albania (October 2022)

²⁴ European Commission Progress Report for Albania (October 2022)



Justice, freedom and security

In 2022, the efforts of the municipalities continued to implement the measures provided for in the **Strategy against Organized Crime and Serious Crime 2021-2025** and the **Action Plan 2021-2022**, approved in 2021. **Progress has been made by the municipalities concerning the establishment of the Local Security Council**, as a mechanism to combat the organized crime already operational in 77% of the municipalities, in accordance with the functions of local government related to issues of justice and security. Nevertheless, drafting of the Public Security Strategy at the local level has not continued at the same pace, where there are **still 40% of municipalities that have failed to have an approved strategy**. Moreover, the establishment of the **Community Policing Office** in each administrative unit has not made significant progress.

Trust building and enhancement of community security through community policing remains a priority. The State Police has mentioned in the 2022 Monitoring Report of the Ministry of the Interior that it will increase the measures in its work for identifying high-risk areas and build the capacities of community policing officials and problem referral mechanisms. Cooperation with the community, local structures, and the conducting of police awareness campaigns in high-risk areas remain a priority to promote community policing and their roles for the community.



Education and Culture

Education and culture are two important functions of local government pursuant to the Law on Local Self-Government. Despite the progress made at the central level with the approval of the Sectoral Strategies and the relevant legislation, municipalities still encounter difficulties in regard to the implementation of policies. **Even in 2022, there is a lack of municipal budgets to invest in the infrastructure of kindergartens and schools.** The fund allocated from the local budget for the reconstruction of existing kindergartens or the construction of new kindergartens is only 2.53% of the total annual budget. **There has been progress concerning the provision of PWD infrastructure in designs for the reconstruction and construction of schools in 82% of municipalities.**

The preservation and maintenance of cultural heritage objects remains a challenge. The problem of illegal constructions in the areas of cultural heritage is evident in 2022 along with the limitations of the local budget for cultural activities harmonized with the needs of the community.

Awareness raising of residents and close cooperation with police structures and other central institutions for the prevention and punishment of cases of violations is of particular importance. The drafting of plans for the protection and development of cultural heritage objects, as well as the allocation of budgets for investment and maintenance is a problem that requires proper and sustainable addressing.

According to the EU Report of 2022, **more resources are needed to modernize the education system** and ensure quality, equity and inclusiveness in education for all students. The financial autonomy of the school has not progressed, because by-laws and provisions for ensuring actual financial autonomy in the school have not been developed. Anti-corruption measures continue to have a limited impact on education, which remains a particularly vulnerable sector in this respect.



Environment and climate change

The environment and climate change are sectors with a great impact on sustainable development, harmonized with the EU acquis and with European standards for the preservation and protection of the environment.

Moderate progress has been made in regard to drafting of local action plans to implement central policies. 78% of municipalities do not have a local action plan for improving air quality. In addition, drafting of the local plan for mitigating the risks of climate change has been carried out by only 20% of the municipalities. While drafting of the Local Plan for Integrated Waste Management (IWM) was carried out by 40% of the municipalities. **Good progress has been made by 62% of the municipalities in terms of drawing up plans for the sustainable management of the forest and pasture fund.**

The training of local officials on legislation and the implementation of central policy measures in the field of the environment continued at a satisfactory pace. Moreover, the number of specialists employed and trained at the local level for climate change, energy efficiency, and renewable energies is 8 times higher compared to 2021. In relation to civil emergencies, progress is considerable regarding the establishment of headquarters and the civil emergencies structure throughout the country.

The water supply and sewerage sector still faces the problems of extending the service throughout the territory of the country, mainly in rural areas, as well as reducing losses from illegal interventions in the network.

The 2022 EU report highlights that the performance of the water supply and sewerage services sector remains low and Albania needs to further strengthen and accelerate water reform measures²⁵. Regarding further steps in the field of the environment, the EU report in 2022 states that immediate measures should be taken to review and improve the environmental and strategic impact assessments for existing and planned projects, plans and programs, especially in the sectors of hydropower, construction, tourism, transport and mining²⁶.



Financial Control

24.4 billion Albanian Lek (constituting 6% of the total public revenues) were collected as local government own revenues. **Local revenues have increased by 5.5% compared to 2021.** The average rate of local revenue collection in 2022 has increased slightly compared to the previous reporting year. Local government expenditures during the first 9 months of 2022, were 38.7 billion Albanian Lek or 64% of the planned expenditures of 60.2 billion Albanian Lek. Compared to a year ago, the local budget was executed to an extent of about 6% more (or 2.1 billion Albanian Lek)²⁷. About 54% of the total expenses were covered by the unconditional transfer and 45% by own revenues²⁸.

LGUs have organized more public hearings on the execution of the budget compared to the previous reporting year. In order to improve the condition of the audited entities (LGU) by the ALSAI regarding the negative effects on the efficient and effective management of expenses during 2022, a number of organizational measures, measures for compensation of damage, administrative measures and disciplinary measures have been taken.

Increasing of the applicability of the financial management and internal control system, the improvement of the performance of the revenue management, the enhancement of effectiveness of the execution of expenses for the provision of services with quality and standards, and the reduction of debts remain challenges for the municipalities.

The priority of the government is to ensure sustainability and increase the unconditional transfer above 1% of GDP in order for the local government to have more budget to implement the decentralization reform in a number of sectors, in which services are below minimum standards and improve the formula of unconditional transfer²⁹.

²⁵ European Commission Report for Albania (2022).

²⁶ European Commission Report for Albania (2022).

²⁷ Local Fiscal Indicators Report (2022), Ministry of Finance and Economy and Local Finance Project.

²⁸ Local Fiscal Indicators Report (2022), Ministry of Finance and Economy and Local Finance Project.

²⁹ Minutes of the Consultative Council meeting (Decision No. 6, dated 28/10/2022).

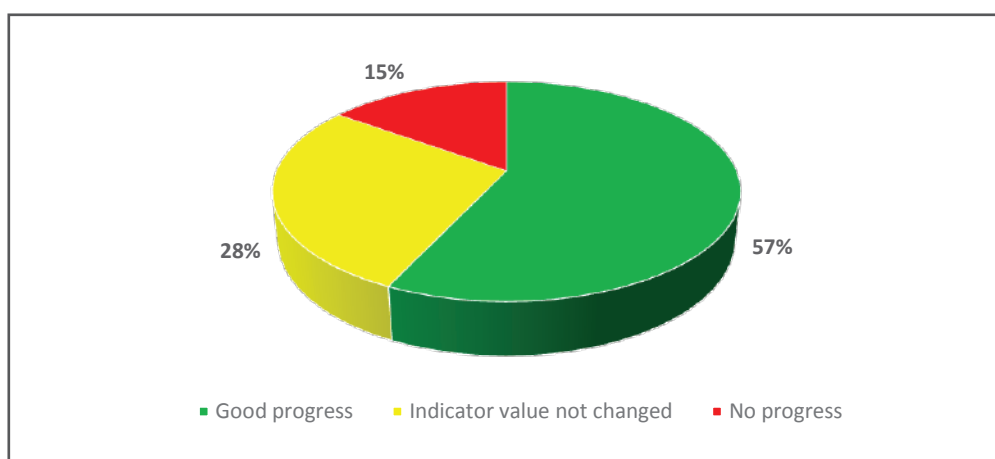
INTRODUCTION

This is the sixth national report of evaluating the achievements of the Local Self-Government Units (LGUs) in view of the European integration process at the local level and in the main areas related to the political criterion, the economic criterion and the ability to fulfill the obligations of membership of Albania.

Performance monitoring based on the analysis of indicators for different sectors and areas, including local democracy, governance, the rule of law, public administration, law enforcement, combating corruption, human rights, the existence of a functional market economy and the capacity to undertake membership obligations in specific areas, such as agriculture and rural development, food security, transport policies, energy, taxation, judiciary and fundamental rights, education and culture, environment and climate change, local finance and financial control. This report analyzes the information on the indicators for the reporting year 2021 by making a comparison of a number of performance indicators of the years 2017 – 2021. The data of the evaluation reports starting from 2018 is published on the website of the Agency for the Support of Local Self-Government, as well as online at the address <https://mapping-bpe.al/goDataAnalyze/online.aspx>.

The progress of fulfilling the obligations from the municipalities for the implementation of the European integration agenda is assessed against several indicators which are defined based on consultation with line ministries in accordance with the chapters in which the municipalities have an active role, as well as consulted with 61 municipalities. Based on the assessment of progress made the overall progress is summarized in the graph below. A detailed assessment of the progress of the fulfillment of the indicators in an individual way is presented in appendix 1 at the end of the report.

Graph 1: Overall ratio of progress in year 2022



Methodology and Data System

The data provided by LGUs for 2022 are the primary source of data of the analysis of the report. The Evaluation Report of LGUs in the process of European integration for 2022 covers all 61 municipalities based on the data reported by the European Integration Units of the municipalities through the Online Reporting System for more than 240 indicators, according to the main areas of the three membership criteria. It should be noted that the degree of completing the indicators varies between municipalities. The accuracy of the reported data is the sole responsibility of the municipalities.

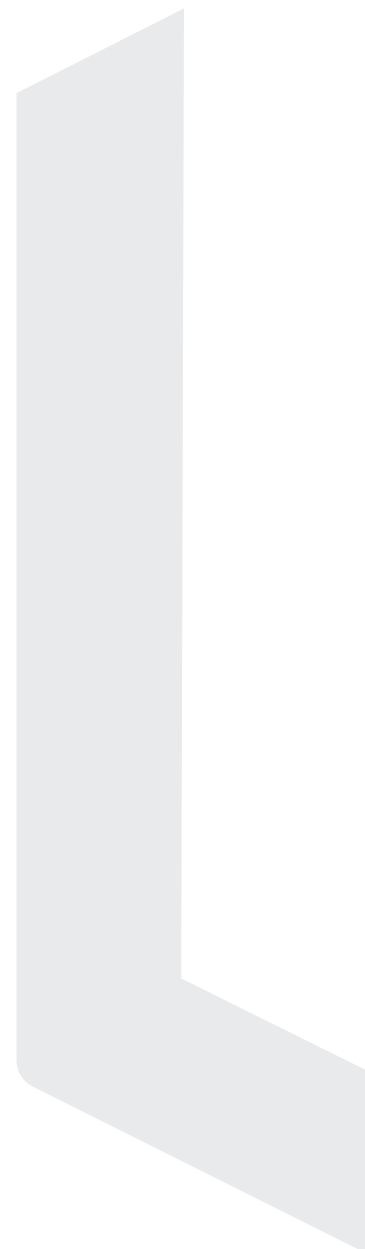
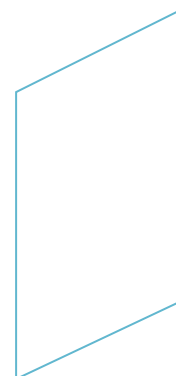
In addition to the data analyzed based on the information uploaded in the Online Performance Monitoring System, the report has been enriched with secondary data based on the review of laws and bylaws approved during 2022, on the basis of which LGUs have a role and specific tasks, in addition to reviewing the strategic documents and monitoring reports of line ministries for 2022, the European Commission Report for Albania (2022), information provided by INSTAT (although statistics are provided at region level and not at municipality level).

The report makes a comparative analysis between municipalities according to different areas, and identifies good practices, problems, and challenges when implementing local policies in response to the challenges of national development, sectoral policies, and the European integration agenda.

The report provides calculated data about the sum, average or the counting for various indicators, for which valid data has been provided. The indicators are measurable (numerical, or expressed in percentage), affirmative for a number of objectives and priorities related to the implementation of the policies of the central government at the local level and in the frame of the membership process. The indicators present the situation in each municipality according to the assessment criteria and against the benchmarks (where possible). The municipalities, which have not provided data for any particular indicator, are shown on the map (in gray) or with explanations in the footnotes. The data of the chapter of local finance / and financial control have been provided by the Ministry of Finance and Economy.

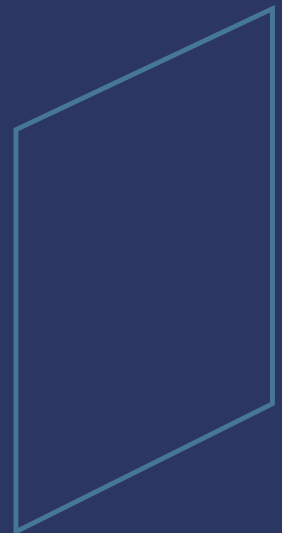
It should be emphasized that the capacities of municipalities for keeping statistics in a unified and systematic manner remain problematic. The Performance Offices, which are expected to be established in the municipality, should also ensure the systematic collection and maintenance of mapping data.

Municipalities should also be provided with online data storage systems to ensure their quality, the accuracy of historical data for the indicators that the municipality collects and reports. Keeping data systems on-line would eliminate errors in reporting of the comparative data by years.



POLITICAL CRITERIA

Sustainability of institutions that ensure democracy, rule of law, human rights and respect and protection of minorities.



1.1 Democracy

1.1.1. Governance

“In 2022, the Ministry of the Interior led the work for the drafting of the new policy paper for decentralization and local government, in accordance with the Order of the Prime Minister No. 76, dated 22.04.2022 "On the establishment of the inter-institutional political group and technical working groups for drafting the inter-sector strategy for decentralization and local government and its action plan, 2023-2030. The local government associations became part of the working group, thus facilitating the identification of deficiencies, challenges and solutions in the meetings organized with representatives of the municipalities”.

The Ministry of the Interior and the Agency for the Support of Local Self-Government (ASLG) have continued efforts in regard to the process of legal harmonization in coordination with line ministries, for the drafting of by-laws according to the area of state responsibility, for the delegated functions of Local Self-Government Units³⁰. 58 draft acts prepared by the line minister and other institutions were submitted for consultation in the Consultative Council of the central government and local self-government during 2022.

LGUs have performed better in terms of managing their own income. The infrastructure impact tax with about 36% of local revenues continues to be the most important source of income. Financial management at the local level has been consolidated with about 2.2 billion Albanian Lek more expenditures than compared to the previous year. Investment expenditures constitute 17.3% of the total local budget, with a decrease of 8% compared to the same period of the previous year.

Local Government Units still lack sufficient financial resources and administrative capacities to effectively exercise their greater powers in policymaking and providing quality services to citizens.

The Network of European Integration Units has strengthened the involvement of LGUs in the EU membership process. However, frequent staff turnover in the municipal European Integration Units jeopardizes their ability to perform. Complex procedures for opening dedicated bank accounts as well as for receiving VAT refunds also constitute serious obstacles for Albanian municipalities to participate in projects financed by the I Instrument for Pre-accession Assistance (IPA)³¹.

Specific objective: Improving the coordination of central and local government through the establishment and effective functioning of the Consultative Council.

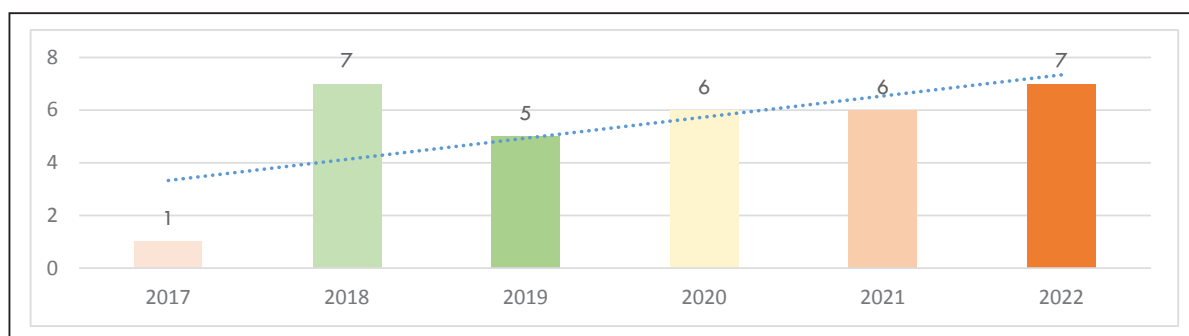
Consultative Council³² (CC) continues to function as the main forum for institutional dialogue and coordination between central and local government. In 2022, the CC has exercised its activity effectively by enabling the consultation of a higher number of draft acts prepared by line ministries. 7 meetings of the Central Committee were held in 2022, compared to 6 meetings in 2021. The increased activity in the consultation process between the institutions of central government and local self-government has been characterized by increased participation of members of the Consultative Council and local government in meetings.

³⁰ Pursuant to the Order of the Prime Minister No. 101, dated 03.07.2019 "On the drafting of by-laws by line ministries according to the field of state responsibility, for the functions delegated to Local Self-Government Units"

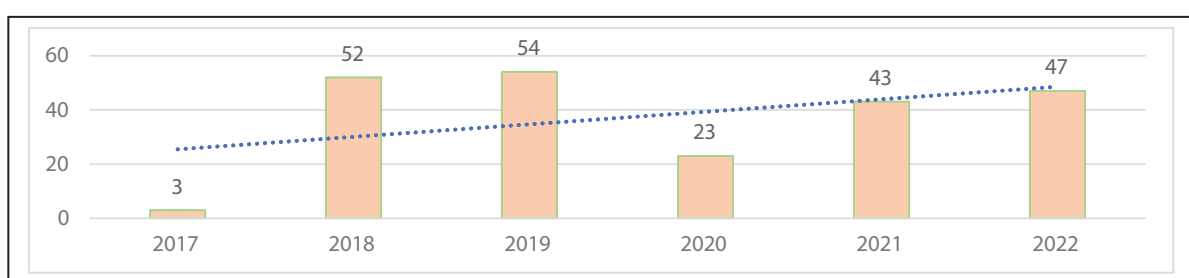
³¹ European Commission Progress Report for Albania (October 2022)

³² Collegial body established upon the Decision of the Council of Ministers No. 910, dated 21.12.2016 "On issues subject to consultation and the structure, procedure, form, organization and operation of the Consultative Council of the central government with local self-government", as amended upon the Decision of the Council of Ministers No. 751, dated 19.12.2018, Decision of the Council of Ministers No. 456, dated 10.6.2020.

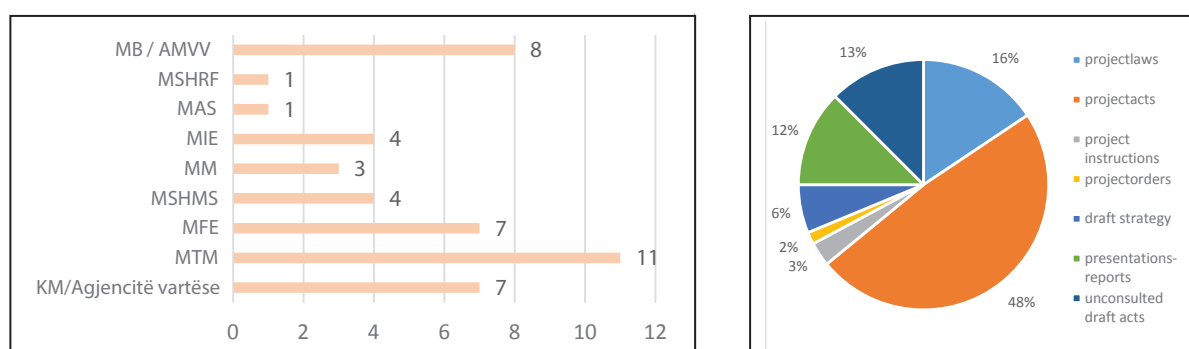
Graph 2: Number of meetings of the Consultative Council 2017-2022



Graph 3: Number of approved legal acts that have passed the consultation procedure in the Consultative Council, 2017-2022



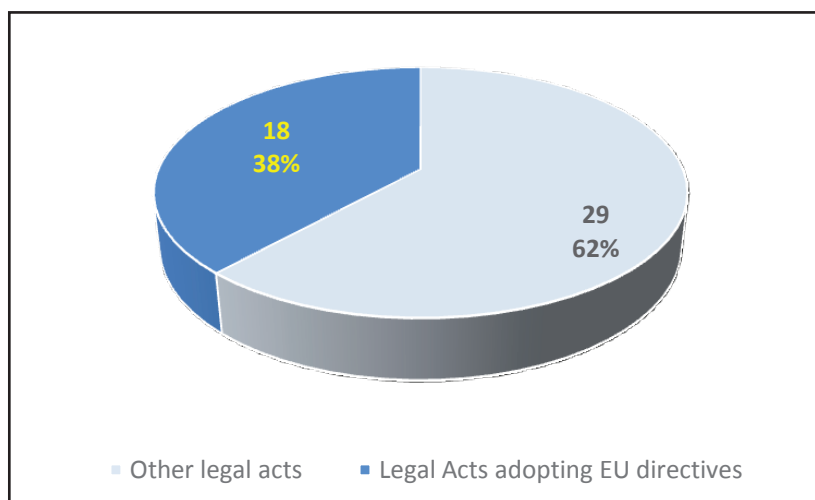
The subject of the consultation consisted in the legal drafts of the central institutions, drafts related to the delegated functions of the LGUs pursuant to the Order of the Prime Minister No. 101, dated 03.07.2019 "On the drafting of by-laws by line ministries according to the field of state responsibility, for the functions delegated to Local Self-Government Units", guidelines for LGUs, documents of new sectoral policies and study reports. Specifically, 47 draft acts out of 55 sent by central government institutions were consulted (or 82.5% of the draft acts sent for consultation), 10 draft laws, among which the draft law "On some additions and amendments to Law No. 68/2017" On Local Self-Government Finances", draft Law "On some additions and amendments to the Law. No. 119/2014 "On the Right to Information", the draft Law on the Protection of Personal Data, the draft Law "On Beekeeping", 31 draft decisions, draft Guideline for the LGUs "On Responsive Budgeting for the Integration of the Roma and Egyptian Minorities" and 4 drafts strategies: National Strategy for Health 2023-2030, National Strategy for the Water Supply and Sewerage Sector 2023-2030, National Strategy for Youth 2022-2029, National Strategy for Disaster Risk Reduction, 2023-2030. A total of 47 draft acts were approved in principle by the two co-chairmen of the CC, while another 8 draft acts brought for consultation in a short time, were approved in principle.

Graph 4 and 5: Draft acts initiated by line ministries and discussed in the Consultative Council, 2022³³

³³ Source: Agency for the Support of Local Self-Government (ALSG)

Consultation of the local government in the process of adopting the EU directives into the national legislation is a very important process. In addition to individual ministries consultation process taking place for specific important legal acts, the LGUs have an opportunity to provide their additional contribution in the moment that these legal acts are discussed in the Consultative Council. For 2022, 18 out of 47 legal acts, or in total 39% were adopting one or more directives, thus providing an opportunity for the LGUs to get informed not only on the legal changes, but also on the alignment with the EU legislation and effects to the LGUs processes.

Graph 6: Share of consulted legal acts that adopts EU directives in 2022



The level of central and local government representation: The Consultative Council has 22 members, of which 11 members (50%) are from the local government. During 2022, on average, about 80% of line ministries were present at the meetings of the CC; 4 line ministries (36% of 11 ministries) have participated in all meetings. Five (5) line ministries were represented by the Deputy Minister and 2 ministries with the Minister in 2 meetings. The level of representation of line ministries has continued to be not at the appropriate level of representation, as in previous reporting years. It is established that the level of representation of the ministry is appropriate in cases where a draft act submitted by the responsible institution is consulted. On average, 7 members from the local government (64%) were present at the meetings of the CC, while the number of participating municipalities changed from 7 to 40. On average, 8 participating municipalities (13%) were represented with the Mayor at the meetings of the CC - a slight increase in the level of local government representation compared to the previous reporting year (10%) is observed.

The Technical Secretariat of the CC, part of the Agency for the Support of Local Self-Government (ASLG), has coordinated the meetings of the CC by ensuring the timely distribution of draft documents and materials that were the subject of consultation, thus contributing to the increase of transparency in the process of formulation and approval of draft acts and policies with impact on local self-government. In addition, the ASLG has provided a special contribution for the coordination of the process between central and local government institutions in terms of writing the new draft Strategy of Decentralization and Local Government 2023-2030, in addition to its regular activity and support in the coordination of various activities as part of projects with foreign financing in support of the reform for decentralization and local self-government - Municipalities for Europe³⁴, STAR³⁵, Bashki të Forta³⁶ and other projects.

³⁴ Municipalities for Europe – a project funded by IPA funds (EU)

³⁵ Project funded by several donors – UNDP, EU, SDC, Italian Government and SIDA

³⁶ Bashki të Forta – a project funded by SDC and implemented by Helvetas

Problems and challenges

- The level of representation of the central government in accordance with the legal provisions and the increase in the participation of LGUs in the meetings of the Consultative Council.
- The capacities of LGUs to take initiatives for legal changes by the municipalities themselves to address the problems found when implementing the existing legal framework.
- Problems of co-financing and pre-financing for projects at the local level and complex procedures for opening dedicated bank accounts, as well as VAT reimbursement (for projects funded by IPA).
- The frequent staff turnover in the European Integration Units of the municipalities endangers their sustainability and their ability to perform³⁷.

Recommendations

Recommendations remain valid also for this report:

- Consultations with the LGU for any legal amendments affecting local self-government should be initiated at the beginning of the process to help carry out a more complete analysis of the social and economic impacts. ASLG should facilitate the analysis and consultation with LGU.
- ASLG should adopt a more proactive approach for monitoring the implementation of the recommendations and comments of the CC in the final process of review and approval of the draft act.

Establishment of One-Stop Shops for Public Services

Specific objective: open governance, accountability and e-governance at the local level

The institutional and legal frameworks for the provision of public services are in place to ensure a user-oriented public administration. The number of One-Stop Shop services and e-services, although at different levels of automation, continued to grow and information for citizens on public services became more accessible.

In 2022, the crosscutting strategy "Digital Agenda of Albania" and the 2022-2026 Action Plan were approved upon the Decision of the Council of Ministers³⁸, as well as Decision of the Council of Ministers No. 252, dated 29.04.2022 "On the procedures of providing online services by service providing institutions and on the methodology of monitoring and controlling administrative activity".

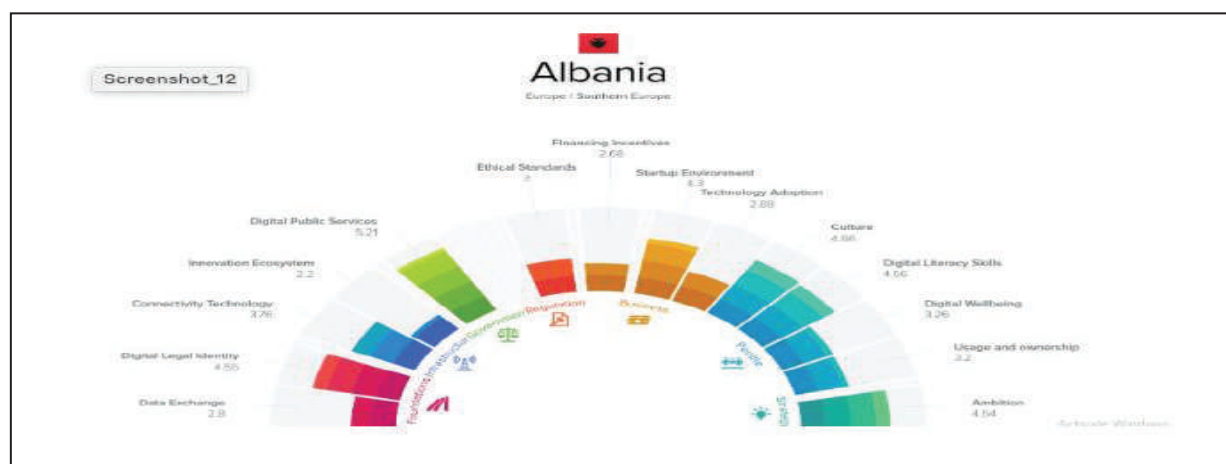
Referring to the report of the United Nations Organization (UN) "Digital Development Compass", Albania was ranked eighth in Europe (5.21 points), after Slovenia, for transformation, culture of innovation and codification in legislation and nineteenth in the world, according a new indicator published by the United Nations on digital public services³⁹.

³⁷ European Commission Progress Report for Albania (October 2022)

³⁸ Decision of the Council of Ministers No. 370, dated 1.6.2022 "On the approval of the cross-cutting strategy "Digital Agenda of Albania"

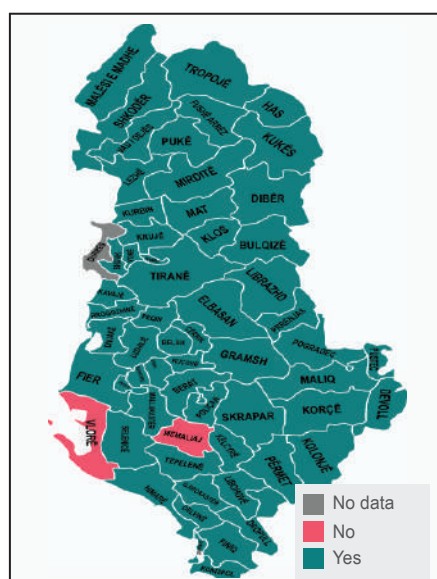
³⁹ <https://e-albania.al/Pages/NewsDetail.aspx?id=750>; <https://akshi.gov.al/sherbimet-digjitale-okb-shqiperia-e-8-ta-ne-europe-e-19-ta-ne-bote/>

Graph 7: Digital Development Compass, scores according to mapping criteria

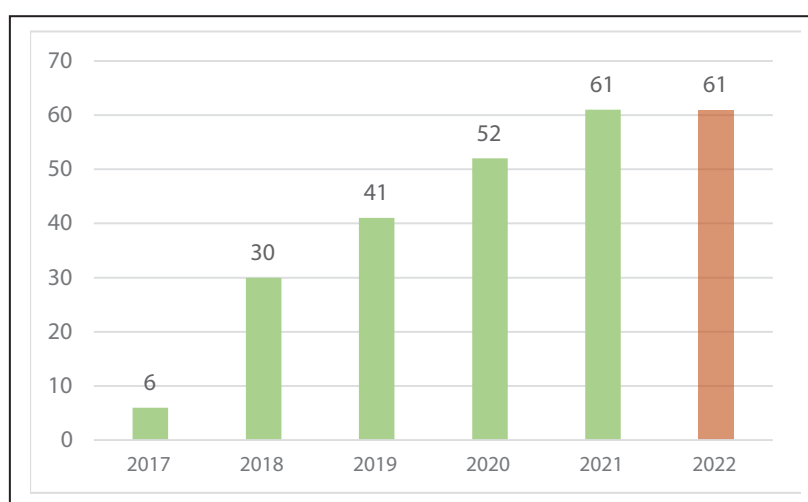


Support was provided for the improvement of the infrastructure of IT systems in several municipalities of the country in the frame of STAR III Project, in addition to the assistance for the maintenance of One-Stop Shop systems. Municipalities have tested and approved the expansion of the functionality of One-Stop Shop in 33 administrative units⁴⁰. In May 2022, the government decided to close all front offices that provide national administrative services at the local level, thus shifting completely towards online services. The Minister of the Interior recommended drafting of a roadmap for the introduction of local government in the digital transformation and the transition to online services⁴¹.

One-Stop Shops (OSSH) are set up in all the municipalities of the country, although the municipalities of Durrës, Vlora, and Memaliaj have filed to report on this indicator. 11 integrated centers have been opened at the country level, and they deliver online services of the e-Albania portal and local services. In 2022, the Integrated Center was opened in Kamza alongside the centers in Tirana, Kombinat in Tirana, Kavaja, Kruja, Fier, Gjirokastra, Shkodra, Lushnja, Elbasan, Pogradec.

Map 1: One-Stop Shops 2022⁴²

Graph 8: Expansion of the OSSH system in years, 2017-2022



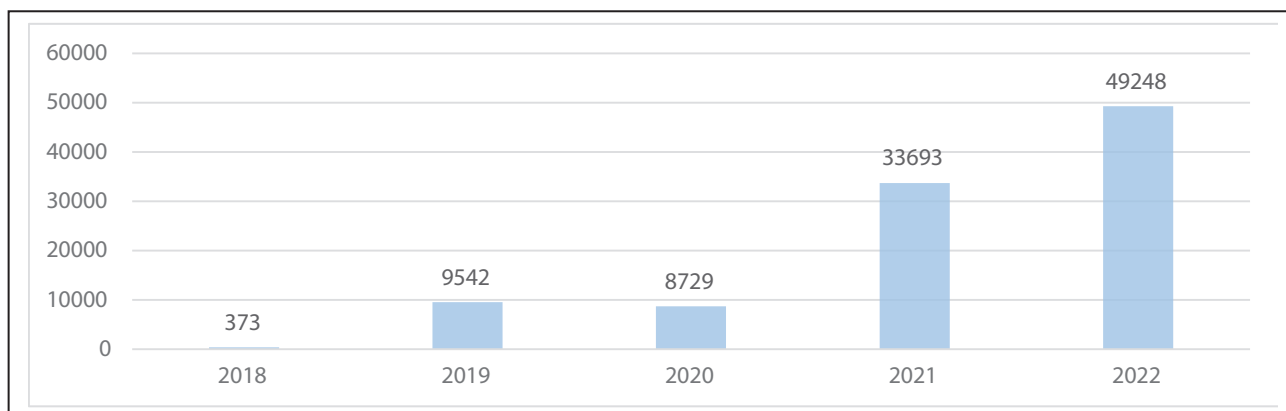
⁴⁰ STAR III Project, Progress Report 2022

⁴¹ STAR III Project, Progress Report 2022

⁴² The source of the data is based on the reporting of the municipalities

147 (different types) is the average number of services at the national level offered by One-Stop Shops. The number of citizen applications through One-Stop Shops in 2022 has increased by 125% (42,248 applications compared to 33,693 applications in the previous reporting year)⁴³.

Graph 9: Number of applications in One-Stop Shops, 2022⁴⁴



Problems and challenges

- The functioning of the system in all sectors of the municipality (especially in the civil emergency sector) so that the service for the citizen is provided on time and in an easy manner remains a challenge⁴⁵.
- Updating of administrative services in accordance with legal amendments and functions of local self-government⁴⁶.
- Effective interaction between institutions for the timely issuance of documents requested by citizens through the e-Albania system.
- Staff training in those municipalities where One-Stop Integrated Centers have been set up.
- The different level of citizens' skills in using the digital platform (e.g., vulnerable groups and the third age) limits the system's access to services.

Recommendations

- Enhancement of cyber security and protection of personal data.
- Ensuring access to the e-Albania platform for persons with disabilities⁴⁷.
- Development and approval of minimum standards of public services.

⁴³ STAR III Project, Progress Report 2022

⁴⁴ STAR III Project, Progress Report 2022

⁴⁵ Tropoja Municipality-problems and challenges

⁴⁶ Shkodra Municipality- problems and challenges

⁴⁷ National Agency for Information Society (NAIS); <https://akshi.gov.al/>

1.1.2. Enhancement of the Transparency of Local Finances

Municipalities have encouraged public participation in their decision-making, by organizing online Council meetings open to the public and other innovative means. However, the institutional framework for effective and inclusive participation needs further strengthening. On transparency, some improvement has been noted, as all municipalities are now publishing online their Council's decisions. As regards the transparency programme to be adopted by each municipality, shortcomings have been identified regarding the publication of mandatory information in its rubrics⁴⁸.

Enhancement of the transparency of local finances is assessed by means of three groups of indicators: (i) the preparation of the local budget by the municipality for the citizens, (ii) the local budget published on the website of the municipality and on the financatvendore.al website; (iii) enhancement of transparency (number of public hearings).

Consolidation of procedures and the local finance management system at all stages, from the drafting of the Medium Term Budget Program to its execution and monitoring, direct assistance to LGUs, through comments and consultation, constitute some of the main directions of efforts of the Ministry of Finance and Economy (MFE) during 2022 for strengthening financial management at the local level. These preparatory steps also serve to implement the AFMIS system at the local level in the medium term. MFE approved Guideline No. 7, dated 25.02.2022, "On an Amendment to Guideline No. 23, dated 30.07.2018 "On standard procedures for the preparation of the Medium Term Budget Program of Local Self-Government Units", which defines 20 approved programs from MFE for local government. The indicator on the capacity of municipalities to prepare the monitoring report for the budget execution has improved (55 municipalities have drafted it compared to 53 for the previous reporting year). Concerning the reporting of the planned revenues against the actual ones by the LGUs, 39 municipalities have shown the same positive status, 10 municipalities have shown the same negative status (Poliçan, Belsh, Pustec, Has, Tropoja, Kavaja, Rrogozhina, Vora, Konispol and Selenica), 3 municipalities (Kelcyra, Mirdita and Saranda) have shown deterioration.⁴⁹

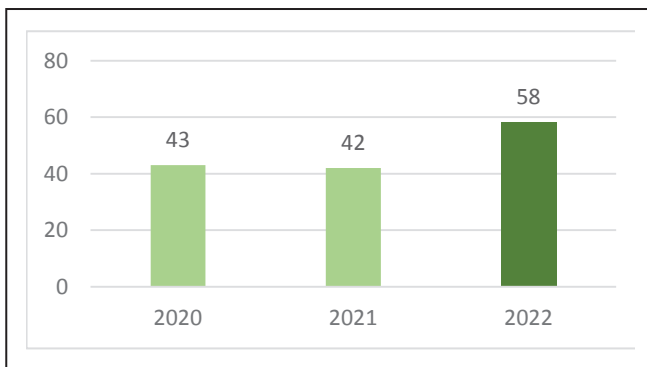
47 municipalities (77%) have prepared the budget in an understandable format for citizens, 5 municipalities (8%) have failed to prepare it, while 8 municipalities (13%) have failed to provide valid data (Librazhd, Elbasan, Peqin), Divjaka, Skrapar, Dimal, Libohova, Përmet (N=60)). The indicator shows an improvement compared to 2021 (43 municipalities or 70% of them).

Publication of the budget of the municipality on the official website of the municipality was carried out by 58 municipalities (N=61) – the indicator has improved compared to the previous reporting year (51 municipalities), while the publication on the financatvendore.al website was carried out by 45 municipalities (N=60) remaining at the same level with the previous reporting year.

⁴⁸ European Commission Progress Report for Albania (October 2022)

⁴⁹ Compliance Report on the Performance Monitoring at Municipal Level (October 2022)

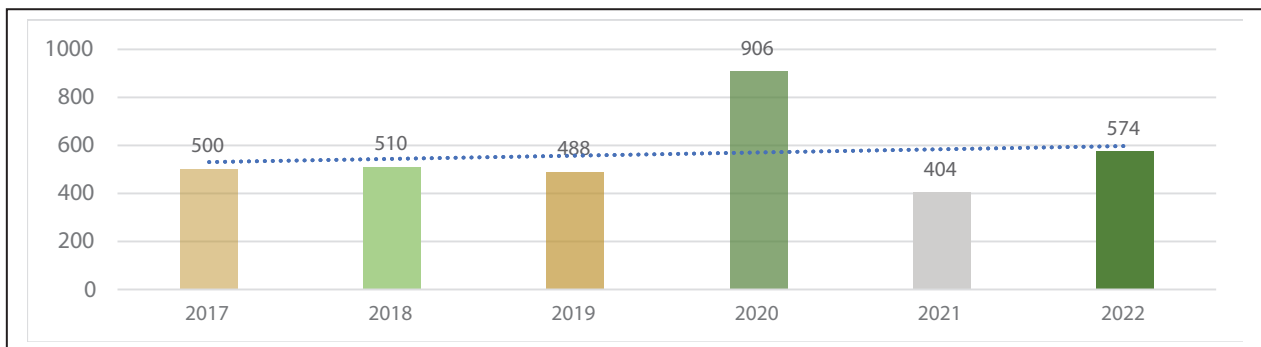
Graph 10: Publication of the local budget on the official website of the municipality.



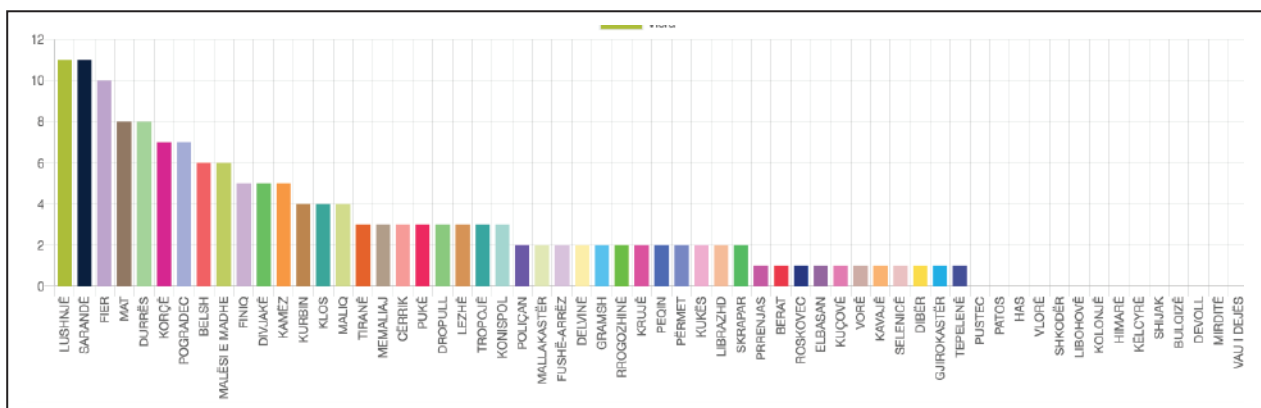
The municipalities of the country organized 574 public hearings with citizens (N=60) when preparing the new local budget (or 170 more hearings compared to the previous reporting year), or an average of 9 hearings in 2022; 160 hearings or an average of 3 hearings were held during the budget drafting process with vulnerable groups and PWDs (N=59).

More hearings in 2022 were organized by municipalities with these groups/layers in need – 32 more hearings in 2022 compared to 2021. municipalities, which reported a higher number of public hearings organized with groups in need, young people and PWD, were Lushnja and Saranda (11 hearings), Fier (10), Durrës and Mat (8), Korça and Pogradec (7).

Graph 11: Number of public hearings about the draft budget organized by the LGUs, 2017-2022



Graph 12: Number of public hearings about the draft budget with vulnerable groups represented by CSOs, persons with disabilities and youth, 2022



Box 1: The challenge of providing transparency on local finances

Permet Municipality: Awareness of the community to get information online using the official websites of the Municipality; Comprehensive civic culture to be active in the process of drafting policies by the Municipality; broadest involvement, especially from remote rural areas.

Selenica Municipality: Increasing transparency for the budget and informing citizens.

Tirana Municipality: Increasing citizen participation in meetings for the consultation of next year's draft budget.

Cërrik Municipality, Shkodra Municipality: Involvement of all interest groups.

Municipality of Devoll, Dropull, Kamëz: Increasing the number of consultations with citizens regarding the preparation of the budget and of participants in public hearings, exchange of opinions for more efficient decision-making.

Tropoja Municipality: Increasing the number of hearings for the preparation of the MTBP.

Vorë Municipality: Increasing the number of public hearings with all civil society actors and organizations.

Korçë Municipality: Creation of a public hearing for the category of persons with disabilities, taking into account the specifics of the group.

Municipality of Berat, Selenica: Increasing the participation of young people and minorities, as well as persons with disabilities in public hearings on the budget.

On average, the number of recommendations provided by civil society stakeholders and other interest groups, which were taken into consideration by the municipality, in the MTBP document/or the annual budget was about 30% (N=55). The municipalities, which reported a very high rate of reflection, are Tirana, Shkodra, Lushnja and Kamza (100%), Fier (90%), Elbasan (85%), Roskovec and Konispol (80%). 636 public hearings (N=59), or 2.5 times more hearings compared to 2021 were organized by the municipalities about the collection of revenues and expenditures planned for 2022 and 11,806 citizens (N=41) or about 5,500 more citizens attended them compared to 2021 (N=35).

Problems and challenges

- Drafting of the budget in an understandable form for citizens; increasing of information from the municipality to citizens during the process of drafting the budget and during the public hearings on the execution of the budget.
- Lack of analysis of economic and financial indicators when drafting the Medium Term Budget Program and the annual budget.
- A number of municipalities fail to explain in the budget execution monitoring report the causes and grounds that have an adverse impact the execution of the budget⁵⁰.
- Problems concerning the quality of the data presented and analyzed in the budget implementation monitoring report.

⁵⁰ Compliance Report on the Performance Monitoring at Municipal Level (October 2022)

Recommendations

- Improvement of the quality of public consultation at the local level in the process of drafting the budget and its execution.
- When drafting the mid-term budget and the annual budget, the reflection of the projections of the economic and financial indicators of the budget should be taken into account, based on the priorities of the LGUs and the strategic development plan in these years⁵¹.
- Municipalities should plan the budget by keeping in mind the desired level of services delivered to the citizens, the quantity, and quality of the targeted outputs, the solvency of the municipality, the budget requirements for each program, the projects with an impact on the objective of the program, the financial capacities of the LGU for investments capital⁵².
- A timely publication of the budget execution reports and the audit report is needed, in particular, the reporting of the arrears of the LGU⁵³.
- The annual budget monitoring report should be discussed in the municipal council and published on the official website of the municipalities in order to be accessible to all citizens and stakeholders⁵⁴.

1.1.3. Public Administration

Progress has been made in the results-oriented monitoring, including performance analysis in public administration institutions and in LGUs. Regulatory and institutional monitoring and reporting frameworks for government performance continue to be fragmented. Lack of a salary policy based on clear criteria for allowances and salary increases weakens the fairness and coherence of the system⁵⁵.

A process of analyzing and bringing the organizational setup of the municipalities to legal standards, has begun in 2022, under the direction of the Commissioner for the Oversight of the Civil Service, in cooperation with DoPA, the Ministry of the Interior/ASLG and the Prefect of the Region. There has been a noticeable progress concerning the execution of court decisions, which have become final, regarding the returning to work, in general, of the civil servants who have won the cases in court, because all court decisions have already been evidenced, the civil servants who have won the cases in court have been registered on the waiting list and the financial obligations are executed / or efforts are being made to appoint them to a position in the civil service where they meet specific requirements. The Commissioner for the Oversight of the Civil Service has assessed the impact of vacancies for the period of 2019-2021 - on average, 15.5% of job positions in the civil service were vacant; the municipalities and prefectures had the highest number of vacant positions (around 20%). The situation has a negative impact, because the administration operates with insufficient capacity⁵⁶.

⁵¹ Compliance Report on the Performance Monitoring at Municipal Level (October 2022)

⁵² Compliance Report on the Performance Monitoring at Municipal Level (October 2022)

⁵³ European Commission Report for Albania, Governance (October 2022)

⁵⁴ Compliance Report on the Performance Monitoring at Municipal Level (October 2022)

⁵⁵ Agency for Strategic Programming and Coordination of Foreign Assistance, Agency for Dialogue and Co-Governance, Agency for Media and Information

⁵⁶ Commissioner for Oversight of Civil Service in the Parliament (May 2022); <http://www.kmshc.al/wp-content/uploads/2022/05/Fjala-e-Komisioneres-ne-Kuvend-date-30.05.2022-final.pdf>

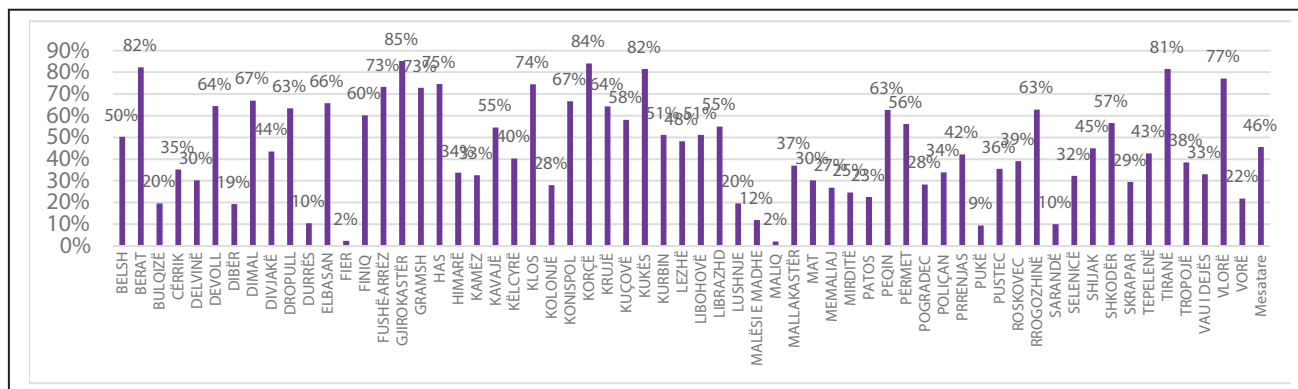
A guideline was drafted during the reporting period regarding the internal organization and structure of the LGUs, the guideline for the standardization of recruitment procedures and the management of human resources in the LGUs⁵⁷, in addition to a guideline for the prevention and addressing of violence, harassment and sexual harassment in the work environment in public administration institutions⁵⁸.

The HRMIS system has continued to be populated with data, although at a slow pace. HRMIS does not yet cover the entire public sector and does not include fully up-to-date data on civil servants. The government has managed to take steps in terms of establishing a coordinating mechanism between the central and local levels for monitoring and evaluating human resources management. Compared to a year ago, the Albanian School of Public Administration (ASPA) increased the thematic scope and the number of trained public servants. However, the lack of infrastructure hinders its capacity to offer online courses. The administrative skills of civil servants at the local level should be improved⁵⁹.

Employment in the local administration and public services in the municipality

61 municipalities had 37,518 (N=61), or about 3,100 local employees more in **2022** compared to the previous reporting year. The average number of employees of the local administration versus the total number of employees of the LGUs is reported to be 33.6% or 0.2 p.p. higher compared to 2021 (N=61). About 0.46% of employees of municipalities were people with disabilities, while their employment level in state institutions was about 0.6% in 2022⁶⁰.

Graph 13: Number of municipal administration and service employees versus the total number of municipal employees, 2022



The number of employees of municipal services was, on average, 52% or about 7 p.p. higher compared to the previous reporting year (N=61). Twenty-two (22) LGUs (36%) had a higher number of service employees compared to the average level, among which the municipalities of Tirana, Berat, Dimal, Fushë-Arrëz, Devoll, Gjirokastra, Korça, Kruja, Kuçova, Konispol, Kavaja, Klos, Vlora, Përmet and Shkodra.

⁵⁷ Department of Public Administration/Report on the Civil Service; <https://www.dap.gov.al/publikime/raporte-vjetore>

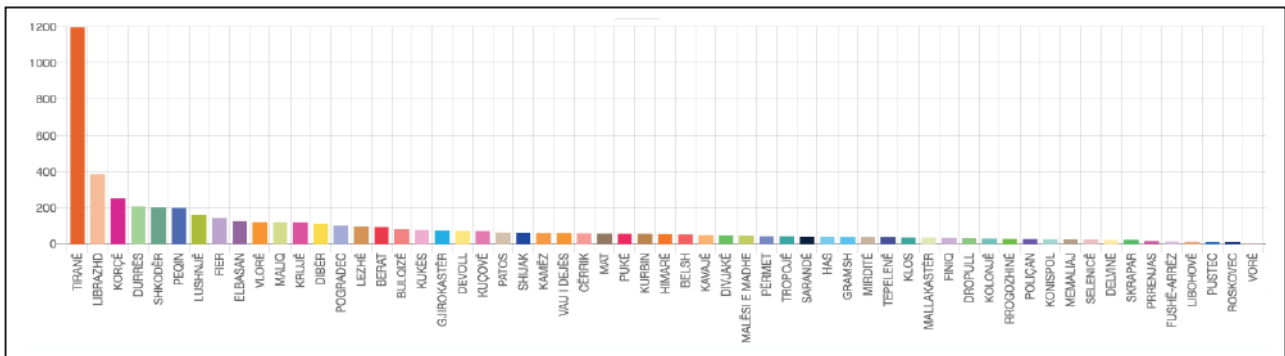
⁵⁸ The guide was drafted with the contribution of the Department of Public Administration, the Ombudsman, Sweden Sverige and UNDP; <https://www.dap.gov.al/legjislacioni/udhezime-manuale/468-udhezues-per-parandalimin-dhe-adresimin-e-dhunes-ngacmimit-dhe-ngacmimit-seksual-ne-mjedisin-e-punes-ne-institucionet-e-administrates-shteterore>

⁵⁹ European Commission Report for Albania, Governance (October 2022)

⁶⁰ Commissioner for Protection from Discrimination: Report on the Employment of Persons with Disabilities in the Administration (2022)

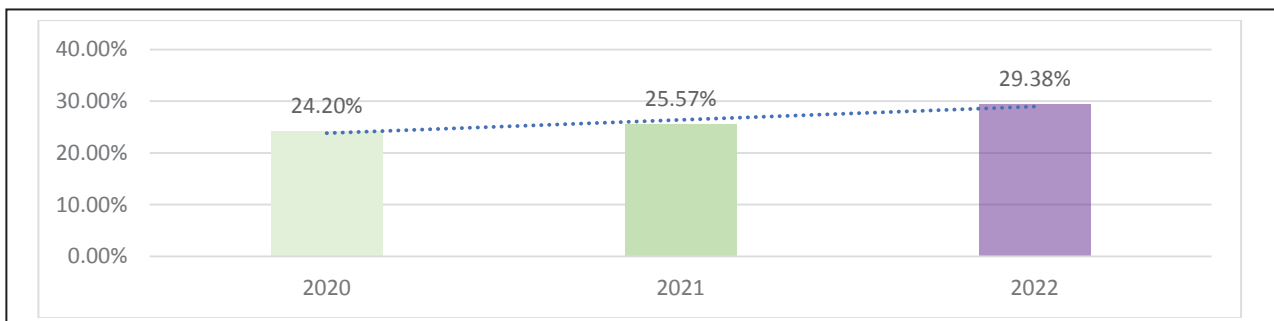
There were 5,472 employees with civil servant status in the local administration, or 43.2% of the total number of local administrations (N=60). The number of civil servants in the LGUs in 2022 is higher compared to 2021 (4,076) and to 2020 (4,625 civil servants). About 40.6% is the average percentage of female civil servants (N=58); the indicator shows an increase compared to 2021 (37.4%), (N=60).

Graph 14: Total number of local employees with civil servant status in the municipality, 2022

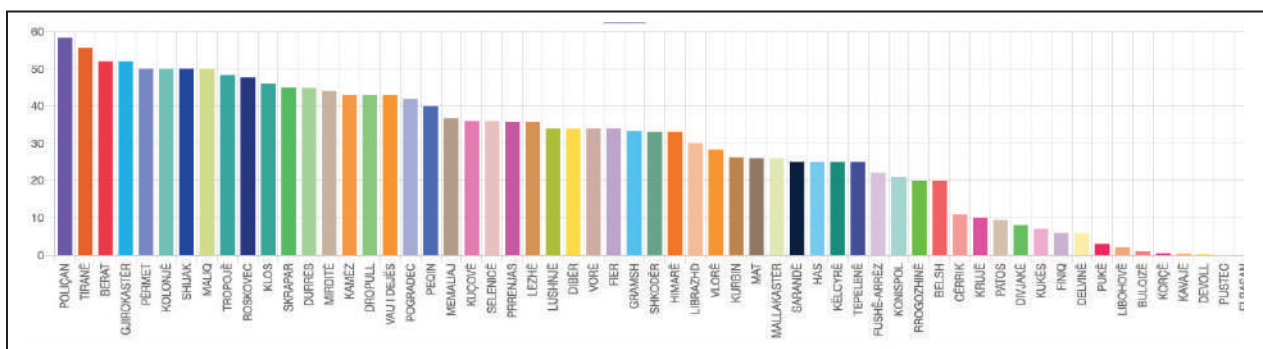


2,109 people (N=60) were reported to be in 2022 in management positions, 29.3% of which was the average number employed women (N=58). The employment of women in management positions has increased in 2022 compared to 2021 (average 25.6%, N=60); the indicator shows an increase in 2020-2022.

Graph 15: The trend of employment of women in management positions in LGUs, 2020-2022 (average in %)



Graph 16: Employment of women in management positions in LGUs, 2022 (in % of management positions)

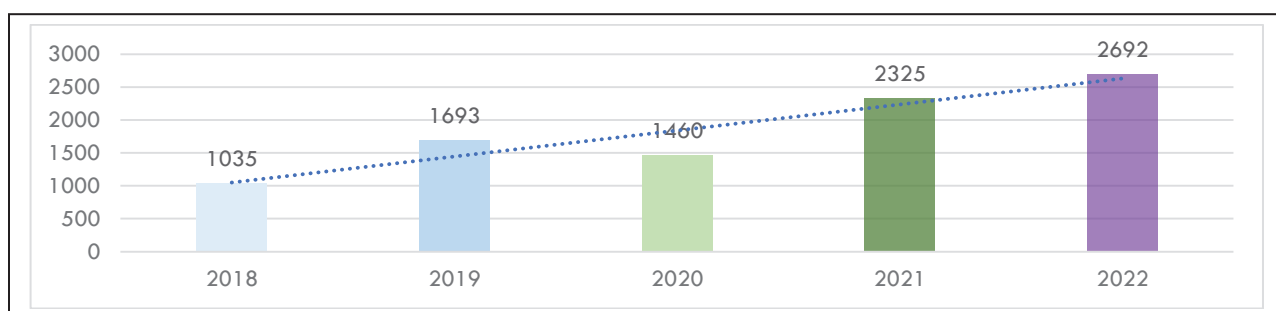


Building of the professional capacities of the local administration through training

The Albanian School of Public Administration (ASPA) has trained 5,397 persons during 2022 and it has followed up 20,780 trainees, of which 4,737 (23%) are from LGUs. 1,195 individuals completed the training "Introduction to Public Administration", which is mandatory for civil servants in the probation period, while 3,755 people were trained about European Integration. The training needs assessment for 2023 was carried out in 2022⁶¹.

2,692 local employees have attended the training programs provided by ASPA based on the reporting of the Directorates of Human Resources Management of the LGUs, or an average of 46 people (N=58), while 2,168 local employees have been trained by training providers other than ASPA (N=53); 751 local officials have been trained on civil servant legislation. It turns out that more local employees were trained during 2022 by ASPA compared to 2021, as well as by other training providers. Municipality of Tirana has had the highest number of employees trained by ASPA (1,142 people), followed by Municipality of Bulqiza (316) and Municipality of Pogradec (64).

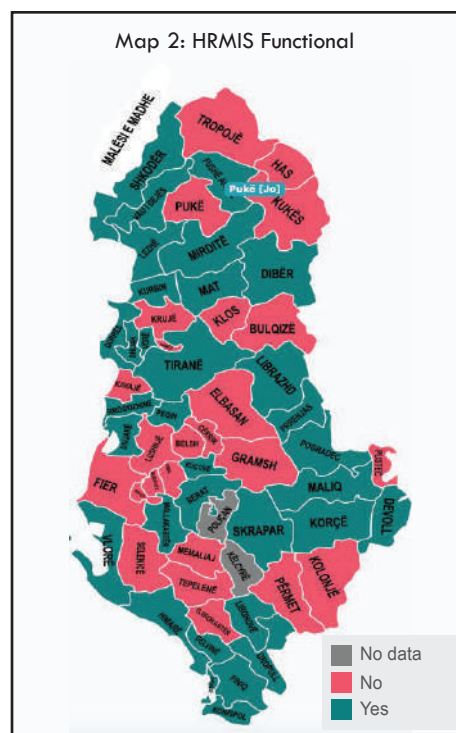
Graph 17. Number of local employees trained by ASPA, 2018-2022



Municipalities have spent in 2022, on average, about 0.0275% of the local budget to support municipal staff training. The Municipality of Shkodra spent more compared to other municipalities, thus it spent 0.71% of the budget, while 31 municipalities (51%) did not spend anything for this. Less funds were spent by the LGUs in 2022 compared to 2021 (on average 0.08% of the local budget).

Human Resources Management Information System (HRMIS) continues to be complete and functional, but it does not yet cover the entire public sector and LGUs. The government is taking actions to establish a coordinating mechanism for monitoring and evaluating the management of human resources between the central and local levels, and the Commissioner for the Oversight of Civil Service has monitored the implementation of the Civil Service Law and human resources management at the central and local levels during 2022⁶².

HRMIS has been operational in 33 municipalities (55%, N=60) or 7 p.p. lower compared to 2021, i.e. fewer municipalities have used the HRMIS system in their human resources management compared to the previous reporting year (2021).



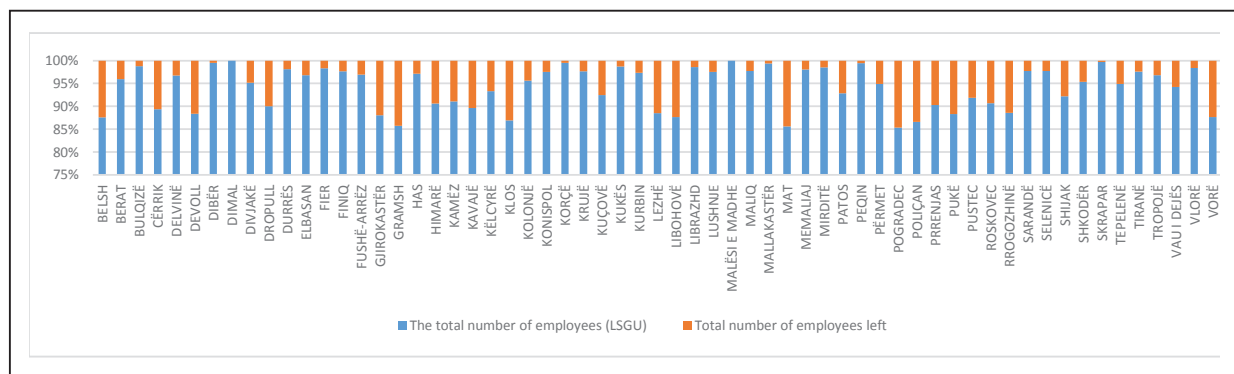
⁶¹ Source: Albanian School of Public Administration; <https://aspa.gov.al/e-library/>

⁶² Commissioner for the Oversight of Civil Service in the Parliament (May 2022); <http://www.kmsch.al/wp-content/uploads/2022/05/Fjala-e-Komisioneres-ne-Kuvend-date-30.05.2022-final.pdf>

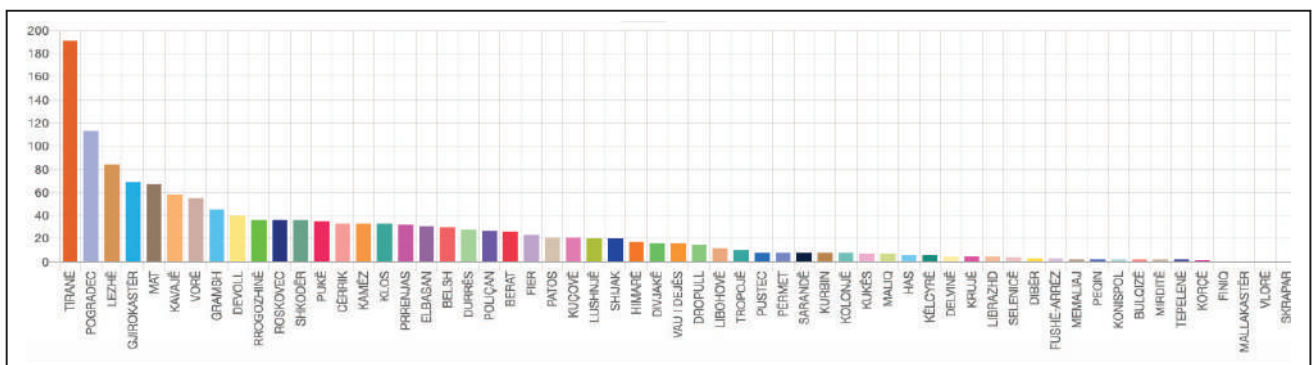
Staff leaving the local administration

1,802 employees (N=58) left the LGUs, in 2022, thus resulting in a lower number compared to 2021 (1,922 employees). The number of employees leaving the LGUs due to retirement and other reasons, was 4.8% of the total number of employees (N=59); leaving for other reasons - 1,433 employees (79.5% of persons leaving the LGUs, N=58); 369 (N=59) employees left due to retirement, which is 20.5% of the employees leaving in 2022. The highest number of employees leaving the LGUs was in the municipalities of Pogradec, Mat, Gramsh (17%), Klos and Poliçan (15%), Gjirokastra, Libohova and Belsh (14%), Devoll, Lezha, Puka and Rrogozhina (13%).

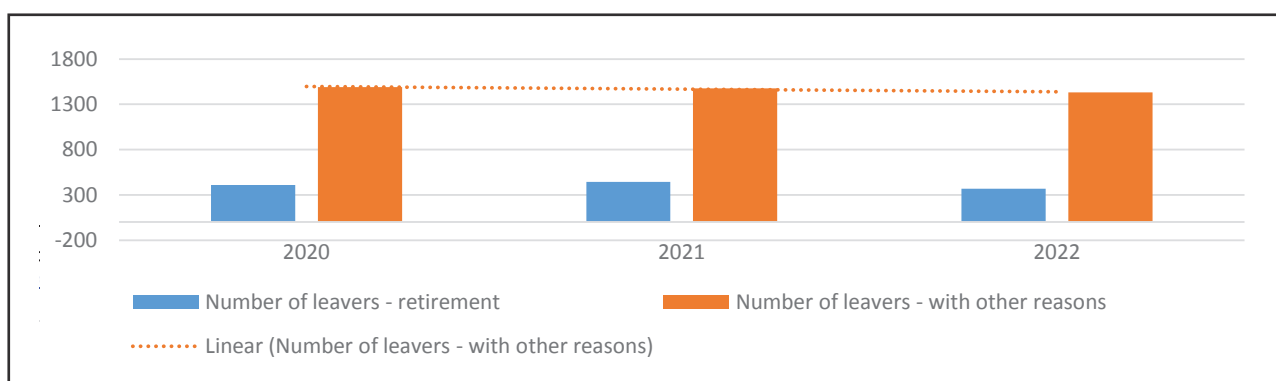
Graph 18: Number of employees leaving the LGUs, 2022, in % (leaving due to retirement due to other reasons)



Graph 19: Number of employees who left the LGUs for other reasons (except retirement), 2022



Graph 20: Number of employees who left the LGUs, 2020 – 2022



Box 1: Challenges for human resource management

Belsh, Korçë, Konispol, Delvine Municipality: More training for employees in the respective fields. Increasing the number of women in civil service positions.

Municipality of Korçë, Himare, Rrogozhinë: Filling vacancies with qualified employees and according to the requirements/specifications of the position. Increasing the budget for training.

Kamez Municipality: Strengthening the capacities of the administration. Increasing the number of women in leadership positions. Increasing the local budget for training.

Municipality of Patos, Permet: Periodic training of staff and coverage of services with specialists in the field. Lack of training of staff responsible for HRMIS operation.

Shkodër Municipality: Creating a stable, professional civil service based on merit, moral integrity and political impartiality. Timely updating of HRMIS system.

Tropoja Municipality: Coordination and cooperation between management and specialists, towards the fulfillment of the common goal and at the service of the community. Qualification and specialization of employees and new staff according to needs and field in order to increase work performance.

Selenica Municipality: Improving the condition of the means that provide public services, cooperation with directorates and other institutions in the full coverage with services in all Administrative Units of the municipality.

Prrenjas Municipality: Involvement of all municipal staff in ASPA trainings, but because some of them do not have the status of civil servants, they cannot participate in the trainings.

Kavajë Municipality: The HRMIS system is not functional.

Roskovec Municipality: Registration of the municipality in the HRMIS system.

Mallakastër Municipality, Mirdita: Forecasting and increasing the local budget for the development of trainings.

Problems and challenges

- Ensuring the sustainability of employees in the local administration and, in particular, the sustainability of experienced employees.
- Lack of stability of the staff of the European Integration Units, which have an important role in the coordination of the European integration process and the absorption of European Union funds.
- Human Resources Management Information System (HRMIS) was functional in 55% of the LGUs.
- ASPA's lack of infrastructure hinders its capacity to offer online courses. A training series for quality management has not yet been established yet⁶³.
- Temporary contracts for civil service positions, although declining, continue to be a frequent phenomenon in the LGUs⁶⁴.

Recommendations

Some of the recommendations of the previous report remain valid:

- The implementation of the Civil Servant Law remains to be improved at the local level at all levels.
- A higher level of cooperation between institutions that are part of the civil service is needed to fill vacant positions. The need for an expansion of the recruitment pool, with as many executive level job positions as possible with the same characteristics, in order to increase the efficiency of the competition and to respect the principle of meritocracy⁶⁵.
- Complete the process of legal harmonization with the Code of Administrative Procedures⁶⁶.
- HRMIS should be extended at the local level; the automation of the payroll system through the Human Resource Management Information System should be extended to the entire public sector⁶⁷.
- Attention and measures are required for the implementation of the Decision of the Council of Ministers (No. 708/2015 "On the type, periodicity and forms of reporting by state structures and LGUs" for the improvement of monitoring mechanisms and penalties resulting from the lack of application of quotas of employment of persons with disabilities.
- The monitoring of reform indicators in the public administration should also be extended to LGUs, and the data should be published on the "administrata.al" platform.
- The administrative and professional skills of civil servants at the local level should be further improved⁶⁸.

⁶³ European Commission Progress Report for Albania (October 2022)

⁶⁴ European Commission Progress Report for Albania (October 2022)

⁶⁵ Commissioner for the Oversight of Civil Service (2022); The speech of the Commissioner for the Oversight of Civil Service in the Parliament (May 2022); <http://www.kmshc.al/wp-content/uploads/2022/05/Fjala-e-Komisioneres-ne-Kuvend-date-30.05.2022-final.pdf>

⁶⁶ European Commission Progress Report for Albania (October 2022)

⁶⁷ European Commission Progress Report for Albania (October 2022)

⁶⁸ European Commission Progress Report for Albania (October 2022)

Specific objective: improvement of the accountability of the local administration

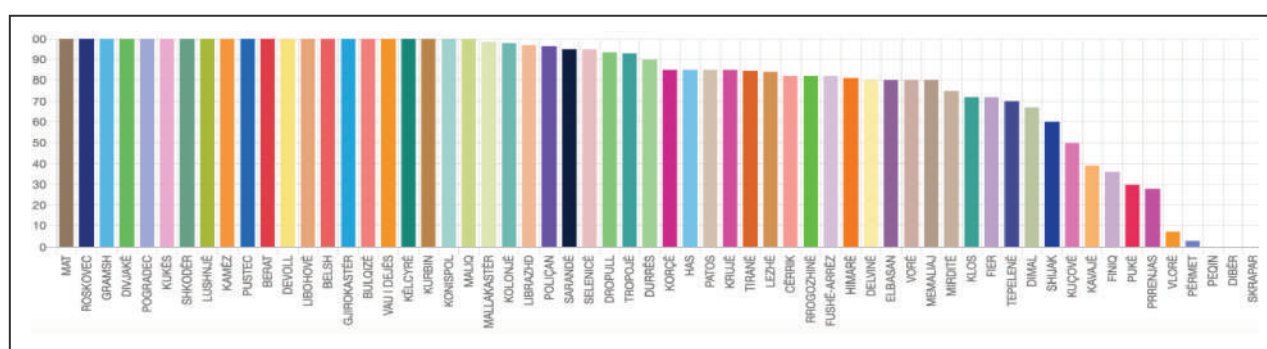
The LGU's performance related to this specific objective is evaluated on the basis of three performance indicators: (i) the number of responses delivered by municipal services to the requests submitted by citizens versus the total number of requests submitted to the municipality, (ii) the number of acts of local decision-makers published in the municipality's electronic register versus the total number of acts approved by the municipality during the reporting year, (iii) the number of reports on findings/recommendations from the Commissioner for Protection against Discrimination, which the municipality has rejected versus the total number of reports submitted to the municipality by the Commissioner for the Right to Information and Personal Data Protection - CRIPDP.

Two draft laws were consulted in 2022 in the Consultative Council of the central government and the local government, respectively, the draft Law "On some additions and amendments to Law no. 119/2014 "On the Right to Information"⁶⁹, the purpose of which is to improve and strengthen the rules and procedures of the current legislation on the right to information, focusing on the interest of citizens to exercise the right to information regarding the information that is generated or held by public authorities, in addition to increasing the transparency and accountability of public authorities and the draft Law "On the Protection of Personal Data" (No. 9887, dated 10.03.2008, as amended). The legal amendments aim to create a set of uniform rules throughout the European Union and in Albania, which are adapted to the digital age, with the aim of improving legal certainty and strengthening the trust of citizens and enterprises in the unique digital market⁷⁰.

The Office of the Commissioner for the Right to Information and Protection of Personal Data drafted in 2022, the "Index of transparency of local self-government units 2021", according to a specific methodology. According to the monitoring, a slight increase of the proactive transparency of LGUs is found in terms of completing the Transparency Program in all its elements, as well as in terms of the Register of Requests and Responses.

In 2022, the average rate of the municipality's responses to citizens' requests submitted to the municipality was 83% (N=57), resulting in about 0.7 p.p. higher compared to the previous reporting year. Twenty-one (21) municipalities had a 100% response rate.

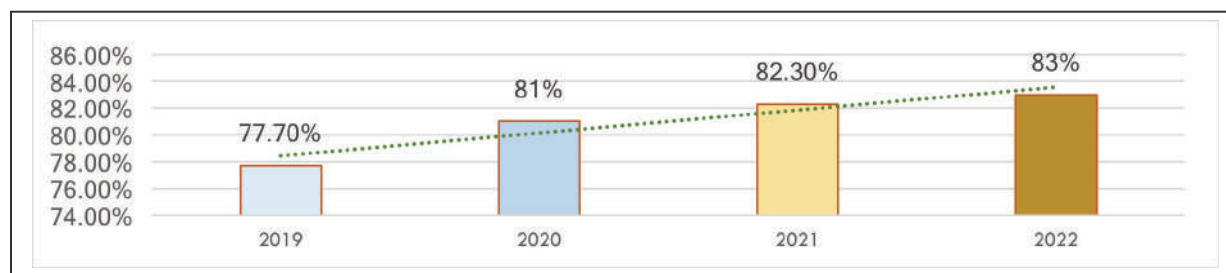
Graph 21: The rate of returning responses to citizens' requests by the LGUs, 2022 (in %)



⁶⁹ Albania has signed in 2022 the protocols of the Conventions CETS No. 223 (108+) and CETS No. 205 of the Council of Europe (CoE) - two important documents for strengthening the rule of law, democracy and respect for basic human rights, which respond to the challenges of economic and social development, but especially technological development, applying the highest standards to guarantee the human rights. The ratification of convention 205/2009 "On access to official documents" has been transposed into the regulatory framework of the right to information with Law no. 33, dated 31.03.2022 "On open data and reuse of public sector information.

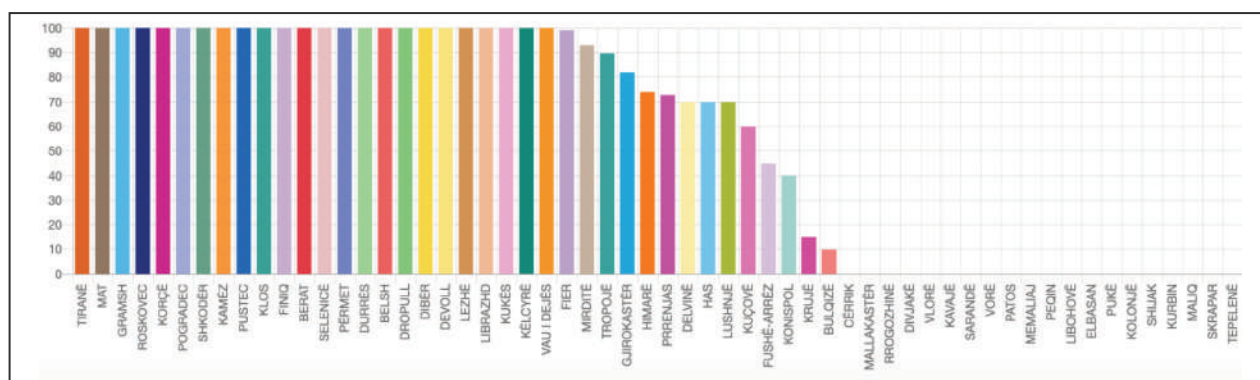
⁷⁰ Agency for the Support of Local Self-Government / Secretariat of the Consultative Council.

Graph 22: The tendency of the average rate of responses of the local administration to citizens' requests/complaints, 2019-2022

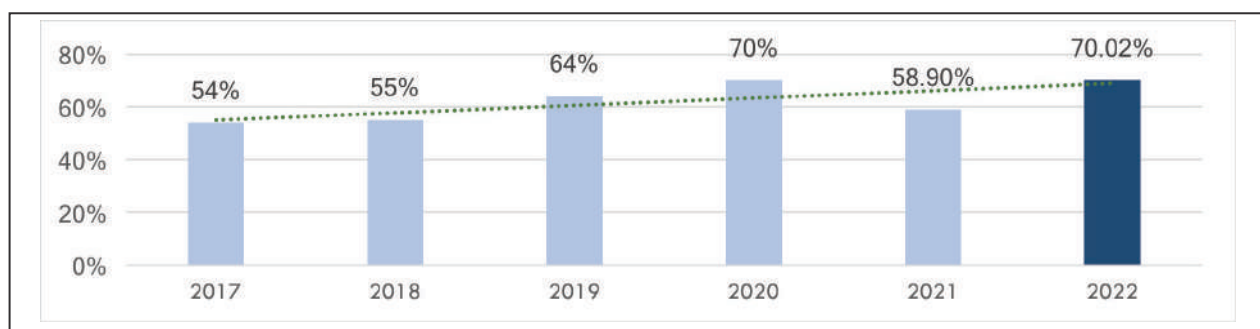


The average number of published decision-making acts of the LGUs was 70.02% (N=47) or 11.12 p.p. higher compared to the previous reporting year. The value of the indicator on the transparency of published acts should have been higher, but 20 municipalities (33% of them) failed to provide valid data for the indicator. Although not all municipalities have reported as above, there is an improvement in terms of transparency, because all 61 municipalities are now publishing Municipal Council decisions online⁷¹.

Graph 23: The rate of publication of acts of local decision-makers, 2022 (in %)



Graph 24: The tendency of the publication rate of the acts of local decision-making bodies, 2017-2022



⁷¹ European Commission Progress Report for Albania (October 2022)

In 2022, the Commissioner for Protection from Discrimination provided Recommendation No. 1002, dated 07.07.2022 "On effectively guaranteeing cash social assistance (NE) for victims of domestic violence" and Recommendation No. 1080, dated 21.07.2022 "On the reimbursement of power consumption for women with disabilities who are not the heads of households".

54 LGUs (88%) have had a zero (0) rejection rate of recommendations, while the Municipality of Fier has reported (57%), the Municipality of Kamza (4.6%), the Municipality of Tirana (2%), and the municipalities of Kukës and Divjaka (1%), (N=59). The average rejection rate was 3.45% in 2022 or 3 p.p. lower compared to 2021.

Problems and challenges

- Familiarization in general with legislation related to protection from discrimination is not at the appropriate level⁷².
- Aspects of cooperation and coordination between state agencies and local institutions for addressing the issues recommended by the CPD.
- Delays in timely addressing within the legal deadlines of the CPD recommendations by the relevant structures of the LGUs.

Recommendations

- Increased attention is required for professional growth, through continuous training of the personal data protection officer, who, upon the entry into force of the new regulatory framework covering the field, will have a specific role within the structure of the municipalities.
- Increasing of the quality in the process of reviewing requests from citizens for information.
- Attention should be paid to the periodic updating of the transparency program and the Register of Requests, since they constitute the main sources for obtaining public documentation. In this context, information about the content of budget expenditures, public procurement procedures or audits directly affects proactive transparency and enhance their credibility and accountability to the public⁷³.
- Respecting the legal deadlines and greater accountability by public officials regarding the review of citizens' requests.

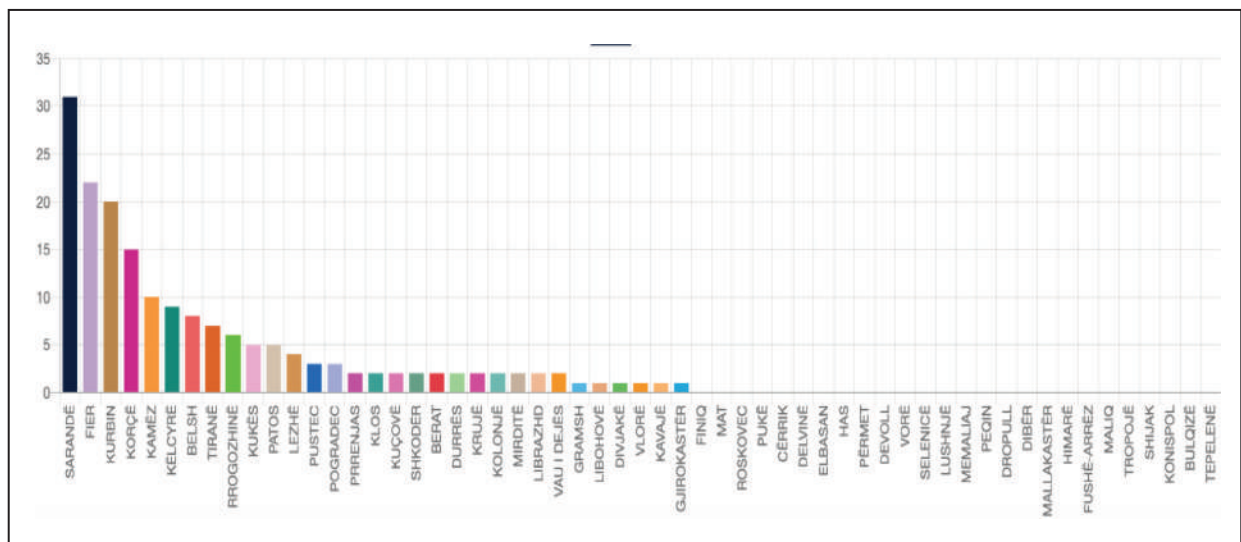
⁷² Commissioner for Protection from Discrimination; <https://www.kmd.al/rekomandime-te-komisionerit-2022/>

⁷³ Commissioner for the Right to Information and Protection of Personal Data /Bulletin No. 13 (2022); https://www.idp.al/wp-content/uploads/2022/08/revista_informim_dhe_privatesi_nr_13_ok.pdf

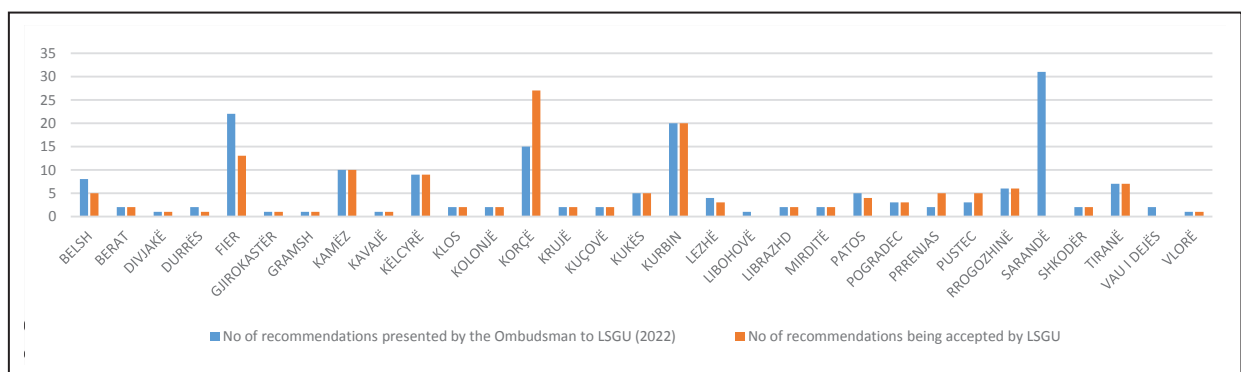
1.1.4. Ombudsman

The Ombudsman has submitted 176 recommendations or an average of 3 recommendations to the LGUs during 2022 (N=53) - a significantly lower number compared to 2021 (412 recommendations). The rate of acceptance / and the taking of respective measures by the LGUs to address the challenges raised by the Ombudsman was 85% (N=53), or 1.p.p higher compared to 2021 (the Municipality of Korça accepted and addressed 27 recommendations of the Ombudsman against 15 recommendations provided during 2022, while the Municipality of Prrenjas accepted 5 recommendations out of 2 submitted during 2022). The two above-mentioned municipalities have addressed a part of the recommendations of the Ombudsman submitted to both LGUs during the previous reporting year (2021), in addition to the recommendations of the Ombudsman for 2022.

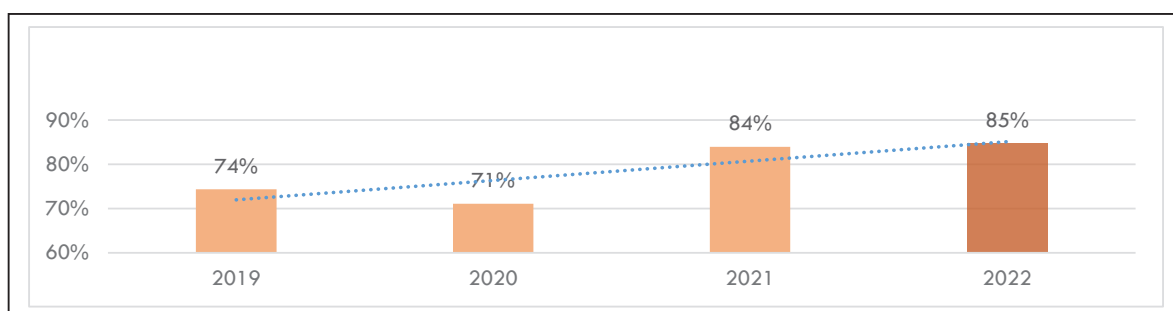
Graph 25: Number of reports and recommendations from the Ombudsman for LGUs, 2022



Graph 26: The number of recommendations received/addressed against the recommendations of the Ombudsman, 2022



Graph 27: The rate of acceptance and implementation of the recommendations provided by the Ombudsman, 2019-2022



Problems and challenges

- Issues of transparency with the Ombudsman to follow-up the cases referred in time by the LGUs.
- Fulfillment of the recommendations by the LGUs, within the legal deadlines by expanding the services and clarifying the competences.

Recommendations

Some of the recommendations remain relevant also for the reporting period:

- Citizens' right to good administration should be strengthened. An important role in this regard is played by the Coordinator for the Right to Information in the public authorities.
- Increasing of transparency towards the public regarding the implementation of recommendations through the publication on the official website of the municipality of recommendations provided by the Ombudsman.

1.1.5. Civil society

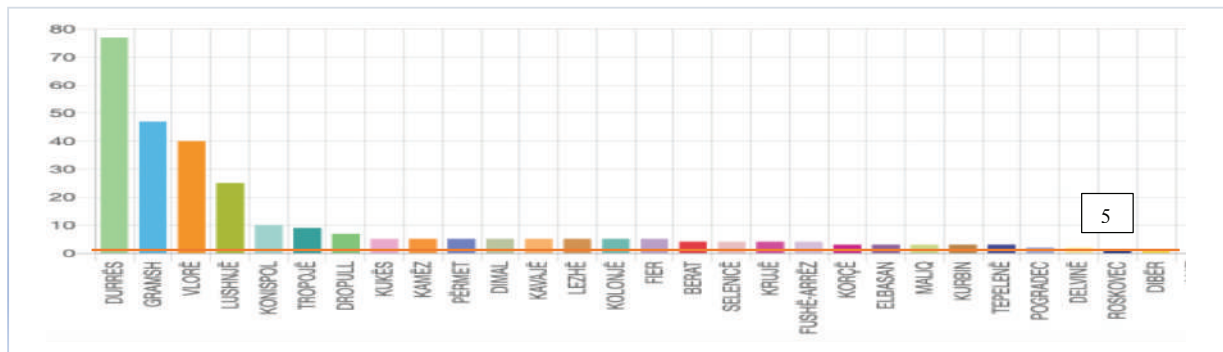
"There has been no progress in implementing the roadmap for an enabling environment for civil society, which remains dependent on donor support. Additional efforts and resources are required to advance its implementation. The monitoring mechanism of the roadmap is not fully functional⁷⁴."

Progress in achieving the objective "strengthening the role of civil society and increasing cooperation at the local level" has been evaluated through 4 main indicators:

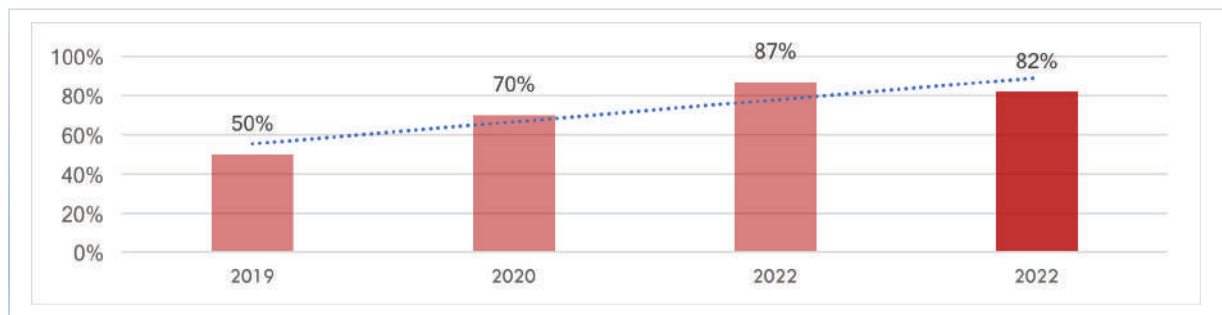
In 2022, the total number of recommendations provided by CSOs to local decision makers was 292 (n=54), or an average of 5, compared to 135 recommendations reported for the previous year (2021), of which 240 recommendations were accepted - rate of acceptance 82% (N=52). Compared to 2021, the rate of acceptance by the decision-making bodies of LGUs was slightly lower (-5 pp). Thirty-one (31) municipalities have reported zero recommendations from representatives of civil society / or have not provided valid data for the indicator, including the Municipality of Tirana, Shkodra, Saranda, Gjirokastra and other municipalities.

⁷⁴ European Commission Progress Report for Albania (October 2022)

Graph 28: Number of recommendations provided by civil society for the LGUs, 2022



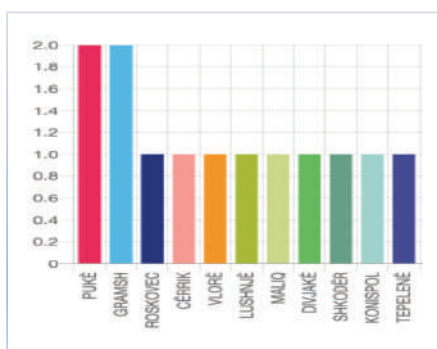
Graph 29: The trend of the acceptance rate of CSOs recommendations 2019-2022



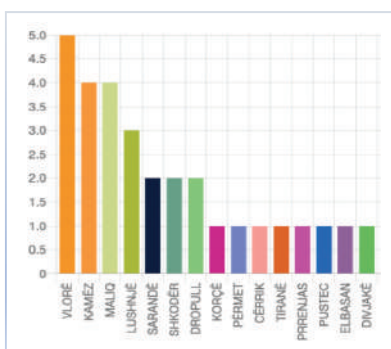
A total of 109 grants were awarded by the municipality to civil society organizations, in partnership with donor agencies (N=56), of which 13 grants with a total value of up to 1 million ALL, 30 grants with a value of 1 - 5 million ALL and 66 grants worth over 5 million ALL. More grants awarded in 2022 compared to 2021 (63 grants in total in 2021).

Municipality of Shkodra (26), Municipality of Tirana (14), Municipality of Vlova (7) gave the highest number of grants during 2022.

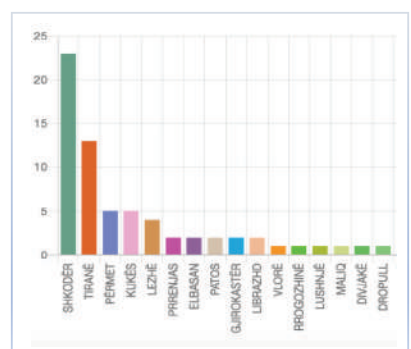
Graph 30: Grants under 1 million ALL



Graph 31: Grants 1-5 million ALL



Graph 32: Grants > 5 million ALL



Problems and challenges

Some of the challenges and recommendations remain valid even for this reporting period:

- Transparency Program of the Municipalities does not publish the recommendations provided by civil society organizations to local decision makers.
- Lack of active NGOs/CSOs in many municipalities.
- Small financial resources from municipalities to finance projects in partnership with civil society organizations.

Recommendations

- More transparency and proactive approach in the sharing of information by public institutions, which would contribute to effective cooperation mechanisms with NGOs in policy-making and decision-making, as well as in the process of negotiations for EU membership⁷⁵.
- A stimulating approach and raising and strengthening of capacities for local organizations should be strengthened and oriented towards cooperation⁷⁶.
- More initiatives and involvement of civil society organizations in local decision-making processes.
- Increasing the commitment of municipalities to record and publish in the Transparency Program the recommendations provided by civil society organizations and their reflection in local decision-making.

CONCLUSIONS ON DEMOCRACY

The Consultative Council has functioned as the main forum for institutional dialogue and coordination between the central government and local governments enabling the consultation of more draft acts prepared by line ministries. Although the level of representation of line ministries has increased, representation at the appropriate level is still a problem, while a slight increase in the level of representation of local self-government is observed.

In the field of **services and digital transformation**, more citizens have applied for services. A challenge remains the operation of the system in all municipal sectors and the updating of administrative services in accordance with legal changes and functions of local self-government. Priorities for the provision of digital services are to increase cyber security and personal data protection, provision of access to the e-Albania platform for people with disabilities, in addition to the adoption of public service standards.

⁷⁵ Albanian Partners for Change and Development, Monitoring Matrix on the Enabling Environment for the Development of Civil Society (28.07.2022)

⁷⁶ Civil Society Alliances and Coalitions, Saimir Musta, LëvizAlbania, September 2022;
<https://levizalbania.al/sq/publikimet/blog-aleancat-dhe-koalicionet-e-shoqerise-civile>

Public administration

Progress has been achieved in results-oriented monitoring, including analysis of performance in the LGU. The HRMIS system has continued to be filled out with data, although at a slow and non-functional pace in some municipalities. The number of civil servants in LGUs has increased in 2022, but the high number of unfilled positions is still a concern. The participation rate of women in the civil service at the local level as well as the average rate of female civil servants and in management positions has improved. Network of European integration units has strengthened the involvement of LGUs in the EU membership process, but rotation of staff trained by these structures reduces the effectiveness and quality of work in the LGU.

Municipalities have encouraged **public participation in their decision-making**, by organizing online meetings of the Municipal Council and meetings open to the public. **Budget transparency** remains satisfactory with the publication of key budget documents, which enables sufficient public debate, however, the institutional framework for effective and inclusive participation needs further strengthening⁷⁷. Improvement has been identified in budget preparation in an understandable format for the citizens, as well as the publication of the local budget on the official website of the municipality. A timely publication of the budget execution reports and the audit report is needed, in particular the reporting of arrears from the LGUs⁷⁸.

There has been an improvement in the accountability of the local government regarding the rate responses of the local administration to citizens' requests as well as the publication of local decision-making acts, ensuring a slight increase in the proactive transparency of the LGUs. A challenge remains the strengthening of cooperation between state agencies at regional level and local institutions to address the issues recommended by the Commissioner for the Protection from Discrimination, as well as professional growth, through continuous training of personal data protection officers and periodic updating of the Transparency Program and Register of Requests.

Local Self-Government Units have received fewer recommendations from the Ombudsman in 2022, while the rate of acceptance / and taking the respective measures to address the raised issue has increased. It is recommended to increase the transparency towards the public regarding the implementation of the recommendations with the LGUs publishing the recommendations of the Ombudsman on the official website of the municipality.

The efforts of civil society organizations to provide recommendations to local decision makers have increased, but the rate of acceptance/reflection by the decision-making bodies of the LGUs has decreased compared to 2021. More grants were awarded in 2022 compared to 2021.

⁷⁷ Progress Report of the European Commission for Albania (October 2022)

⁷⁸ European Commission Report on Albania, Governance (October 2022)

1.2 Rule of law

1.2.1. Fight against corruption

"Albania has a certain level of preparation in the fight against corruption. The institutional and operational capacity of the anti-corruption network at local level has slightly increased⁷⁹. "

Specific objective: Improving the efficiency and effectiveness of criminal investigations against corruption

- **The number of complaint cases by businesses and citizens for violations of administrative procedures and corruption** (including public procurement). In 2022, a total of 154 complaints were registered, or an average of 2.7 complaints per municipality (N= 57). The indicator shows an increase compared to 2021 where a total of 106 complaints were registered. *Municipality of Fier takes the main place with a total of 88 cases or 57 % of the total number of registered complaints, followed by Municipality of Shkodër with 19 and the Municipality of Durrës with 16 requests⁸⁰.*
- **The number of conflicts of interest declarations by local officials and the City Council during decision-making.** In 2022, a total of 12 declarations of conflict of interest were reported from 8 municipalities with an average of 0.22 people (N=54). *75% of municipalities (46 municipalities) report 0 declarations of conflict of interest from local officials, while 7 municipalities provided no information⁸¹.*
- **Establishing a network of local anti-corruption coordinators in the municipality.** The appointment of the public servant in the capacity of the local anti-corruption coordinator in implementation of the Action Plan in the fight against corruption remains at low levels, with 66% of municipalities.

Specific objective: Strengthening the capacities of the local government administration to fight corruption

- **Currently, the electronic register of requests and complaints has seen progress in 2022, reaching the level of 88% of municipalities. (54 municipalities increasing from 48 municipalities to 2021).** This positive development has also influenced the increase in the transparency of the municipalities towards the community as well as other law enforcement bodies. *The municipalities that have not set up the electronic register in 2022 are those of: Vlora, Vora, Prrenjas, Rogozhina, Kavaja, while the two municipalities of Librazhd and Malësia e Madhe did not provide information⁸².*
- **The resolution rate of citizens' demands and complaints according to the deadlines defined in the legislation in 2022 was reported at an average level of 83% (N=55) .** *The municipalities of Skrapar, Delvina, Këlcyra, Malësia e Madhe, Polican did not provide information on this indicator.*

⁷⁹ Progress Report of the EC for Albania (20 22)

⁸⁰ Municipalities of Malesia e Madhe, Polican, Skrapar and Vlora did not report on this indicator.

⁸¹ Municipalities of Vlora, Skrapar, Shijak, Polican, Malësia e Madhe, Librazhd, Dibra did not reported on this indicator.

⁸² Municipalities of Librazhd and Malësia e Madhedid not report on the indicator

Map 3: Electronic registers 2022

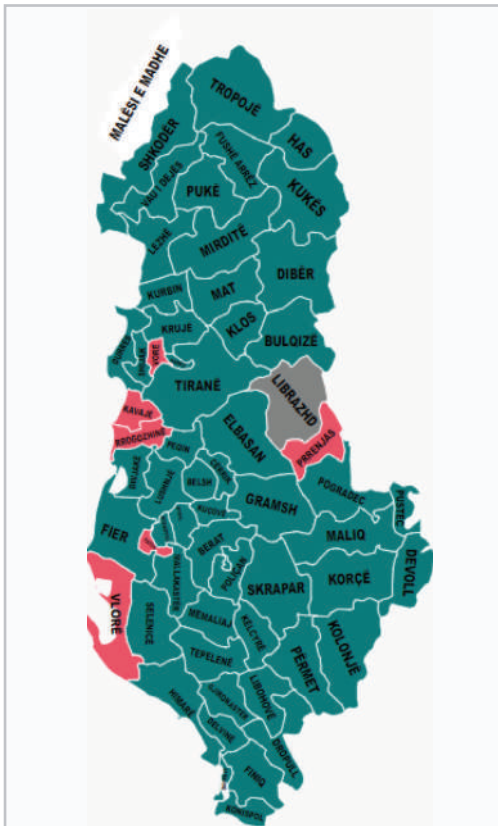
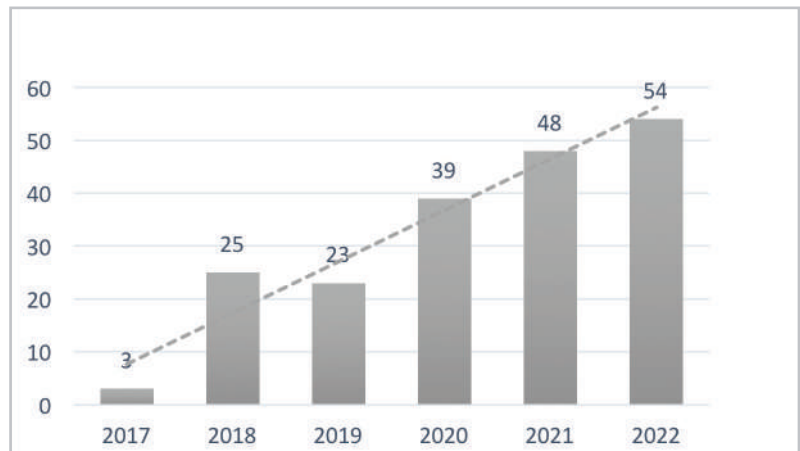


Chart 33: Progress on establishment of the Electronic Register 2017-2022

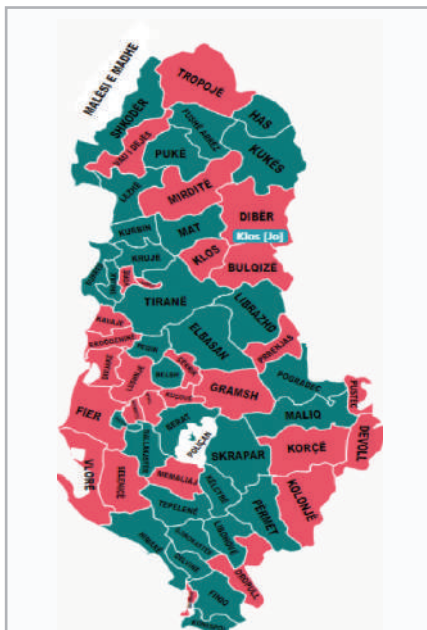


Number of Municipalities that have set up the Electronic Register of citizens' requests and complaints has increased from 2018 to 2022, it increased by 47%.

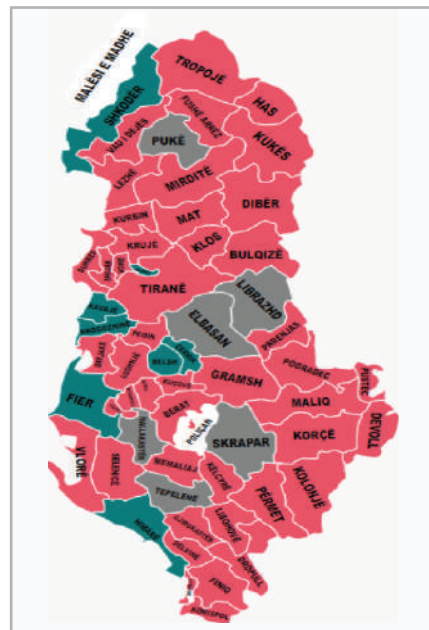
Specific objective: adoption of anti-corruption policies at local level

- In 2022, the approval of Local Integrity Plans within the framework of anti-corruption measures increased and there is a total of 31 municipalities which have approved the Plan from 23 municipalities in 2021⁸³.

Map 4: Local Level Integrity Plans 2022



Map 5: Budget planning of the fund for anti-corruption policies 2022



⁸³ Municipalities of Poliçan dhe Malësi e Madhe did not report on the indicator

Issues and challenges:

- The low level of knowledge of local administration employees on the issues that must be addressed in the fight against corruption remains problematic.
- Training for municipal staff in the fight against corruption remains insufficient for a large number of municipalities.
- Efficient and coordinated implementation of policies and practices for the prevention of corruption.
- Lack of continuous training of employees for the use and updating of the electronic register, as well as limited funds for the system maintenance.
- Low awareness among citizens on how to address their requests and complaints electronically.

Recommendations

- To approve integrity plans on the fight against corruption in all municipalities of the country, as is also the recommendation of the EU Progress Report for Albania in 2022.
- To design specific training programs to increase knowledge of local administration staff on policies, strategies and the legal framework related to the fight against corruption.
- To set up the electronic register for municipalities where it is not functional yet and its periodical updating.
- To increase cooperation with civil society organizations and international institutions for providing training and financial support for dealing with corruption at the local level.

CONCLUSIONS ON THE FIGHT AGAINST CORRUPTION

Progress was made in the process of creating the electronic register of requests and complaints, positively influencing the increase of transparency of the Municipalities towards the community as well as other law enforcement bodies. The same positive trend has been achieved in the rate of resolution of citizens' requests and complaints according to the deadlines defined in the legislation. Indicators that still remain at unsatisfactory levels relate to the significant number of **municipalities that have not attended trainings on fight against corruption** issues, the design and implementation of *integrity plans*. **Further efforts should be made to improve the situation in areas most affected by corruption.** The most vulnerable sectors to corruption require targeted risk assessments and the undertaking of dedicated actions.

1.2.2. Human rights and protection of minorities

"In general, Albania continues to fulfil the obligations of international human rights instruments and has ratified most of the international conventions. In March 2022, the Committee of the Convention on the Elimination of All Forms of Discrimination against Women adopted a list of areas where Albania should demonstrate progress, including ... inter alia, gender-based violence and disadvantaged and marginalized groups"⁸⁴.

Specific objective: *Raising capacities of local self-government to implement national and international human rights standards*

- In 2022, a total of 147 training programs by authorities and CSOs, or an average of 3 trainings per municipality (N=51) were carried out, with a slight increase compared to 2021 (108 trainings). 38% of Municipalities do not report that they did not attend any training program during 2022.
- In 2022, a total of 240 local officials were trained on the implementation of human rights standards, or an average of 5 officials per municipality (N=53). The number of trained employees increased by 6% compared to 2021.
- In 2022, **a total of 429 cases of human rights violations were handled in cooperation with Civil Society Organizations**, or an average of 7.8 cases per municipality (N=55); A significant decrease in cases treated at the local level by 46% compared to 2021 (929 cases reported) is noted. Municipality of Pogradec (126), Municipality of Kamza (105) and Municipality of Maliq (79) have the largest number of handled cases.
- **A total of 766 cases of human rights violations were referred in 2022**, or an average of 14 cases per Municipality (N=54). The number of referred cases is 2 times smaller than the number referred to in 2021 (1485). **Municipality of Lezha (350 cases), Municipality of Kamza (105 cases) and Municipality of Pogradec (94 cases)** have the largest number of cases referred for human rights violations.
- **In 2022, the number of cases of human rights violations handled by the inter-institutional groups** of the Municipality is a total of 590 or an average of 11 cases per Municipality (N=54), decreasing from the 14 cases handled on average in 2021. Municipality of Lezha has the largest number of cases (200), followed by Municipality of Pogradec (110) and Municipality of Maliq (79).

⁸⁴ Progress Report of the EC for Albania (20 22)

Issues and challenges

- There is no system where training topics on national and international human rights standards can be published, which can be followed by municipal staff.
- Lack of dedicated and trained staff in the municipality to handle cases of human rights violations.
- The financial resources of the municipalities continue to be insufficient to effectively deal with all cases of human rights violations.
- The functioning of inter-institutional groups for handling cases referred for the protection of human rights remains ineffective in some municipalities.
- The activity of NGOs for handling human rights cases is limited in time and linked to the duration of donor projects that fund their work.

Recommendations

- To improve knowledge and increase awareness of human rights standards for local officials through training and participation in national and regional conferences.
- To increase financial resources for dealing with child issues, and improve instruments to implement child-centered budgeting at central and local level.
- To strengthen capacities of employees covering child protection area and services and provide specialized training in this field.

CONCLUSIONS ON HUMAN RIGHTS

Human rights protection continues to be a priority for the municipalities and attention has been paid to increasing the capacities of local officials on human rights issues. The number of cases of violation of human rights referred to and dealt with in the municipality has also increased. **Inter-institutional cooperation and with NGOs operating in this field has been at a satisfactory pace. Greater attention should be paid to the handling and protection of the rights of minorities and marginalized groups.** Financial resources for handling cases referred to the municipality still remain limited. Cooperation with International Organizations operating in this field should be further strengthened to enable the expansion of their activities at local level.

ECONOMIC CRITERIA



2 The existence of a functional market economy

A functioning market economy and the ability to handle EU competition and market forces

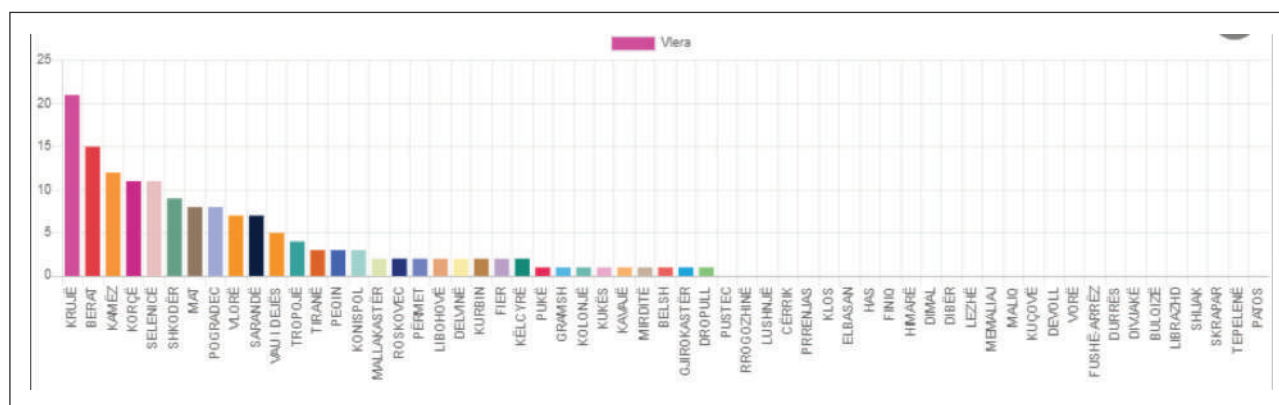
"Albania has made some progress and has some level of preparation to face competitive pressure and market forces within the EU. Energy and transport infrastructure, digitization and education were improved, but entrepreneurial and technological knowledge remains low, with unmet needs for investment in human and physical capital, gaps in skills and education.⁸⁵"

Specific objective: improving the business environment

Progress on the specific objective is evaluated by five (5) performance indicators:

- **The drafting of local development plans remains at the levels of 2021: 54 municipalities.** The Local Development Plan is an important tool for orienting local priorities towards the needs of the community and the connection with the medium-term budget program.
- **In 2022, 152 stimulating activities were undertaken** to encourage the development of small and medium enterprises in implementation of local development plans, an average of 3 activities per municipality (N=53). The indicator marks an increase with 2 times more activities organized compared to 2021 with only 77 activities, activities reported by 2/3 of the municipalities. The largest number of activities was offered by Municipality of Kruja (21), Municipality of Berat (15) and Municipality of Kamza (12).

Graph 34: Incentive activities in support of small and medium-sized businesses, 2022



In 2022 a total of 240 services in support of small and medium-sized enterprises were reported, or an average of 4.6 per municipality (N=52). The indicator increased by 7% compared to 2021 (186 services). The largest number is reported by the Municipality of Tirana with 124 services, followed by the Municipality of Kukës and Municipality of Korça with 11 services.

Problems and challenges

- The implementation of Local Development Plans and the provision of funds for the implementation of strategic projects of municipalities that require significant investments remain a challenge.
- Very limited human capacities and financial resources for the implementation of local development plans.
- Lack of mechanisms to strengthen cooperation between local government and business.
- Completing the regulatory framework that affects the improvement of the business climate remains problematic.
- Lack of instruments for the promotion of agro-processing products according to administrative units.
- The depopulation of mainly mountainous areas and the low volume of achieved revenues that do not manage to cover the businesses expenses.

Box 2: Incentivising activities in support of small and medium-sized enterprises

Municipality of Kavaja in cooperation with the Albanian Network for Rural Development has established for the first time the Centre of Artisans. This centre was established through the agreement between the Albanian Network for Rural Development, the "Aleksandër Moisiu" General High School and the Artisan Women's Group in Municipality of Kavaja. The purpose of the agreement is the economic empowerment of women and of the artisan value chain.

Municipality of Mallakastra has organized the Olive Festival with a focus on marketing the olive oil through larger enterprises in cooperation with the oil factories that process this product. Many other collection and handicraft products were also presented. The removal of fees for the fasson is another initiative of the Municipality of Mallakastra to attract as many businesses of this type as possible to help the community and family economic growth.

Municipality of Mat: Has undertaken initiatives for educated students in the last two years by removing local tax obligations for any student who has a business activity.

Municipality of Përmet: Has provided several services for SMEs such as: Business Corner; information on access to financing; training and promotion of their products; fiscal relief for some categories.

Recommendations

- To encourage and facilitate work practices in state and private entities as well as promoting employment opportunities in the tourism sector.
- To improve competitiveness and quality of the tourist product and territorial chains of cooperation for a sustainable local economy.
- To increase possibilities of municipalities to offer even more services to SMEs. Cooperation with donors, NGOs, other institutions to provide support services for SMEs.
- To create a system of providing assistance for new businesses and for young people, as well as digital ones, as well as creation of an information structure on expansion of new businesses in the municipal territory.
- To make budget allocations and giving grants to small businesses in order to establish new companies (Start -Ups) and develop existing ones.

CONCLUSIONS ON THE EXISTENCE OF A FUNCTIONING MARKET ECONOMY

Despite the increase in the number of incentivizing initiatives and services undertaken by municipalities to support the activity of small and medium-sized enterprises, funding is still at low levels. **Local Development Plans have not yet been approved in some municipalities, creating premises for a non-sustainable development of regions, non-utilization of economic potentials and which is integrated with long-term priorities.** Human and financial capacity of municipalities to support the creation of new businesses with activities and direct financing remain very low and concentrated in large municipalities.

ABILITY TO ASSUME OBLIGATIONS OF MEMBERSHIP



3.1 Chapter 11: Agriculture and Rural Development

The Common Agricultural Policy (CAP) supports farmers and rural development. This requires strong management and control systems. There are also common EU rules on quality policies and organic farming.

"Progress has been achieved in relation to the creation of a register of farms and the development of administrative capacities for the preparation of the pre-accession assistance instrument for the rural development program (IPARD III). To strengthen the administrative capacities necessary to implement the valid measures under the IPARD III program (2021-2027)⁸⁶".

At the central government - local self-government Consultative Council, several projects were consulted during 2022 initiated/and drafted by the Ministry of Agriculture and Rural Development (MARD): For strengthening local partnership in the development and implementation of rural development strategies, Law No. 36, dated 14.04.2022 "On the Organization and Functioning of Local Action Groups" was adopted, which aims to determine the prerequisites for the creation and operation of local action groups (LAGs); other draft acts included Decisions of Council of Ministers no. 308, dated 11.5.2022 "On designating the MBZHR, as the central purchasing body, for the implementation of the procurement procedure with the object "Protection of chestnuts from the gall-forming wasp parasite"; Draft law on beekeeping, which determines the obligation to approve a 3-year beekeeping development program, which will be an important step in the development of the sector⁸⁷.

In 2022, funding from the state budget for coping with climate change increased by 14%, as far as irrigation and drainage infrastructure and flood protection are concerned⁸⁸.

At local level, the goals of the national policy for agriculture and rural development and in the framework of European integration, assess the progress in achieving results related to three specific objectives: (i) strengthening the capacities of local self-government for the system of agriculture, rural development and advisory, (ii) improving productivity and competitiveness in the agricultural sector, (iii) implementing the LEADER approach.

Increasing the capacities of the local administration in the system of agriculture, rural development and advisory:

No progress has been made regarding the establishment and operation of **the Agricultural Information and Advisory Office (AIAO)** - the AIAO was operational in 35 municipalities during 2022, compared to 41 AIAOs reported for the previous reporting year (N=59). The municipalities that did not have operational AIAOs in 2022 are Municipalities of Belsh, Cërrik, Kolonja, Vora, while Municipality of Malësia e Madhe and Poliçan did not provide valid data for the indicator.

⁸⁶ Progress Report of European Commission for Albania (October 20 22)

⁸⁷ Ministry of Agriculture and Rural Development; <https://bujqesia.gov.al/ligji-i-ri-per-bletarine-ministrja-krifca-mbeshtetje-fermereve-per-certifikim-te-produkti-mbrotje-populatave-autoktone-te-betes/>

⁸⁸ Ministry of Agriculture and Rural Development; <https://bujqesia.gov.al/ministrja-krifca-ne-konferencen-financimi-i-gjelber-14-ritje-te-buxhetit-per-perballimin-e-ndryshimete-klimateki/>

Box 3: Challenge of advising in agriculture

Municipality of Bulqiza: Technical assistance for the cultivation of agricultural and livestock crops, financial assistance with tools for agriculture.

Municipalities of Delvina, Mallakastra, Mat, Patos: Opening of the Agricultural Information and Advisory Office (AIAO) at the municipality to inform the farmers of the area.

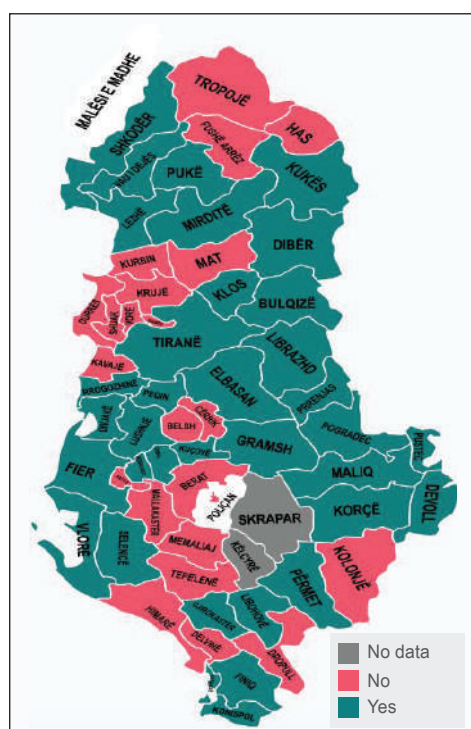
Municipalities of Dibra, Shkodra: Completion of the staff of the (AIAO) with specialists and professional development.

Municipality of Prrerjas: There is a lack of spaces due to the small municipality building.

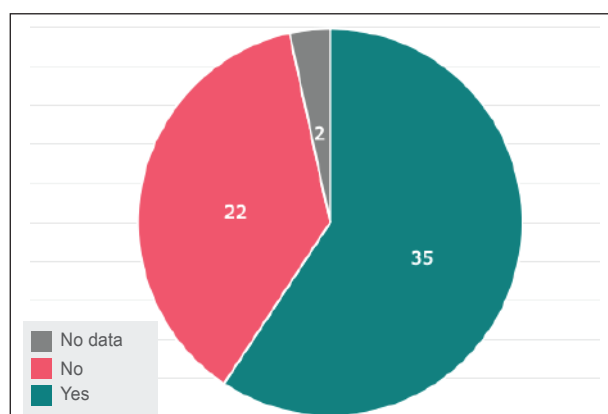
Municipality of Tropoja: The establishment of AIAO will be an innovation for the municipality.

Municipalities of Belsh, Bulqiza, Himara, Mallakastra, Patos, Rogozhina, Roskovec, Shkodra: The fund for agriculture and rural development should be increased.

Map 6: Functional AIAO

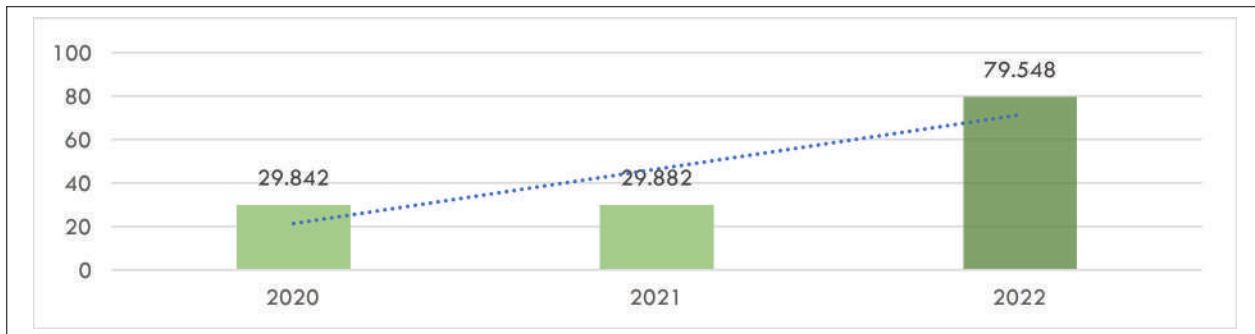


Graph 35: AIAO in LGUs, 2022



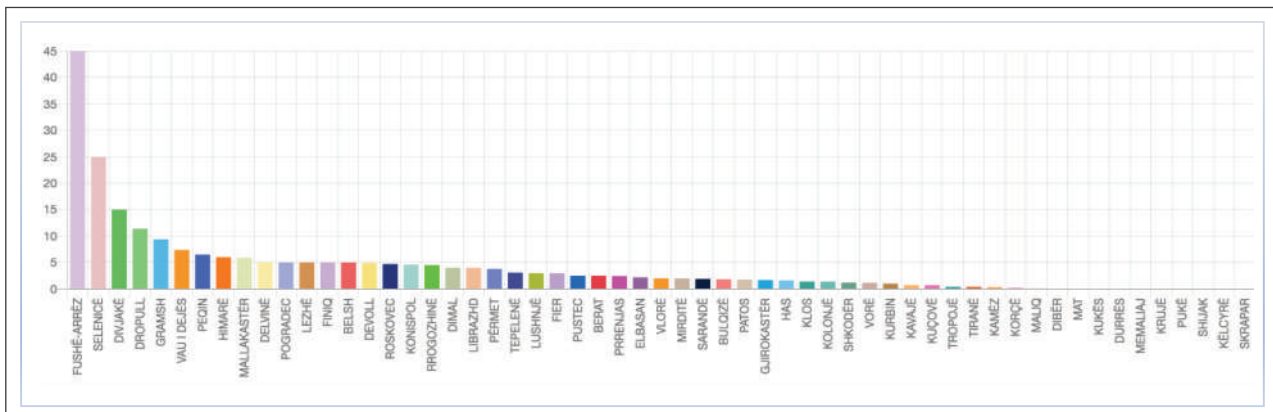
The number of farmers and interested persons who have benefited from training and counselling through AIAO, has significantly increased, with a total of 79,548 during the 2022 (N=50), compared to 29,882 persons in 2021. Municipality of Lushnja with the largest number of people advised (50,000), followed by Municipality of Elbasan (6,200). The average number of beneficiaries to counselling through the AIAO is 720 farmers excluding Municipality of Lushnja (N=41), while at the national level, including Municipality of Lushnja (including the units which reported zero counselling) is 1590 people.

Chart 36: Number of persons advised by AIAO, 2020 - 2022



Slight improvement is found in the fund used by the municipality for agriculture and rural development in 2022 – on average 4.21% of the local budget (N=54) compared to 4.16% for 2021, but which remains lower compared to the reported 5.3% level for 2020. Fushë-Arrëz Municipality had the highest allocation for agriculture (45%) of the local budget, followed by Municipality of Selenica (25%).

Graph 37: Local LGUs fund for agriculture and rural development, 2022

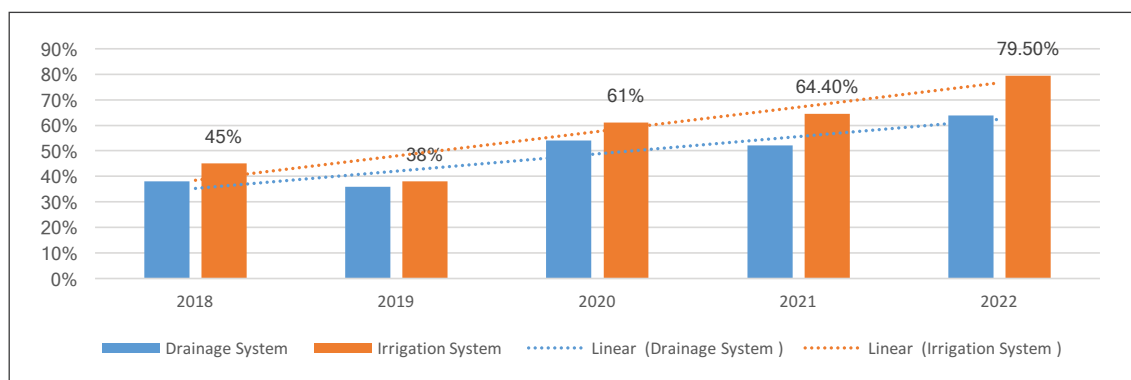


Specific objective: improving productivity and competitiveness in the agricultural sector, improving rural infrastructure, balanced territorial and economic development of rural areas.

Performance indicators related to this specific objective include: (i) assessment of management and maintenance of the irrigation system, (ii) assessment of management and maintenance of the drainage system (iii) grants given to farmers.

Improvement was made for the administration and maintenance of the irrigation network by the LGUs during 2022 – **average maintenance rate is 63.9% (N=59), having an increase of 11.1 pp** compared to the previous reporting year.

Graph 38: Average rate of irrigation and drainage network maintenance by LGUs, 2018-2022



About 26% of municipalities (16 LGUs) have an equal/or higher level of 80% of irrigation infrastructure maintenance. Also, improvement was made related to **the maintenance of the drainage network** - the average rate is 79.5% in 2022 or with an increase of 15.1 pp compared to 2021 (N=55).

Chart 38: Irrigation network maintenance rate, 2022

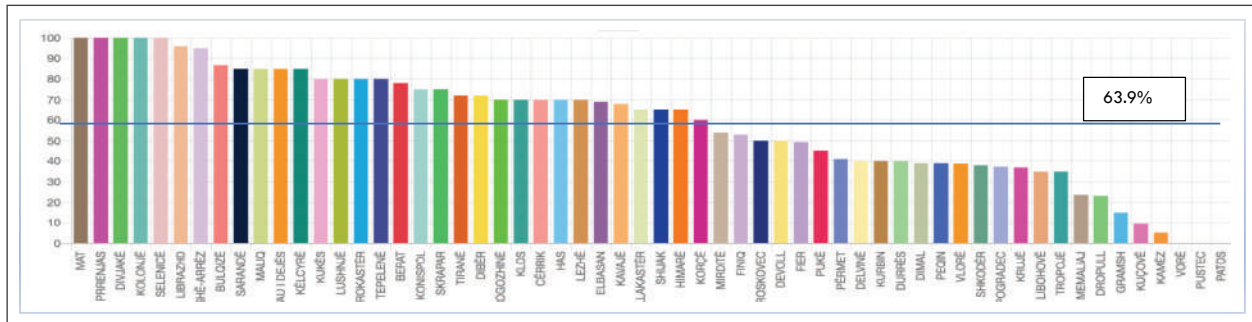
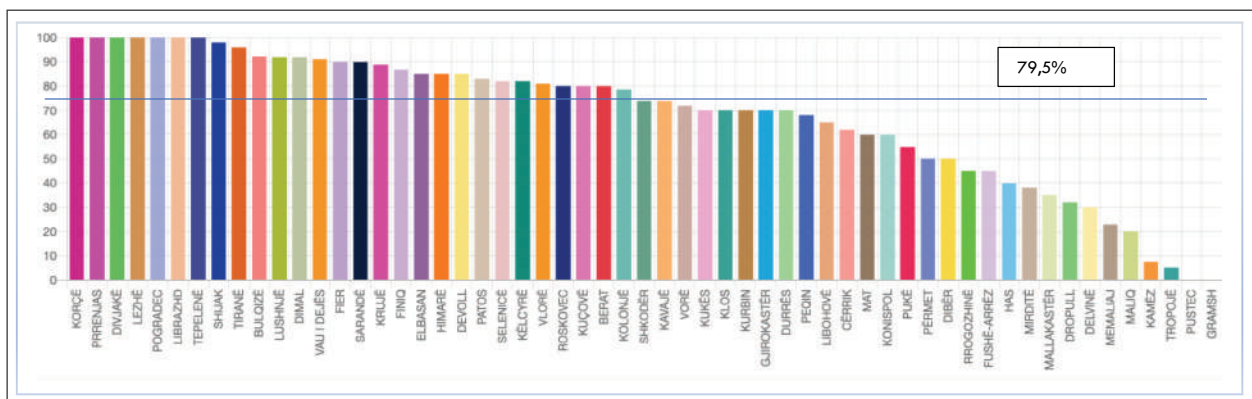


Chart 39: Drainage network maintenance rate, 2022



The indicator on the takeover by LGUs of the irrigation and drainage network shows an increase - 1 pp (N=56) compared to 2021. Also, with an increase during 2022, the average rate of the irrigated area of agricultural land - at the level 42.5% (N=56) or 4.2 pp compared to 2021 but equal to the level reported for 2020.

Graph 40: Area of irrigated agricultural land in relation to the total area, 2022 (in %)

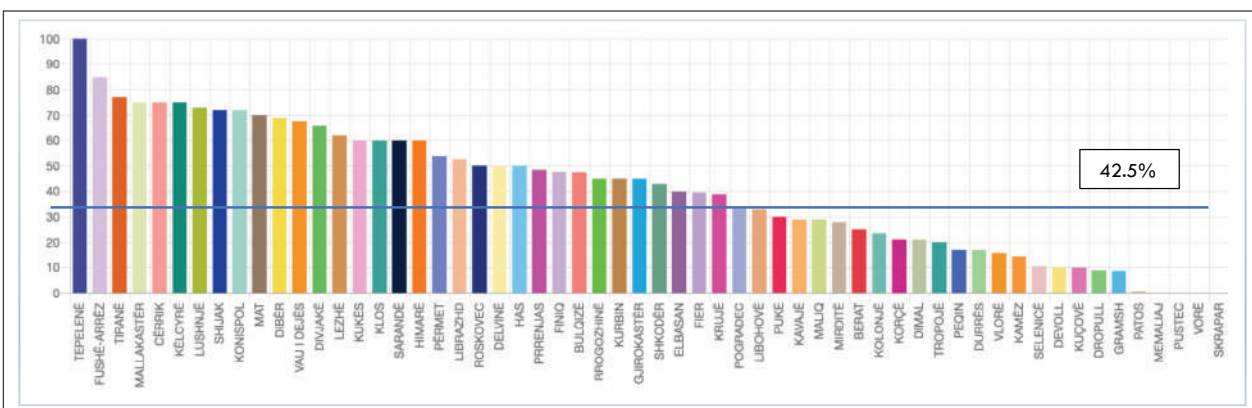
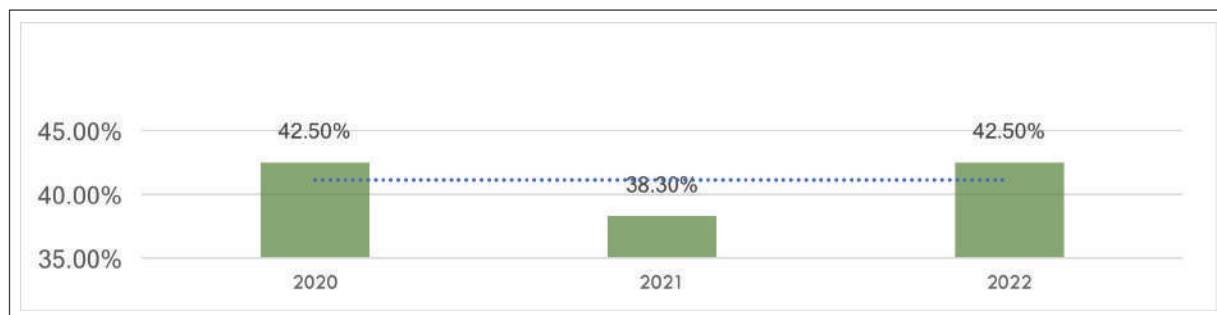


Chart 41: Change in the average rate of irrigated agricultural land, 2020-2022 (in % of area)

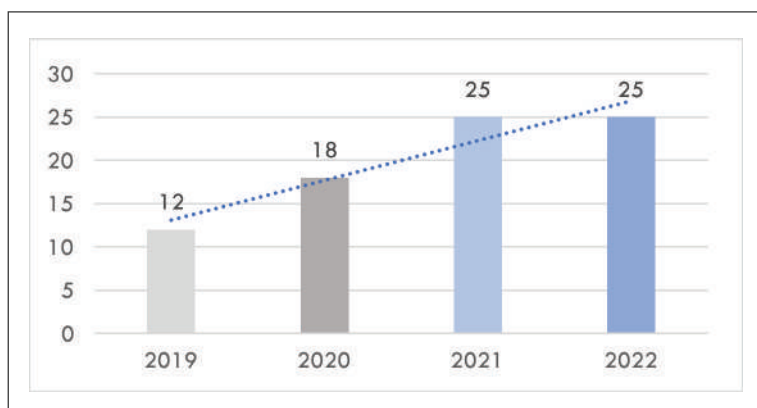


Specific objective: implementation of the LEADER method

Law No. 36, dated 14.04.2022 "On the Organization and Operation of Local Action Groups" defines the prerequisites for the creation and operation of local action groups (LAG). These groups will enable, through local partnership and the bottom-up principle, the involvement of local communities in the identification and implementation of rural development strategies, lead by the community itself, depending on their needs, making decisions on the allocation of financial resources and their management based on the principles of sustainable development, providing an environment for investments in rural areas by the community itself, raising local capacities⁸⁹. Actors in a LAG, within the boundaries of the Leader area (geographically continuous area, which covers a rural territory with a population of not less than 10,000 inhabitants and not more than 150,000 inhabitants), may include the LGU⁹⁰, the region, representatives of the non - public sector (farmers, non-farmers, NGOs/CSOs, media) and other actors⁹¹.

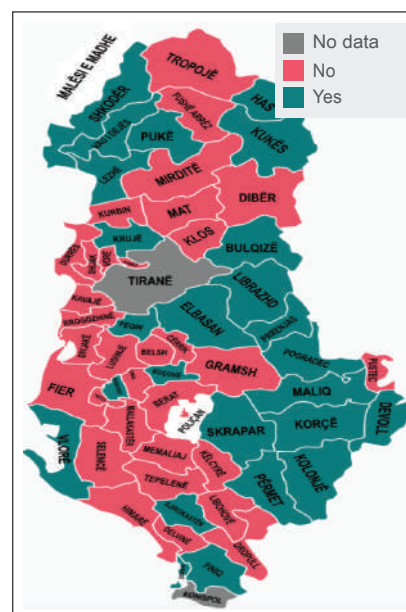
In 2022, the same level is found for LAGs with a total of 25 (N=59). Four municipalities have not reported such as Municipalities of Tirana, Malësi e Madhe, Poliçan and Konispol.

Chart: 42 Establishment of the Local Action Group (LAG), 2019-22



Some of the challenges and recommendations are valid for the reporting period:

Map 9: Establishment of the LAGs, 2022



⁸⁹ Law No. 36, dated 14.04.2022 "On the Organization and Functioning of Local Action Groups", Article 1

⁹⁰ LGUs must have a minimum of 20% of voting rights, but together with other public authorities represent no more than 49% of voting rights; LAG starts its activity after being authorized by the Minister for Agricultural and Rural Development Policies and after registration in the register of non-governmental organizations. The LAGs registered in the register report on their activity to the responsible structure in the ministry, on an annual basis.

⁹¹ Law No. 36, dated 14.04.2022 "On the Organization and Functioning of Local Action Groups", Article 1 7

Problems and challenges

- Lack of funds and insufficient funding from LGUs to put irrigation schemes into full operation and to increase the level of maintenance of the irrigation and drainage network.
- For some LGUs, the rehabilitation of third canals remains a challenge.
- Low level of payment for the irrigation service fee, weak or non-transparent financial management, the inactivity of Water User Organizations (WUOs).
- Absence of AIAO in some LGUs.
- Lack of certification of agricultural products, including olive oil, is the reason the potential for exports of agricultural production is not harnessed. A challenge remains to create a passport of agricultural products to increase exports and reduce stock in agriculture.

Recommendations

- Realization in practice of a series of initiatives related to bringing agriculture closer to economic and financial sustainability, considering the development of sustainable agriculture in the face of climate change challenges.
- Increase funding from the government for agriculture and rural development in addition to funding from the IPARD program⁹²; Increase funding from the local budget for agriculture.
- Efforts are needed to avoid de-commitments in 2023 of the IPARD program, due to delays in project implementation⁹³.
- Drafting of irrigation schemes based on specific budgets and service performance.
- Establishment and strengthening of AIAO in other municipalities.
- Maintenance and reconstruction of reservoirs and civil works, and creation of a specific fund in the municipal budget for this purpose.

CONCLUSIONS ON AGRICULTURE AND RURAL DEVELOPMENT

The legal framework has been strengthened with the drafting of several legal acts. Funding from the state budget to cope with climate change, as far as irrigation and drainage infrastructure and flood protection are concerned has been increased⁹⁴. **The fund allocated to agriculture by the LGU has undergone a slight increase, as well as improvements have been made in the administration and maintenance of the irrigation network and the drainage network**, thus increasing the surface area of irrigated agricultural land compared to 2021. The number of farmers advised by AIAO increased significantly in 2022, but the Agricultural Information and Advisory Offices have not yet been set up in all municipalities.

It is necessary to implement in practice a number of initiatives related to the development of a sustainable agriculture in the face of the challenges of climate change, to increase funding from the government and the local budget for agriculture and rural development in addition to funding from IPARD program⁹⁵, to further improve the administration of irrigation and drainage infrastructure by LGUs, to design irrigation schemes based on specific budgets and service performance, to establish AIAOs at other municipalities and to establish/operate local action groups according to the legislation adopted in 2022.

⁹² Progress Report of the European Commission for Albania (October 2022)

⁹³ Progress Report of the European Commission for Albania (October 2022)

⁹⁴ Ministry of Agriculture and Rural Development; <https://bujqesia.gov.al/ministrja-krifca-ne-konferencen-financimi-i-gjelber-14-ritje-te-buxhetit-per-perballimin-e-ndryshime-te-klimateki/>

⁹⁵ Progress Report of European Commission on Albania (October 2022)

3.2 Chapter 12: Food safety, veterinary and phytosanitary policies

Progress has been made in the field of food safety, veterinary and phytosanitary policies, but more efficiency is required in carrying out the steps for drafting and approving a coherent sectoral policy. Alignment with the EU acquis on official controls, animal health and plant health has been initiated, but progress has been modest so far⁹⁶.

Hygiene rules in the EU for the production of food products ensure a high level of food safety. Animal health and welfare and food safety of animal origin are guaranteed together with the quality of seeds, plant protection material, protection from harmful organisms and animal feed.

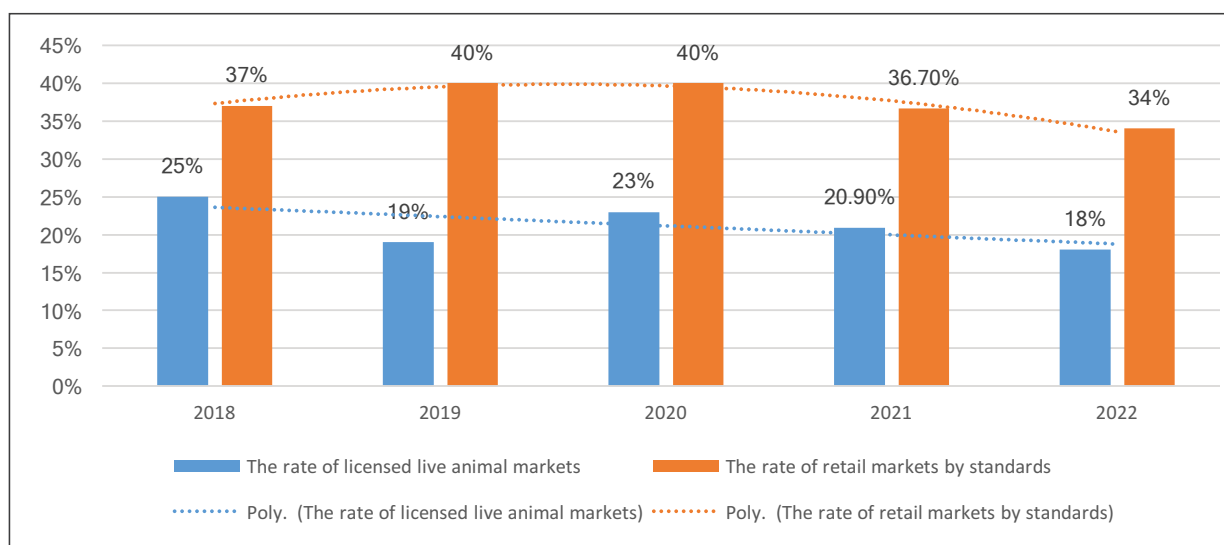
The reform of the veterinary sector requires filling all vacancies and increasing the necessary capacities for passive and active surveillance, including reliable assessment of disease prevalence, comprehensive data evaluation, as well as designing, planning and implementing effective prevention systems and/or disease eradication.

Specific objective: improvement of sanitary and veterinary conditions in order to protect consumers' health

In 2022, 81 cases of violations related to food safety were reported (N=51), or 9 cases on average for nine municipalities that had cases of violations; 43 LGUs (70%) had zero cases of violations. Compared to the previous reporting year, more cases of violations related to food safety were reported (29 cases in total during 2021).

On average, the rate of **licensed live animal markets** was 18%, decreasing by 2.9 pp compared to 2021 (N=55); 39 municipalities (66%, N=59) reported zero licensed markets, while 4 LGUs reported "none". Even for retail markets, in 2022, a slight decrease in the average rate of licensed retail markets is found - 34 %, or 2.7 pp less than 2021 (N=57); 25 LGUs (41%) reported zero licensed retail markets.

Chart 43: Average licensing rate of markets in LGUs, 2017-2022



⁹⁶ Progress Report of the European Commission for Albania (October 2022)

Progress was made regarding the establishment of Centres for Animal Protection, as a measure of the sectoral policy of the Ministry of Agriculture and Rural Development - 8 centres were operational (N=49) compared to 2021 (or 2 more centres). In 2022, LGUs with operational centres are the municipalities of Shkodra, Durrës, Tirana, Lushnja, Pogradec, Skrapar, Korça, Gjirokastra. While in 2021, such centres were reported to be set up/operational in the municipalities of Mat and Elbasan, but for 2022, they were reported to be 'non-operational' by these LGUs.

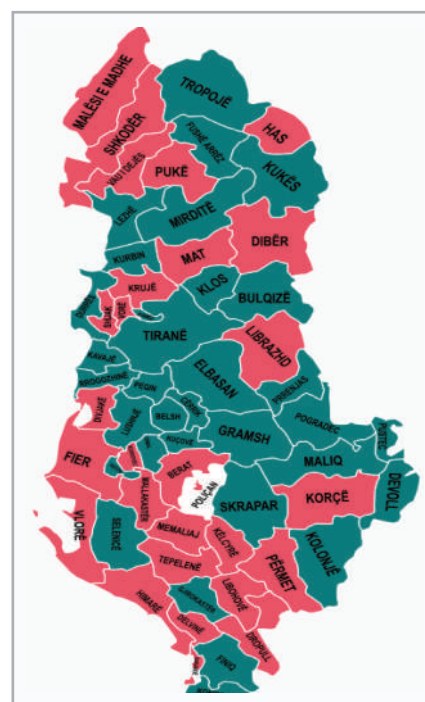
Specific objective: Efficient functioning of the consumer protection system

No progress has been made in **the establishment of the consumer office at the LGUs** - a total of 32 Consumer Offices were established at the LGUs in 2022 (N=59), compared to 34 reported for 2021.

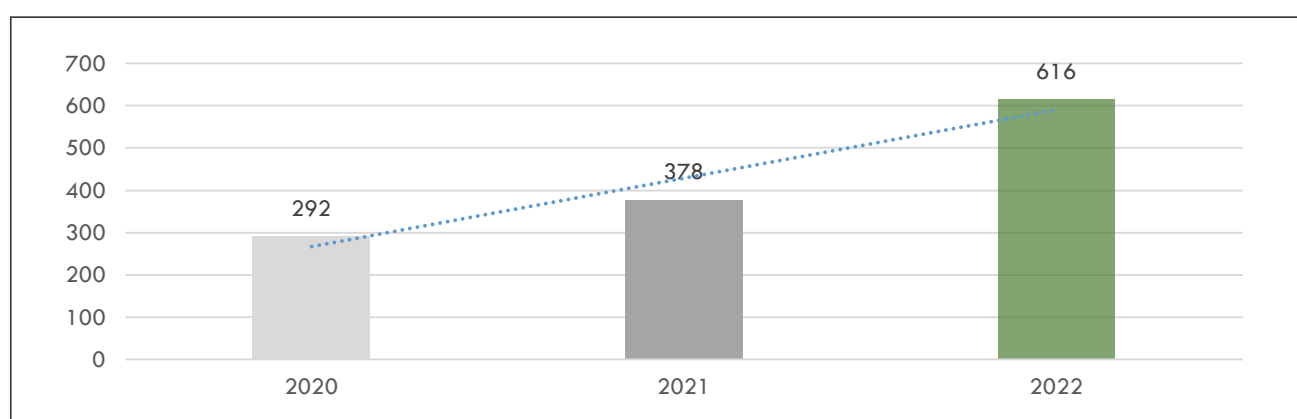
The municipalities that have opened a consumer protection office in 2022 are municipalities of Cërrik and Kuçova, while municipalities Malësia e Madhe, Vau i Dejës and Roskovec report that they did not have the consumer's office operational in 2022, unlike in 2021. In total, citizens submitted 616 food safety complaints to the consumer's office (N=52), or an average of 12 complaints (the indicator has a significant increase compared to 2021 (378 complaints in total) and with 2020 (292 complaints) in total).

The largest number of complaints about food safety is reported by Municipality of Belsh (168), Municipality of Peqin (150) and Municipality of Bulqiza (100). 33 LGUs (54%) reported zero complaints on food safety submitted to the municipality (N=52).

Map 10: Office for the Consumer Protection



Graph 44: Number of citizen complaints about food safety at the consumer's office/municipality, 2020-2022



Issues and challenges

- Lack of investments in the establishment of public markets in accordance with the necessary standards.
- Lack of a Consumer's Office at the LGUs makes it difficult for citizens to address food safety issues.
- Limited capacities of the LGUs related to monitoring and control over food safety and the register of citizens' complaints.
- A relatively significant number of LGUs do not report valid data on cases of violations related to food and phytosanitary safety.

Some of the recommendations for the previous period are also relevant for this report:

Recommendations

- To improve the quality of inspection statistics, by not limiting it to the number of inspections or measures taken for violations, as well as to improve data management to increase efficiency in reporting⁹⁷.
- Reducing the administrative burden for planning and reporting on risk-based official controls and ensuring transparency of national data⁹⁸.
- Establishment of the consumer protection office in other LGUs and training of new employees.
- Increased funding from the LGUs to improve the standards of the markets and their full licensing, in accordance with the required protocols and standards.
- To take full ownership of vaccination campaigns and to plan and use own funds for such campaigns in the future, in accordance with the obligations to harmonize with the EU acquis⁹⁹.

CONCLUSIONS ON FOOD SAFETY, VETERINARY AND PHYTOSANITARY POLICIES

In 2022, the average rate of retail markets was reduced in accordance with the required standards; This downward trend is also found in the average rate of licensed live animal markets compared to the previous reporting year. Regarding the objective for an efficient operation of the consumer protection system, a higher number of citizen complaints on food safety submitted to the consumer office in the municipality, in 2022, compared to the previous reporting year, is found. The reform of the veterinary sector requires the filling of all vacancies and to increase the necessary capacities for passive and active surveillance, the adoption of a consolidated national policy on food safety and the harmonization of the relevant laws for official controls, animal health and plant health in this framework¹⁰⁰.

In addition, it is necessary to set up the consumer protection office in other LGUs and train new employees, increase funding from the LGUs to improve market standards and their full licensing.

⁹⁷ European Commission Progress Report for Albania (October 2022)

⁹⁸ European Commission Progress Report for Albania (October 2022)

⁹⁹ European Commission Progress Report for Albania (October 2022)

¹⁰⁰ Progress Report of the European Commission for Albania (October 2022)

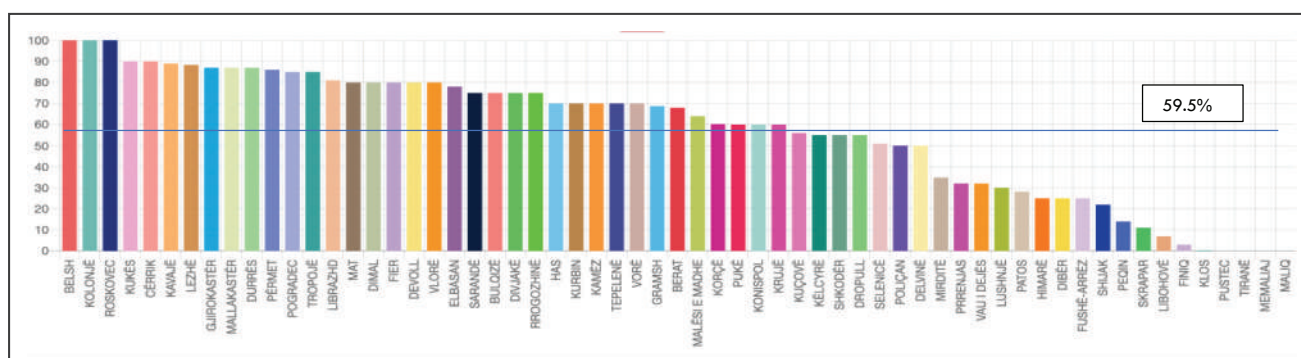
3.3 Chapter 14: Transport Policies

Albania has an inventory of 12,000 km of rural roads, of which 4,980 km are municipal rural roads and 4,471 km are regional roads. Municipalities are responsible to perform the construction, rehabilitation and maintenance services of local roads, for carrying out the classification of the road network, create road maps and cadastre of the road network under the administration of the LGUs, granting authorization and construction permits and protection of roads and public spaces, water channels, iv) power lines, telecommunications, declassification of local roads, v) installation and maintenance of road lighting and road signage and road transport administration¹⁰¹.

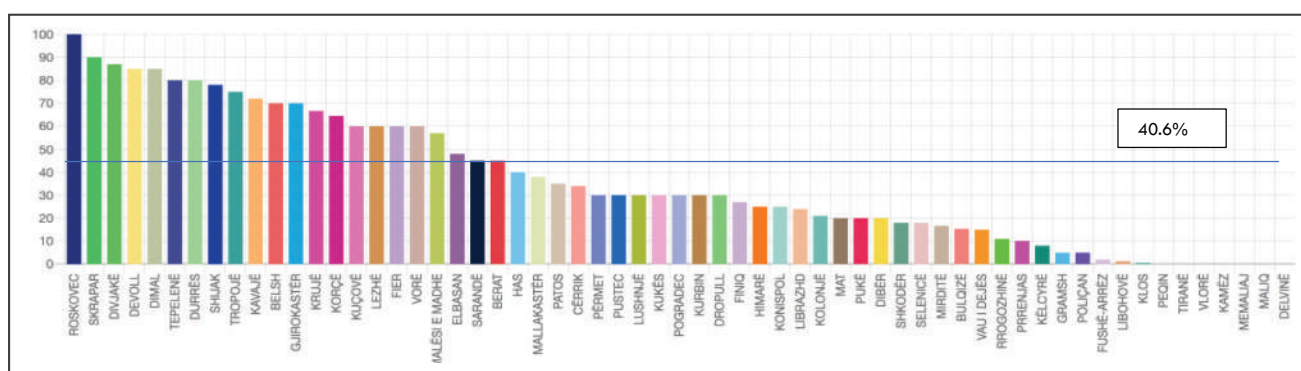
Objective: increasing road safety at the local level

road infrastructure that meets construction standards was at a similar level to the previous reporting year - 59.5% (N=56), while progress was made in improving the rural road network according to construction standards - the average rate is reported to be 40.6 % (N=55) or +1.9 pp compared to 2021. Also, an improvement was made by LGUs in the improvement of the road signage of roads administered by the municipality - the average rate of the existing road network of the territory of the municipality with signage in accordance with the standards was 46.9% (N=56) in 2022 or +2.2 pp compared to 2021.

Graph 45: Rate of compliance with standards of the urban network, 2022

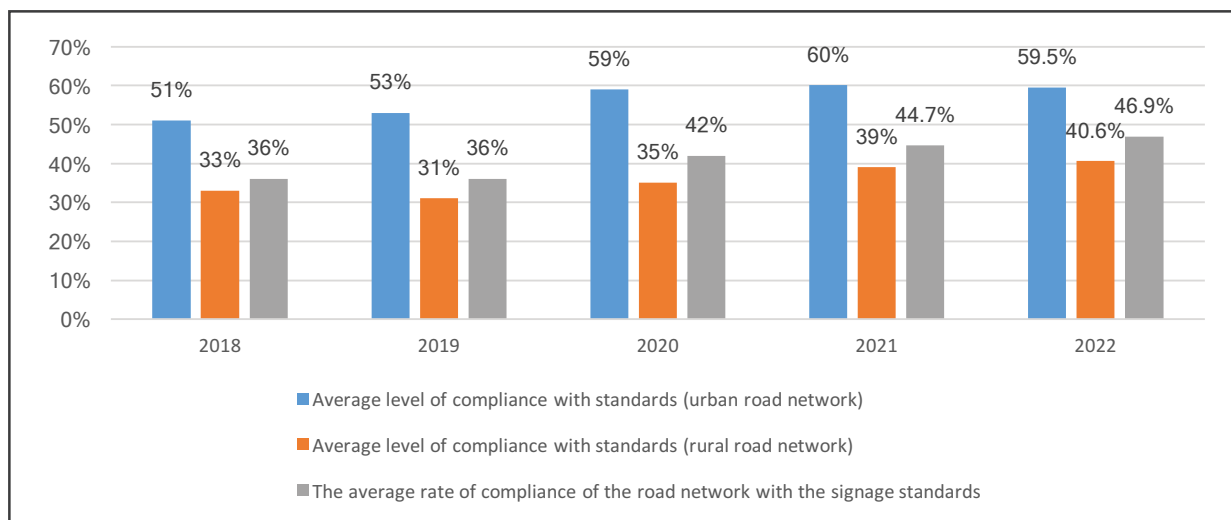


Graph 46: Rate of compliance with standards of the rural network, 2022

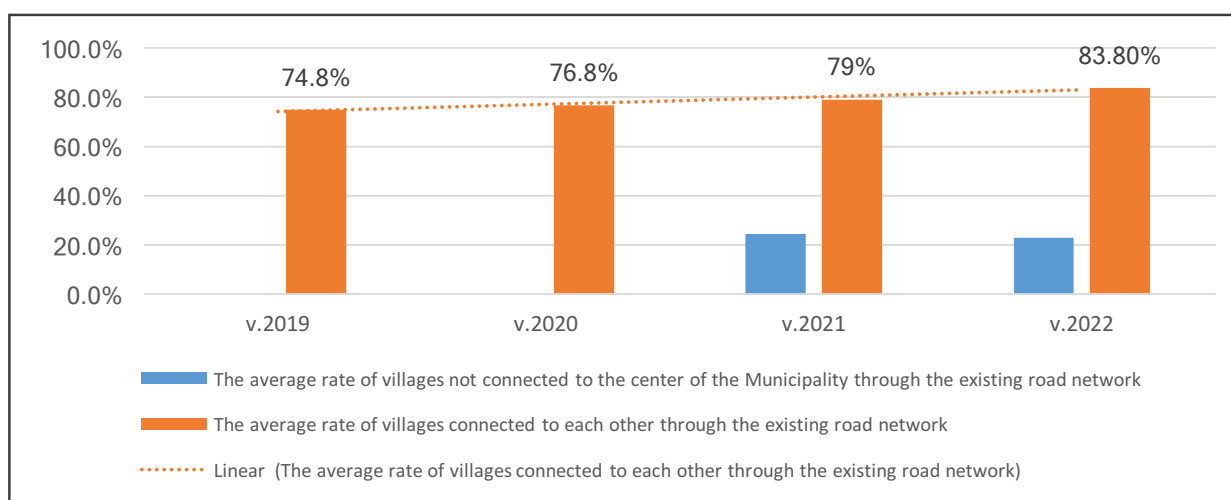


¹⁰¹ Law No. 139/2015, Article 23, Order of the Prime Minister (No. 127/2015), VKM No. 915/2015 for the transfer of the function, the Road Code of the Republic of Albania, the Law on road transport No. 83/1998.

Graph 47: The trend of compliance with the standards of the road network and signage, 2018-2022



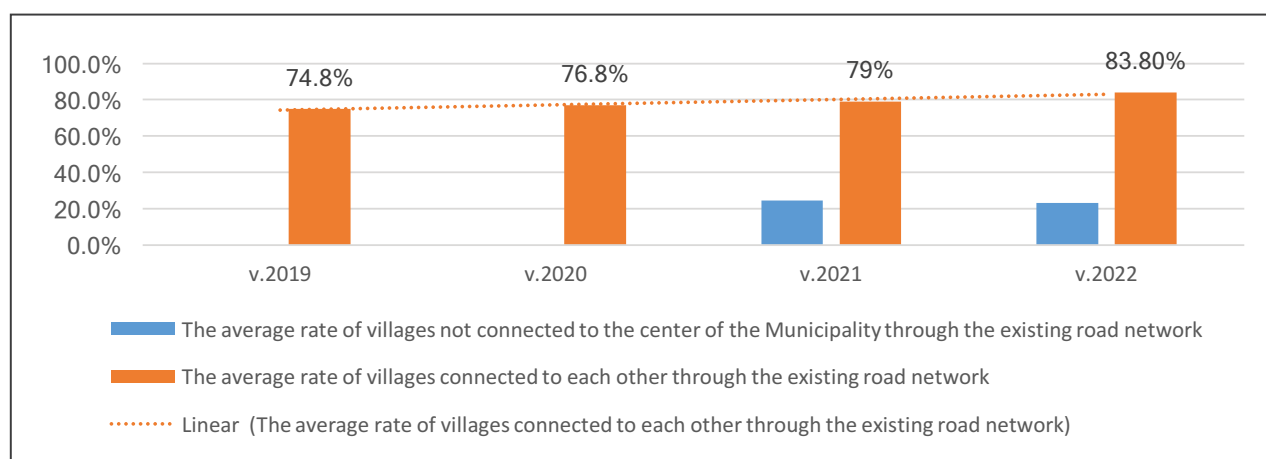
Regarding the connectivity of the villages, in 2022, it is found that the villages that are not connected to the centre of the municipality in relation to the total number of villages has decreased to an average rate of 23% (N=54), or -1.4 pp compared to 2021; An increase in the rate of Administrative Units villages connected to each other through the road network is found - on average to 83.8% (N=54) or +4.8 pp compared to 2021.

Graph 48: The rate of connectivity of villages through the road network, 2019-2022 (*)¹⁰²

In 2022, it is found that funding from the local budget for the construction and rehabilitation of roads has decreased - the average rate was 11.03% of the local budget (N=52), or -1.84 pp compared to 2021, while funding for road maintenance and the improvement of signage to increase road safety has increased, respectively, to 6.7% of the LGU budget, or +1.4 pp compared to 2021 (N=52), and 3.5% for the improvement of signage (or +1.1 pp referred to 2021).

¹⁰² (*) The indicator was reformulated in 2021, therefore there is no data for 2019 and 2020.

Grafiku 49: Buxheti vendor për mirëmbajtjen, ndërtimin e rrugëve dhe sinjalistikën, 2018 - 2022



Specific objective: improving public transport

The improvement of public transport is evaluated through two performance indicators: Map of public transport lines of the municipality published at bus stations; Timetables (urban and interurban) published at bus stations.

Slight progress was made during 2022 regarding the publication of the map of public transport lines - in total there were 22 municipalities that published the map or 1 municipality more compared to 2021 (N=59). The LGUs that report on the fulfilment of this measure in 2022 are the municipalities of Fier, Dibra, Patos, Finiq and Bulqiza, while the LGUs that have not met this measure compared to the previous reporting year are the municipalities of Pogradec, Mirdita, Vora and Memaliaj.

In addition, progress has been made by the UJVV regarding the publication of the timetables of public transport vehicles - a total of 35 municipalities or 3 more municipalities compared to 2021 (N=58). The LGUs that report on the fulfilment of this measure in 2022 are the municipalities of Tirana, Durrës, Vlora, Finiq and Mallakastër, while the LGUs that have not fulfilled this measure compared to the previous reporting year are the municipalities of Pogradec, Has, Kolonja and Poliçan.

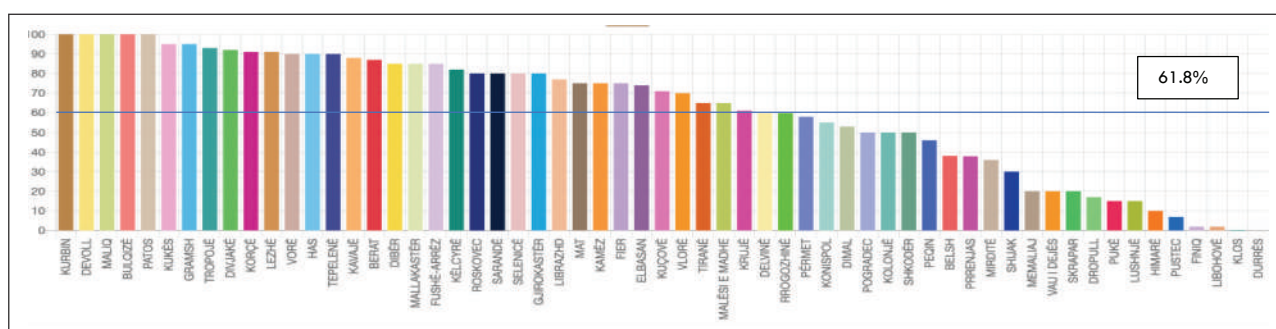
Specific objective: promoting walking and cycling

Slight progress was made by LGUs for the expansion of the network of dedicated bicycle lanes in the urban areas of the municipality - the average level was 5.49% in 2022 (N=54), or 0.47 pp more compared to 2021. The municipality of Tirana reports the greatest increase in the bicycle network and respectively at the level of 78% or 5 pp more than in 2021. Twenty-six (26) Lgus (or 43%) report zero km of bicycle dedicated lanes.

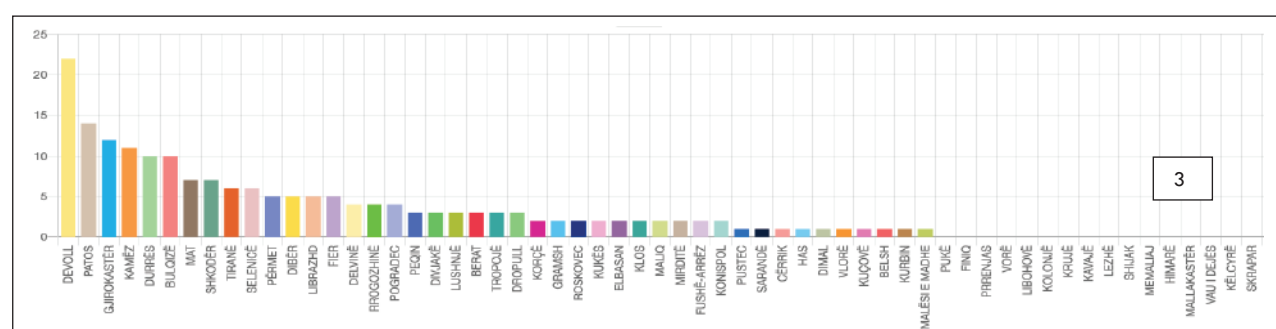
LGUs have increased the length of the internal road network of urban areas of the municipality equipped with sidewalks - in 2022, the average rate was 61.8% (N=57) or an increase of 4.2 pp compared to 2021.

Forty-two (42) municipalities (or 69%) have a rate equal to or higher than 50% of the urban network with sidewalks. In total, 171 campaigns to promote walking and cycling were organized, or an average of 3 campaigns (N=56) or 87 more campaigns undertaken, compared to 2021. In the reporting year, only 2 LGUs did not undertake promotion campaigns against 30 municipalities in the previous reporting year.

Graph 50: Rate of urban road network completed with sidewalks, 2022 (in %)



Graph 51: Promotion campaign of walking and cycling carried out by LGUs, 2022



Box 4: Challenges of municipalities for road maintenance during 2022

Municipality of Berat: To identify alternative sources of financing through co-financing.

Municipality of Delvina: To improve the road infrastructure for 70% of the existing road network.

Municipalities of Dibra, Divjaka: Low financial capacities to intervene in road infrastructure and maintenance. Damage to existing signage presents a problem for improving service.

Municipality of Himara: Increasing road safety and providing signage.

Municipality of Kelcyra: Increased investment in roads. The database must be created.

Municipality of Lezha: Requalification of unpaved roads.

Municipality of Pogradec: Improving the infrastructure and completing 20% of the construction standards of 40 km of the most important roads.

Municipalities of Kamza, Korça: To improve standards of the road network and signage.

Municipality of Shkoder: To covering costs construction, improvement and maintenance of the infrastructure.

Municipality of Tropoja: In 2022, the first traffic light was installed. The challenge remains for the entire network to comply with construction standards.

Municipality of Korça: To create infrastructural conditions to connect the villages with the center of the municipality.

Municipality Librazhd: To improve transport policies.

Municipality of Saranda: Road maintenance

Some of the challenges and recommendations of the previous report remain valid:

Problems and challenges

- Insufficient funding sources for the improvement and maintenance of road infrastructure.
- Road signage does not meet the required standards.
- A significant number of municipalities have not drawn up and published the public transport map.
- Limited number of interurban transport lines (there is no coverage of the entire territory).
- Lack of suitable terminals of public transport means in LGUs.

Recommendations

- To strengthen the management capacities for the function of road administration by LGUs.
- To ensure financial support in the implementation of rural development programs that can be financed by the LGUs themselves, the Government or other development partners.
- Financial support for investments in the construction of new public transport terminals / or multimodal stations.
- To ass new interurban public transport lines to improve the coverage of the territory and population with this service.

CONCLUSIONS ON TRANSPORTATION POLICY

The implementation of projects from the Albanian Development Fund (ADF), which also includes road infrastructure from several programs financed by the World Bank (WB), the European Bank for Reconstruction and Development (EBRD) and the Albanian Government in several municipalities of the country, such as the Municipalities of Shkodra, Saranda, Gjirokastra, Fier, Korça, Pogradec and investments under the 100 Villages program, continued during 2022.

Progress has been achieved the improvement of the rural road network according to road standards and signage compared to the previous reporting year, while the urban infrastructure is presented at the same level. Also, an increase in the rate of LGUs villages connected between them through the road network is found. Financing from the local budget for road construction and rehabilitation decreased in 2022 compared to the previous reporting year.

There is evidence of an increase in the bicycle network (in particular for the municipality of Tirana), as well as the campaigns for the promotion of walking and cycling undertaken by the municipalities of the country.

It is necessary to further strengthen the management and financing capacities for the construction and maintenance of the urban and rural road network administered by the LGUs in accordance with the standards, to improve the road signage, to add interurban transport lines, to prepare and publish public transport vehicles movement map.

3.4 Chapter 15: Energy

EU energy policy covers energy supply, infrastructure, internal energy market, consumers, renewable energy, energy efficiency, nuclear energy and safety and radiation protection.

" In the context of the global energy crisis, such efforts, as well as measures for energy efficiency, should be accelerated, taking into account Albania's commitments under the Paris Agreement and the need to engage in clean energy transition, in accordance with the Green Agenda for the Western Balkans¹⁰³. Progress has been made with the implementation of the Energy Performance in Buildings Directive, including the training and certification of energy and energy performance auditors¹⁰⁴".

A certification scheme has been operational for energy performance in 2022. Progress has been made with the implementation of the Energy Performance in Buildings Directive but a long-term building renovation strategy is missing¹⁰⁵. The Agency for Energy Efficiency has started the creation of a corps of energy auditors, which will have the task of auditing and certifying all state or private buildings and equipping them with an energy certificate. A total of 93 energy auditors in buildings were trained, 11 energy auditors in industrial installations, 153 energy managers certified¹⁰⁶.

Currently, the Agency for Energy Efficiency (AEE), in cooperation with SECO, is developing the project of smart municipalities in 4 municipalities of the country, Korça, Berat, Shkodra and Përmet. This project, among other things, includes the drafting of local plans for EE (EELP) for these municipalities. These EELP models will then be implemented in all municipalities of the country¹⁰⁷.

Efforts should be made in implementation of the certification conditions for Alb-Gaz and make it an operational transmission system operator. Targeted actions should be taken to create a functional gas market in order to use the potential of the current infrastructure in the country and infrastructure development plans; Adoption of sub-legal acts to implement the EE Law and the adoption of equipment labelling rules remains a priority; To carry out a full assessment of the potential for the application of high-efficiency co-generation and efficient heating-cooling at the district (region) level in accordance with the EE Directive¹⁰⁸.

Specific objectives of development within the European integration agenda, at the local level, in the area of energy are (i) Increasing the efficiency of energy use, (ii) improving the implementation of minimum requirements for buildings, public and private services and (iii) increasing the use of renewable resources and promotional policies for the use of renewable resources.

¹⁰³ Progress Report of the European Commission for Albania (October 2022)

¹⁰⁴ Report of the Secretariat of the Energy Community for 2022

<https://www.google.com/search?q=Progress+report+on+Energy+Community>

¹⁰⁵ Report for 2022 of the Energy Community Secretariat (2022 Report of Energy Community)

<https://www.google.com/search?q=Progress+report+on+Community+Energy>

¹⁰⁶ National Agency for Energy Efficiency (AEE); <http://eficenca.gov.al/>

¹⁰⁷ Source: National Agency for Energy Efficiency

¹⁰⁸ 2022 Energy Community Secretariat Report

Specific objective: Increasing energy use efficiency.

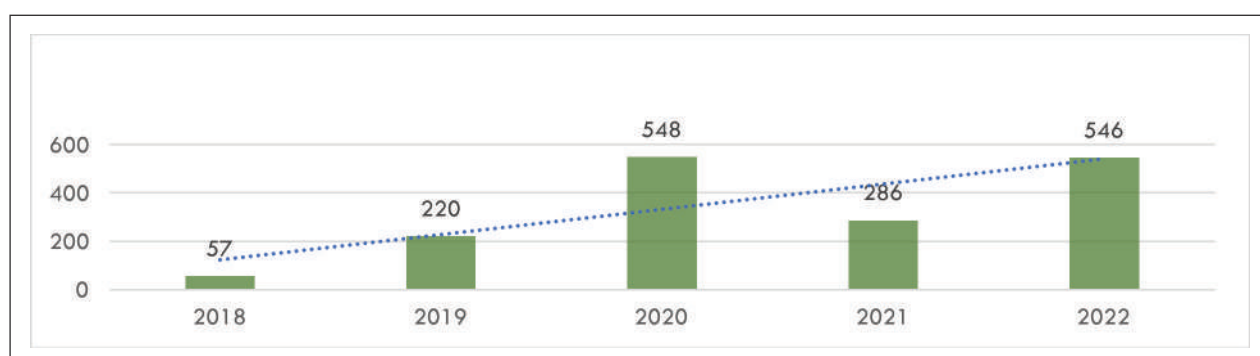
Progress has been achieved regarding the appointment of the manager for energy efficiency in the country's municipalities, as part of the Action Plan of the National Strategy for Energy Efficiency, 2021-2030. In total, 29 LGUs fulfilled this measure compared to 15 municipalities for the previous reporting year. New municipalities which reported on the appointment of the EE manager in 2022 are the municipalities of Fier, Mirdita, Korça, Gjirokastra, Delvina, Dropull, Divjaka, Kavaja, Devoll, Roskovec, Patos and Mallakashtra. (N=59).

Specific objective: Increasing the energy use efficiency: improving the implementation of minimum requirements for buildings and public services.

In 2022, two (2) projects were initiated by AEE, which are in the implementation phase for improving the conditions of multi-family buildings in the Municipality of Korça and the Municipality of Tepela. Also, an investment for High-Efficiency lighting in the Eastern Ring Road of Municipality of Shkodra and energy audit projects in multi-family residences, in about 40 Municipalities of the country, with the aim of later implementing investment for the renovation of these buildings.

In 2022, a total of 546 inspections on the implementation of energy efficiency requirements in buildings for public and private services were carried out by the relevant service of the municipality (approximately 2 times more) compared to the number of inspections in the previous reporting year (N= 47). During the inspection, 32 violations were found out of 40 cases of violations reported in 2021 (N=50), respectively from the Municipality of Tropoja and Konispol. Klos Municipality reports the largest number of inspections for EE (225), followed by Municipality of Kamza (82).

Graph 52: Number of inspections on the implementation of energy efficiency measures carried out by municipalities, 2018-2022

**Specific objective: Increasing the use of renewable resources and promotional policies for the use of renewable resources.**

Security of supply: Directive 2005/89/EC has been transposed but there are no rules included/approved on security of supply in the country. The total amount of renewable energy is 2507 megawatts. Regarding the implementation of measures for renewable energy, a 2030 energy efficiency target has been set and the respective measures have become part of the National Energy and Climate Plan approved in February 2022¹⁰⁹.

¹⁰⁹ 2022 Energy Community Secretariat Report

In 2022, 22 projects based on the use of renewable energy sources (N=49) were implemented compared to 42 projects for 2021. The municipality of Himara implemented 4 projects based on the use of renewable energy sources, followed by the municipalities of Has, Maliq and Devoll (2 projects), and other municipalities, such as the municipalities of Finiq, Pustec, Përmet, Berat, Kukës, Kavaja, Dibra, Kruja, Gjirokastra, Durrës, Belsh, Malësia e Madhe and Kurbin (1 project).

Box 5: Challenge of municipalities in implementing energy efficiency policies in 2022

Municipalities of Belsh, Delvina: Training and certification of the energy efficiency (EE) manager.

Municipality of Dropull: Low budget.

Municipalities of Himara, Përmet, Roskovec: Recruitment of the energy efficiency manager.

Municipality of Saranda: Lack of capacities for drafting an EE local plan.

Municipality of Korça: Certification of the EE manager and drafting of EELP.

Municipality of Dibra: Lack of capacities for drafting the EE Local Plan.

Municipalities of Përmet, Përrenjas, Rrogozhina, Selenica, Tropoja: Drafting and implementation of EELP.

Municipality of Shkodra: Improvement of the energy situation through the implementation of the EE Local Plan.

Municipalities of Mirdita, Roskovec, Selenica: Increase projects that meet the requirements for EE.

Municipality of Tirana: 2 schools and 1 kindergarten are in the process of implementation and the youth center building has been completed in accordance with the EE requirements. In about 64 investments made in road infrastructure, LED lighting was implemented. The facilities that will be reconstructed/or new constructions will meet the energy efficiency requirements

Some of the challenges and recommendations of the previous report are also valid for this reporting period.

Problems and challenges

- About 52% of LGUs have not appointed an energy efficiency manager.
- Little capacities in the municipalities of the country for drafting of the EE local plan (EELP).
- Limited financial resources to cover the position of energy efficiency manager in small municipalities.
- Lack of an energy efficiency manager is an obstacle in carrying out inspections that the municipality should undertake in the implementation of EE measures in both public and private reconstructions and new constructions.
- Aspects of the interaction between the LGU and EEA to enable the training and certification of the energy efficiency manager employed by the municipality.

Recommendations

- Appointment of the energy efficiency manager in all municipalities, his training and certification.
- Drafting and approval of EELP by all municipalities, in accordance with the National Energy and Climate Plan (2021-2030) and its provision in the MTBP to support its implementation.
- Increasing capacities for green procurement.
- Increasing the control and inspection capacity of municipal services in the implementation of control measures and requirements in buildings for public and private services and residential construction.

CONCLUSIONS ON ENERGY

Progress has been made in the appointment of the energy efficiency manager, but more than 50 % of the LGUs have not yet appointed and either certified the energy efficiency manager. The number of projects implemented according to energy efficiency requirements has increased compared to the previous reporting year. Also, the number of inspections undertaken during 2022 by municipal services on the implementation of energy efficiency requirements in buildings for public and private services has almost doubled compared to the previous reporting year. Challenges for the LGUs remain the appointment and certification of the energy efficiency manager in cooperation with EEA and the drafting/approval and implementation of the EELP.

3.5 Chapter 16: Taxes

EU rules on taxation cover value added tax and excise duties, as well as aspects of corporate taxation, as well as cooperation between tax administrations, including the exchange of information to prevent tax evasion.

"Albania is moderately prepared in the field of taxes. Progress has been made, in particular addressing last year's recommendations, which include respecting agreed payment schedules for VAT refunds and reducing the stock of VAT refund arrears, adopting a calendar of new tobacco excise and mid-term draft strategy consultation, which includes proposals for addressing tax expenditures."¹¹⁰

In 2022, the draft law on the "Tax on Property System" was drafted and consulted, which reflects the fulfilment of legal security standards, the property evaluation according to the real value and the alignment of the taxation rate with the countries of the region. Tax on property is a key element for the local finance system. Tax on property in the medium term has increased from 0.33% of GDP to 1% (5.67 billion ALL in 2022). Currently, the "Fiscal Cadastre" is being piloted in 9 municipalities, but the access and functionalities are the same for all LGUs¹¹¹.

In 2022, a draft law "On some addenda and amendments to the Law No. 68/2017 "On Local Self-Government Finances" was drafted and approved, which was also consulted in the Central Government - Local Self-Government Consultative Council (the law entered into force on 1 January 2023). The legal amendments were designed to replace the approved annual expenses with the actual annual expenses, in the formula for calculating the percentage of the value of the stock of ascertained and unpaid liabilities of local self-government units towards third parties. Also, in order to reduce the amount of arrears that can be created by the LGUs, it is determined "the use of inherited and uncommitted funds from the previous year, no less than 30 percent of them should be automatically used to pay off the arrears and the payment of unpaid sub loans on time". The procedures and way of using the funds inherited from the previous year and not committed, are defined by a guideline of the Minister of Finance and Economy.

Municipalities have had positive performance in all items of fiscal indicators in 2022. Local revenues have consolidated, stable sources such as income from tax on property or cleaning fees. The local government's own revenues were achieved in the amount of 24.4 billion ALL for the period January-September 2022 (constitute 6% of the total public revenue). About 90.7% or 22 billion ALL is occupied by local taxes and fees (80% of the annual plan was achieved). Compared to 2021, local revenues have increased by 5.5% (around ALL 1.3 billion). The increase in revenues from local taxes and fees was around 4.9%, while non-tax revenues increased by 10.8%. From a structural point of view, 4 types of local taxes and fees have provided 85% of the own revenues collected by the LGUs - infrastructure impact tax (36%), tax on buildings (17%), cleaning and hygiene fee (18%) and the item other taxes (14%) in the 9th month of 2022¹¹².

¹¹⁰ Progress Report of the European Commission for Albania (October 2022)

¹¹¹ Ministry of Finance and Economy, the words of Zev. Minister at the meeting of the Consultative Council (2022)

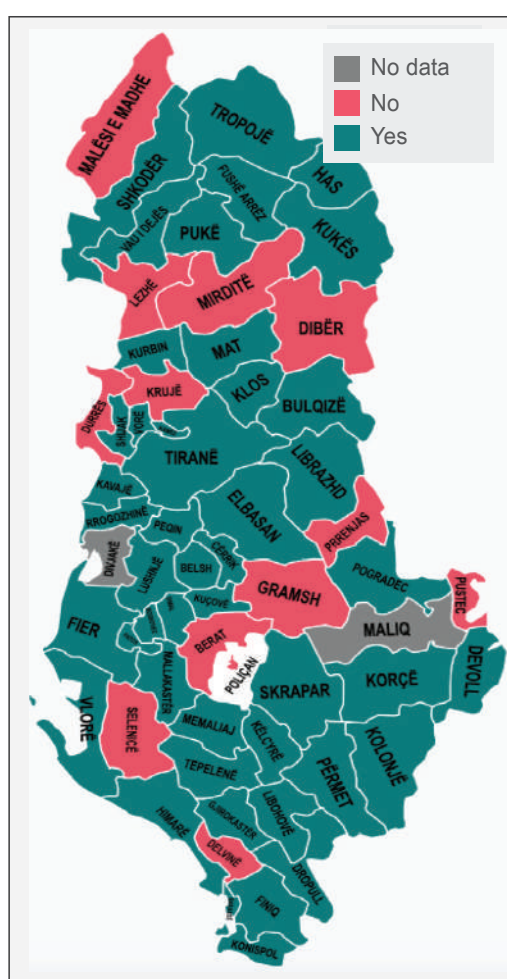
¹¹² Local Fiscal Indicators Report, January-September 2022, Ministry of Finance and Economy, Local Finance project

The progress of the decentralization reform has necessitated the increase of the unconditional transfer percentage from 1% of GDP to 1.2 to 1.4%, in order for the local government to have more budget to carry out the decentralization reform in some sectors, in which services are below the minimum standards, such as cleaning service and urban waste, drinking water supply and sewage, road infrastructure, irrigation infrastructure, maintenance of reservoirs, fire protection, forest management, civil emergencies. The municipalities of the mining areas have not been financially supported for the part of the mining royalty that they benefited from before the amendment of Law 9975/2006 "On National Taxes" and Law 68/2017 "On Local Finances", making it difficult to invest or maintain roads and irrigation canals, etc. Law 139/2015 "On Local Self-Government", Article 34, paragraph 5 requires the compensation on income decrease, through the increase of the financial transfer¹¹³.

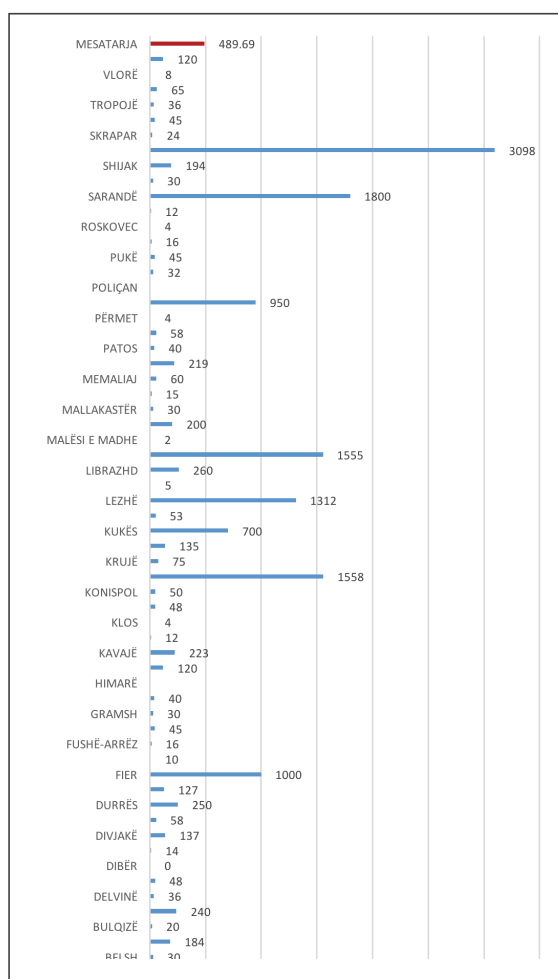
Specific Objective: Improving the administration of the local taxes and fees system in the direction of increasing the taxable base.

The performance is evaluated on the basis of five indicators: (i) tax policies implemented by the municipality in order to prevent the informal economy, (ii) number of on-site inspections, (iii) number of public hearings with business groups organized by the municipality in order to inform and involve them in the discussion of municipal tax policies; (iv) established and functional database (program) of debtors of the municipality, (v) change in the income achieved from local taxes and fees in the reporting year.

Map 11: Tax policy from the LGU, 2022



Graph 53: Nr.of inspections from local tax administration



¹¹³ Decision No. 6, dated 28.10.2022 (no. 363 prot, dt. 3/11/2022) of the central government - local government Consultative Council

In 2022, 46 LGUs (75%) adopted tax policy programs aimed at promoting the formalization of the economy (4 LGUs more than 2021), (N=57). The number of on-site inspections undertaken by the local tax administration in order to prevent the informal economy was 28,892 (87% more than 2021, N=59), or an average of 490 inspections, compared to 15,447 inspections undertaken in the previous reporting year. Municipality of Tirana has performed the highest number of inspections -13,390 (46% of the total inspections (*Municipality of Tirana is not included in the chart below*)).

The number of public hearings with interest groups for the purpose of information and inclusion in the discussion of the municipality's tax policies was slightly lower in the reporting year - a total of 289 hearings (N=59), or 6.5 pp lower than in 2021.

The database of debtors of the municipality is set up and functional in 47 LGUs (77% of LGUs) from 46 that were in the previous reporting year (N=60). Municipalities which report an operational debtor database in 2022 are Kurbin and Këlcyra, while the municipalities of Tropoja, Vora, Divjaka and Pogradec did not have the program functional in 2022, unlike the previous reporting year.

The municipalities of Memaliaj (139%), Pustec (72%), Skrapar (68%), Mallakstra (89%) and Himara (76) had the highest increase in local revenue in 2022 compared to the previous reporting year, while the lowest (negative) growth was seen in the Municipality of Këlcyra (-57%), Municipality of Patos (-50%), and Municipality of Selenica (-36%). 25 LGUs (about 41%) had a decrease in their own revenue in 2022 compared to the previous reporting year.

In 2022, the municipalities of Dibër (124%), Gramsh (52%), Skrapar (48%) had the highest change in their own revenues compared to the previous reporting year (2021), while with the lowest growth (negative) change were the Municipality of Dropull (-47%), Municipality of Këlcyre (-30%), and Municipality of Selenica (-24%); 21 LGUs (about 34% of them) had a decrease in their income in 2022 compared to 2021.

Box 6: Challenges of municipalities in implementing tax policies 2022

Municipalities of Delvina, Gjirokastra, Korça: To cooperate with Saranda Regional Tax Directorate for a promotion campaign to promote the formalization of the economy; To continue work against informality; 100% formalization of businesses operating in the territory of the municipality.

Municipality of Dropull: Reduction of debtors in number and value.

Municipality of Kavaja: Exemption from taxes in the first year of registration for new entities (self-employed category).

Municipality of Librazhd: Improving the administration of the tax system in the direction of increasing the taxable base.

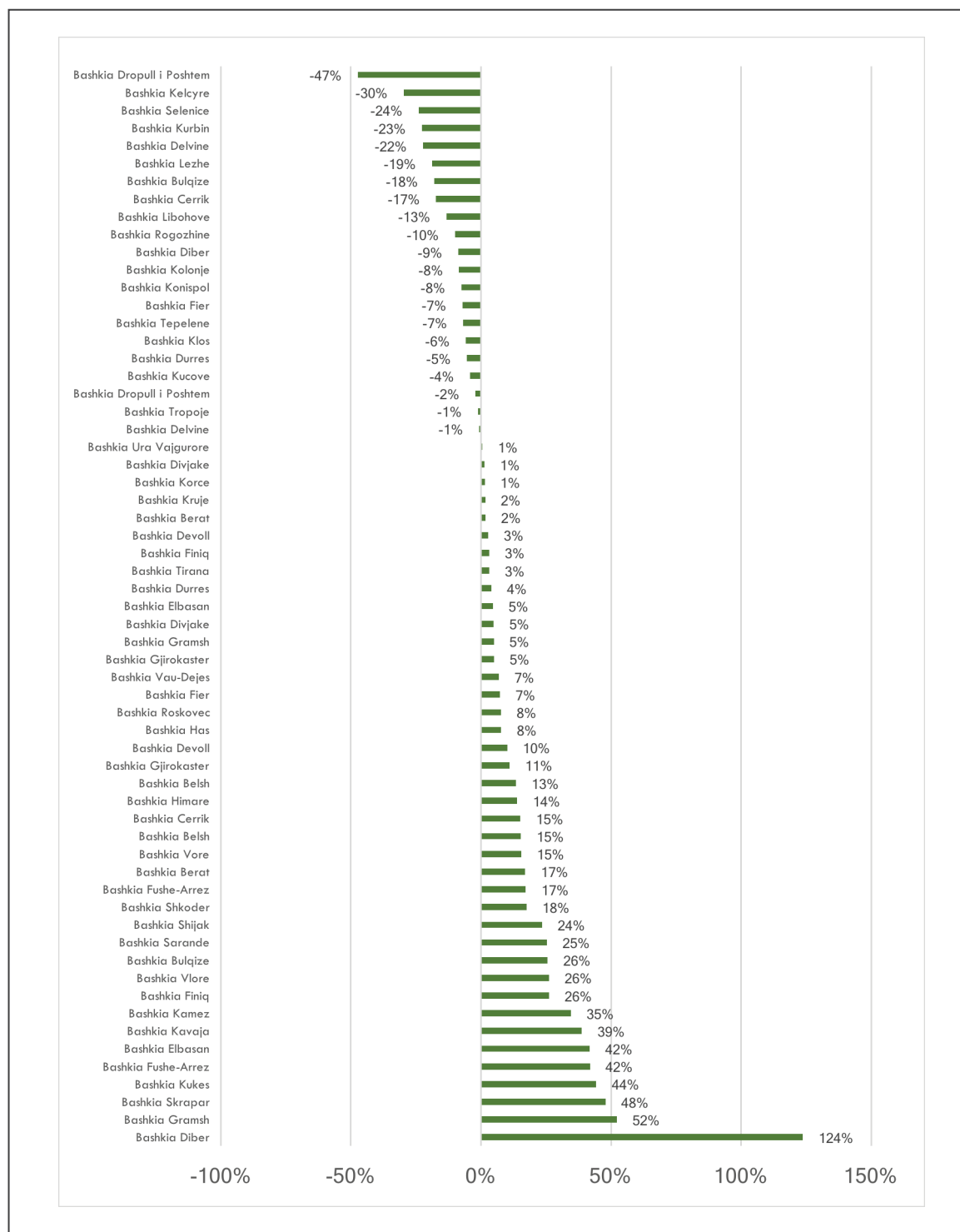
Municipality of Shkodra: Encouraging the participation of business groups in decision-making.

Municipality of Selenica: Drafting of supporting policies by the municipality.

Municipality of Tirana: Creation of a system of taxes and fees based on the building (GIS map). Improvement of the legal spaces to promote formalization for the building tax by amending DCM no. 132, dated 7.3.2018, as amended.

Municipality of Durrës: The fight against informality; to increase the number of taxpayers of the category who have moved from other areas of the country.

Municipality of Klos: There are no on-site inspection structures.

Graph 54: Rate of change of local revenue in 2022 (2022/2021) ¹¹⁴

Source: Government Financial Information System/Ministry of Finance and Economy,
Domestic Finance Analysis Report (2022)

¹¹⁴ Clarification: Tirana Municipality is not included

Some of the challenges and recommendations of the previous period are also valid for this report:

Problems and challenges

- Reduction of arrears (reduction of debtors in number and value).
- Lack of a unique and modern system for the administration of local taxes by all municipalities.
- Lack of formalization of taxpayers (of the category that have moved from other areas of the country).
- Sufficient on-site inspection structures are lacking in some LGUs.

Recommendations

- Implementation of measures to reduce tax expenses, especially due to exemptions. Simplifying the tax system by encouraging increased tax compliance¹¹⁵.
- Increasing revenue in a friendly manner and strengthening fiscal administration.
- Improving transparency on performance in the execution of the local government's budget and revenues.
- Creation of a system of taxes and fees based on the building (GIS map). Improvement of the legal space for promoting the formalization of the building tax by revising DCM no. 132, dated 7.3.2018 "On the Methodology for Determining the Taxable Value of Real Estate" "Buildings", as amended.
- Improving the unconditional transfer formula which discriminates against poor municipalities in mining areas to improve the provision of public services by the municipality.
- Implementation of the fiscal cadastre in all LGUs. Municipalities must identify all properties, identify all taxpayers and errors in the register¹¹⁶.

TAX CONCLUSIONS

In the area of taxes, progress has been made in respecting agreed payment plans for VAT refunds and reducing the stock of VAT refund arrears¹¹⁷. Legal changes were approved in order to replace the approved annual expenses with the actual annual expenses, in the formula for calculating the percentage of the value of the stock of ascertained and unpaid liabilities that the local self-government units have towards third parties. Municipalities had a positive performance in all items of fiscal indicators in 2022. Local revenues have consolidated, stable sources such as income from tax on property or cleaning fees. The progress of the decentralization reform has necessitated the increase of the unconditional transfer percentage from 1% of GDP to 1.2 to 1.4%, in order for the local government to have more budget to carry out the decentralization reform in some sectors, in which services are below minimum standards¹¹⁸.

¹¹⁵ Progress Report of the European Commission for Albania (October 2022)

¹¹⁶ Ministry of Finance and Economy Consultative Council central government - local self-government

¹¹⁷ Progress Report of the European Commission for Albania (October 2022)

¹¹⁸ Decision No. 6, dated 28.10.2022 (no. 363 prot, dt. 3/11/2022) of the Consultative Council central government - local government

Some performance indicators had an upward trend compared to the previous reporting year, as more tax policy programs have been implemented during the reporting year, the number of on-site inspections, undertaken by the local tax administration in order to prevent informal economy, the base of debtors of the municipality has been established and operational. There has been a decrease in the number of public hearings that municipal services have undertaken with interest groups, in order to inform and involve them in the discussion of tax policies of the municipality.

Challenges remain to improve the local tax administration system (digitalization and unification of the system for all municipalities), information and awareness about the formalization of businesses, to increase the number of tax payers of the category of citizens who have moved from other areas of the country to some municipality, limited on-site inspection capacities in some LGUs.

It is recommended to implement measures to reduce tax expenses, especially due to exemptions, simplifying the tax system by encouraging increased tax compliance¹¹⁹, strengthening fiscal administration and full-scale implementation of fiscal cadastre in all LGUs.

¹¹⁹ Progress Report of the European Commission for Albania (October 2022)

3.6 Chapter 19: Social policies and employment

"Albania has a level of preparation for social policies and employment. Some progress has been made in particular by strengthening the quality and effectiveness of labor market institutions and the provision of employment services to the most vulnerable groups. Social care reform is progressing, but financial and administrative efforts need to be increased to strengthen local-level capacities for service delivery and linkage to active labour market measures¹²⁰".

During 2022, the Consultative Council (CC) for local self-government presented for discussion:

- Draft Decision "On the adoption of rules, procedures and criteria for the provision of services for an independent life for persons with disabilities", approved by DCM no. 436, dated 22.6.2022.
- Draft Decision "On the definition of rules, procedures and criteria for providing supported decision-making for persons with disabilities", approved by DCM no. 470, dated 6.7.2022.
- Guideline for Municipalities "On the General Budget for the Roma and Egyptian Minorities at Local Level in Albania". This Guideline was developed with the support of the Romatec Program funded by the EU.

Progress in the implementation of policies in the social field and employment at the local level is related to three specific objectives and the assessment of 23 performance indicators.

Specific objective: Social protection at local level

The progress of the specific objective of *social protection at the local level* is evaluated through the following indicators:

- Number of local administration officials responsible for social inclusion in the municipality for 2022 under the **"Child Protection Unit" category**, is a total of 103 officials, or on average 1.78 per Municipality (N=58). *The indicator has decreased compared to the year 2021 where 109 were reported and in 2020 where a total of 128 employees were reported for this category.* The largest number of employees is reported by the municipalities of Durrës and Gjirokastra with 7 and Kamza with 6 employees. *Librazhd, Malësi e Madhe and Poliçan municipalities did not report on this indicator.*
- The number of local administration employees responsible for social inclusion in the municipality, for the year 2022 **under the " Gender Equality Officer " category**, is a total of 79 employees or an average of 1.34 per municipality (N=59) with a slight increase from 69 employees in 2021. *The Municipality of Skrapar has the largest number, with 12 gender equality employees. Municipalities of Malësi e Madhe and Poliçan did not report on this indicator.*
- The number of local administration officials responsible for social inclusion in the municipality, under the **"domestic violence officer" category** is a total of 69 or an average of 1 employee per municipality (N=59¹²¹). The average number is at the same levels per municipality as reported in 2021.

¹²⁰ Report of the European Commission on Albania (2022)

¹²¹ Malësi e Madhe and Poliçan municipalities have not yet reported

- The number of **PWDs who have been supported by the Municipality** for vocational education and training in 2022 compared to the total number of PWDs who can be employed in the labor market are reported at only 4.2% (N=52).
- In 2022, **the number of young people completing university education and vocational training**, who have been financially supported by the Municipality for starting a private business in their professional field is a total of 277 or an average of 5.33 individuals per municipality (N=52). This indicator has increased from 2021, where a total of 199 supported young people were reported.
- In 2022, **the number of municipalities that have signed a Memorandum of Cooperation with the Employment Office** for the employment of young people as well as for the socio-economic reintegration of persons under the Economic Assistance (NE) scheme reached 52 from the 43 reported in 2021.

Issues and challenges

- Human capacities in the social protection structures according to the three categories are insufficient for dealing with cases related to child protection, domestic violence and gender equality.
- Limited technical and financial resources for the creation of a statistical database according to EU indicators for social inclusion from all municipalities in the country.
- Lack of social housing and social housing programs is a challenge for municipalities, compared to the presented housing needs.
- Benefiting social services in established social care centres should be wider and more comprehensive.
- To include in the economic assistance (NE) scheme families most in need and to give priority to head of households women and those with social problems.
- Lack of funds and professional capacities in the municipality for the persons under the Economic Assistance (NE) scheme in order to integrate them into the labour market.
- Inter-institutional coordination to promote employment and especially for the groups in need remains at unsatisfactory levels.

Recommendations

- To organize continuous trainings dedicated to gender equality and other aspects of child protection and cases of domestic violence.
- To adopt local social plans by all municipalities and their harmonization with the medium-term budget program.
- To increase cooperation with local NGOs specialized in providing social services as well as to create financial instruments to support with dedicated funds and projects.
- Encouraging young people to enrol in vocational education by undertaking information and awareness campaigns is necessary to improve the labour market in the future.
- To increase cooperation with the Employment Office on the improvement and expansion of opportunities for education and professional training.

- To increase the financial capacity of the Municipality to financially support young people for starting a private business in their professional field.
- To ensure implementation of the Social Employment Fund and continue strengthening the employment structures at local level¹²³.

CONCLUSIONS ON SOCIAL POLICIES AND EMPLOYMENT

The implementation of social and employment policies had a limited development during 2022.

Municipalities continued their efforts to set up the Needs Assessment and Referral Sector, which has already become operational in 26 municipalities. The process of drawing up local plans and establishing the statistical base for social inclusion did not mark progress in 2022, remaining at the same levels in relation to the total number.

More attention was paid to the financial support of young people who complete university education and vocational training, for starting a private business in their professional field, whose number increased. **There was close cooperation with other institutions, especially with the Employment Office** for the employment of young people as well as for the socio-economic re-integration of persons under the Economic Assistance (NE) scheme.

¹²³ Report of the European Commission on Albania (2022)

3.7 Chapter 22: Regional policies and coordination of structural instruments

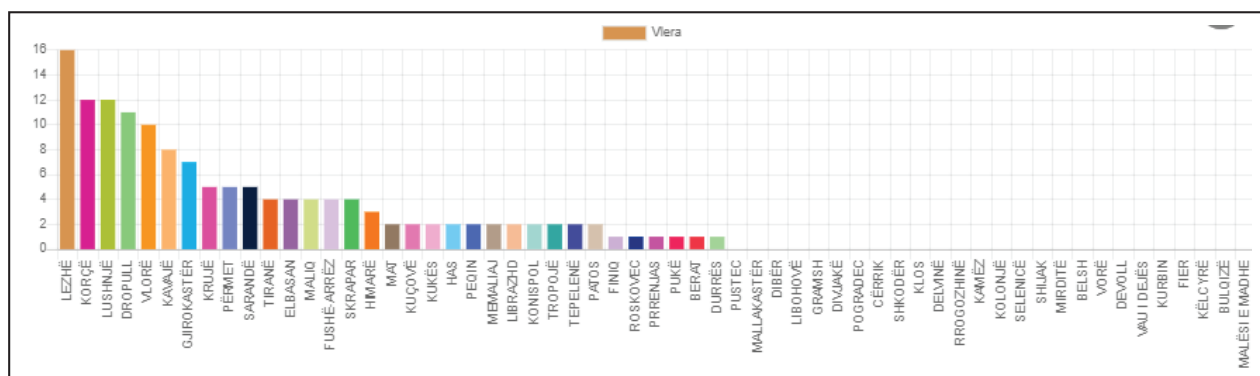
"Albania is moderately prepared in the field of regional policies and coordination of structural instruments. Limited progress has been made especially on the adoption of the implementing legislation of the Law on Regional Development and Cohesion. Albania must prepare for the effective implementation of the EU acquis of Chapter 22 and factorize the requirements of future structural/cohesion funds into the institutional structure, financial management and control systems, and administrative capacities, ensuring that all instruments and funds are gradually brought in line with EU requirements related to programming and partnership principles¹²⁴".

In February 2022, at the Local Self-government Consultative Council (CC) a draft decision "On the creation, composition, organization, activity and rules of operation of the National Committee for Regional Development and Cohesion" was presented, which was adopted by DCM no. 497 dated 27.07.2022. The National Committee for Regional Development and Cohesion is the inter - institutional body, responsible for drafting, monitoring the implementation, and evaluating the regional development policy, as well as coordinating the implementation of the measures taken in the framework of the regional development operational program.

Specific objective: strengthening cooperation in regional and local development in order to contribute to economic development and reduce disparities (ensuring economic and social cohesion between regions).

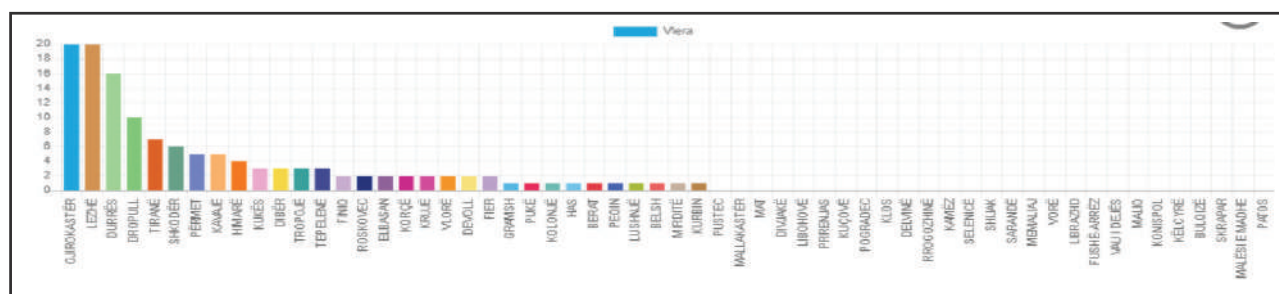
- In 2022, a total of 142 initiatives of common interest with other municipalities were undertaken, or an average of 2.5 initiatives per municipality (N=57), marking a slight decrease compared to 2021 (152 initiatives). Municipality of Lezha has the largest number of collaborations with 16 and municipalities of Lushnjë and Korçë with 12, while 26 municipalities have not participated in any initiative.
- A total of 131 participations in joint regional and European initiatives with the aim of reducing regional differences (regional and transnational cooperation programs, or an average of 2.43 initiatives per municipality (N=54) was reported. Municipalities of Lezha and Gjirokastra have the highest number with 20 joint initiatives and Durrës Municipality with 16. The indicator has a slight improvement from 113 participations in regional initiatives reported in 2021, while 27 municipalities have not participated in any regional or European initiative.

Chart 55: Number of collaborations between LGUs, 2022



¹²⁴ Report of the European Commission on Albania (2022)

Chart 56: Participation in joint regional and European initiatives of LGUs, 2022



Box 7: Cooperation practices in regional and local development

Municipality of Divjaka: It carried out a socio-cultural activity such as the European Union Summer School where it collaborated with the Lushnja and Roskovec Municipality to develop parallel activities with the same themes. For two days, the Municipality of Divjaka was the host municipality for the young people of Fier region, who had the opportunity to network with each other to consolidate the group for the following year.

Municipality of Durrës: It cooperated with Municipality of Tirana within the implementation of the EUSAIR 4 Youth Project, financed by the EUSAIR program of the European Commission, DG Regio. This project envisioned the organization of a 3x3 basketball sports activity, with the participation of 80 athletes from the Ionian Adriatic area.

Municipality of Korça: It cooperated with the region municipalities of Gjirokastra and Berat in the framework of tourism development. There were also collaborations with other municipalities within the "Strong Municipalities" project, as well as with the Municipality of Tirana to improve performance and expand donations absorption.

Municipality of Roskovec: Within the project "Strengthening the Voice of Civil Society for a Clean Environment in Patos-Marinze", Municipality of Roskovec and Municipality of Patos are partners in cooperation.

Recommendations

- To increase cooperation between central and local government institutions for better regional development and social cohesion through the drafting and implementation of regional development plans.
- To increase the activation and awareness of municipal staff about the importance of regional cooperation as well as at the European level through the organization of awareness campaigns and joint activities.
- To increase the number of projects and funding that municipalities receive from the EU as well as other donors for inter-regional initiatives and development projects at the qark /region level.
- To strengthen capacities of municipal staff for project design and participation with successful applications in regional and cross-border EU programs.

CONCLUSIONS ON REGIONAL POLICIES

Initiatives between Municipalities and collaborations at the Regional and European level have been increasing. 55% of Municipalities had collaborations or participation in joint regional projects. However, the capacities of municipalities to absorb funding from EU funds and other donors with some municipalities as beneficiaries still remain limited and dependent on regional or European partners.

A positive step was the adoption of the Decision of the Council of Ministers no. 497 dated 27.07.2022 " On the creation, composition, organization, activity and rules of operation of the National Committee for Regional Development and Cohesion". **The next necessary steps are to draw up the national strategy and plan for regional development and cohesion (2021-2027) and to complete the regional development plans (2021-2024).** These plans aim to promote development potential through decentralized and integrated local and regional interventions. Another important step is to clarify the responsibilities between central and local authorities and further strengthen the administrative capacities of central, regional and local bodies, especially by providing adequate personnel and revising the salary structure of local government and maintaining fiscal decentralization in top of the agenda.¹²⁵.

¹²⁵ Report of the European Commission on Albania (2022)

3.8

Kapitulli 23: Gjyqësori dhe të drejtat themelore

“The legal framework that regulates the rights of the child has been established and some progress has been made in building the institutional capacities for its effective implementation. The national de-institutionalization plan was included in the economic reform program with a financial package for the development of alternative childcare services and the closing down of social care institutions. Additional efforts are needed to further implement and address all child rights violations.¹²⁶”

Progress in LGU's exercising the functions and role for this area is evaluated based on 45 performance indicators for six specific objectives.

Specific objective: strengthening the system for the child rights protection

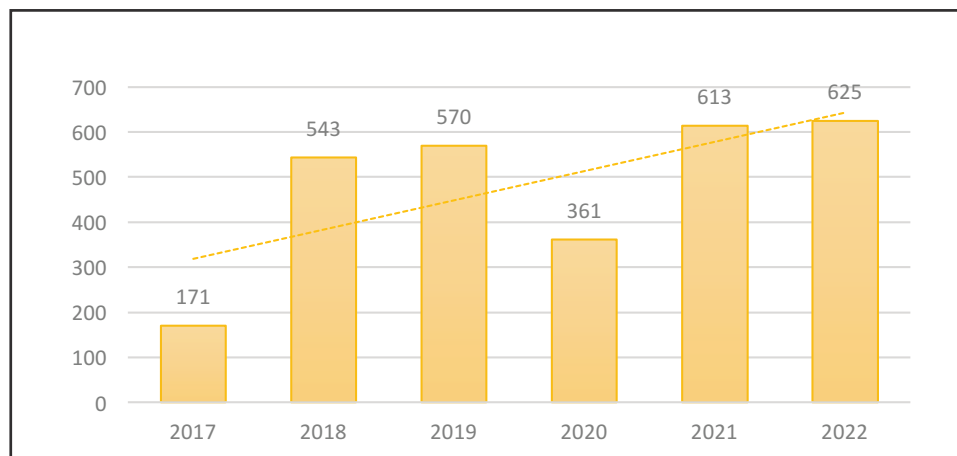
Progress towards this objective according to the indicators is as follows:

- In 2022, the Child Protection Unit were functional in 55 Municipality. *The unit has not yet been set up in six municipalities: Dropull, Kolonja, Mat, Roskovec and Saranda. Skrapar and Poliçan did not provide any information on this indicator.*
- In 2022, **1,417 cases identified and handled for child rights violations were reported, or an average of 24.43 cases per municipality (N=58)** with a slight increase since 2021, where 1,248 cases were reported. The highest number was reported by the Municipality of Tirana with 384 cases, Shkodra with 290 cases and Municipality of Durrës with 171 cases.
- **The average rate of protection orders issued against the number of identified cases is about 42% (N=58).** In terms of special services, 50% of the identified cases were provided with special services by the municipalities. The indicator has decreased since 2021, where services were provided in 45% of cases.
- In 2022, the ratio of child protection cases covered by the Municipality against the total number of identified cases was about 50%. This number remains at the same levels as in 2021.
- On average, 3.9% of the social protection budget was used by LGUs for the protection of the rights of the child cases (N=55). The indicator has decreased since 2021 by 5.2% of the allocated budget. Six municipalities did not provide information on the indicator¹²⁷.
- **In 2022, the municipalities reported a total of 181 Child Protection social workers (CPW), or an average of 3 social workers per municipality (N = 60).** The indicator has increased since 2021, where 132 workers were reported. The Municipality of Tirana and the Municipality of Elbasan reported the highest number of social workers, 27 and 16 respectively.
- **In 2022, a total of 625 activities were organized to raise awareness and promote the rights of the child, or an average of 10.59 activities per municipality (N=59).** The indicator has decreased slightly since 2021 with 613 activities. The Municipality of Tirana has most of the activities - 88, followed by the Municipalities of Shkodra with 70 and Fier with 50 organized activities.

¹²⁶ European Commission Report for Albania (2022)

¹²⁷ Cërrik, Poliçan, Librazhd, Skrapar, Tepelena, Tirana

Char 57: Activities organized by LGUs for the promotion of the rights of the child 2017-2022



Problems and challenges

As in previous years, the problems are related to:

- Insufficient capacities and the fact that the Child Protection Unit is still not operational in some municipalities. Also, financial resources remain low at the local level.
- Municipal child protection social workers are understaffed and in some municipalities there is not a social worker yet.
- Lack of budget planning in line with the needs of cases of violence or child protection throughout the territory of the Municipality.
- The municipal social protection budget for cases of child rights protection remains at very low levels.
- The child rights violation monitoring system is not yet operational in all municipalities.
- Ineffective cooperation with education facilities and law enforcement agencies.

Recommendations

- Establish and operationalize the system by connecting with all social service institutions for case referrals.
- Increase the capacities of local child protection structures in terms of child protection procedures, case identification and inter-institutional cooperation.
- Improve the Inter-ministerial Technical Groups capacities in case management of Vulnerable Children and in Need of Protection.
- Ensure access to services for children from remote rural areas, and children in street situations, through the coordination of actions and the exchange of information among the case handling structures.

Specific objective: Effective enforcement of Law 10221/2010 “On Protection from Discrimination”

- In 2022, 294 local administration civil servants were trained on the Law on Protection from Discrimination or on average 5.16 officials per municipality (N=57). The indicator has increased since 2021, where 221 officials were trained in total, or an average of 3.81 people. The Municipality of Bulqiza has the highest number of trained officials with 73, Elbasan with 34 and Puka with 32¹²⁸.
- In 2022, the monitoring system for identified cases of discrimination was set up in 21 municipalities, remaining at the same level as in 2021. The case monitoring system is an instrument for the effective case handling by local officials in coordination with the Commissioner for Protection from Discrimination.
In 2022, a total of 87 activities of municipalities held in the framework of cooperation with the Commissioner for Protection from Discrimination were reported, or an average of 1.71 activities per municipality (N=51). Only 21 municipalities have provided information on the level of cooperation with the Commissioner, where the highest number has been reported by the Municipality of Kruja with 25 activities.
In 2022, a total of 53 awareness campaigns were undertaken in schools and communities for the protection of the rights of the LGBTI community, or an average of 1 campaign per municipality (N=53). The Municipality of Lushnja organized the highest number of activities - 10 followed by the Municipality of Tirana with 9.

Specific objective: effective enforcement of Law 96/2017 “On the Rights and Protection of Ethnic Minorities”. Progress towards this objective according to the indicators is as follows:

- In 2022, the monitoring system for violations of minority rights been set up and became operational in only 20 municipalities. *The indicator remains at the same level since 2021.*
- In 2022, 234 cultural activities and awareness raising campaigns on the Rights and Protection of Ethnic Minorities were organized, or an average of 4.25 activities per municipality (N=585). The number of activities is the same as in 2021¹²⁹. *The Municipality of Lezha has the highest number of activities with 30, Shkodra with 23 and Devoll with 21.*
- The number of local officials trained on the implementation of The National Plan Roma and Egyptians in 2022 was 108 or an average of 1.83 officials per municipality (N=59). The indicator has increased since 2021, where a total of 65 officials attended training. The Municipality of Elbasan has the highest number of trained officials with 34 and the Municipality of Maliq with 22.

Specific objective: Improving the coordination of work between central and local authorities for the implementation of the National Action Plan for the Integration of the Roma and Egyptian minorities

- In 2022, only 27 municipalities reported on the training of local civil servants on the commitments of the municipality within the National Plan for Roma and Egyptians. *The indicator has decreased since 2021, where there were 32 municipalities that reported on trained their staff. Shijak, Poliçan and Librazhd municipalities did not provide any information on the indicator.*
- 37% of the municipalities (23 municipalities) reported that the action plan for the integration of the Roma and Egyptian minorities at the local level was drawn up and approved by the Municipal Council in 2022. The indicator has only increased by one municipality since 2021. *The municipalities of Skrapar and Poliçan did not provide any information on this indicator.*
- In 2022, trainings on data collection and reporting within the ROMALB system were attended by 42 officials (N=59) or on average less than one training per municipality; The indicator is at the same levels as in 2021. *The municipality of Kruja has the highest number of trained officials - 7 and Shijak 4, Bulqiza and Peqin 3.*

¹²⁸ Cërrik, Librazhd, Poliçan, Skrapar did not provide any information

¹²⁹ The municipalities of Cërrik, Vlora, Shijak, Poliçan, Bulqiza did not provide any information

Map 13: Minority Integration AP, 2022

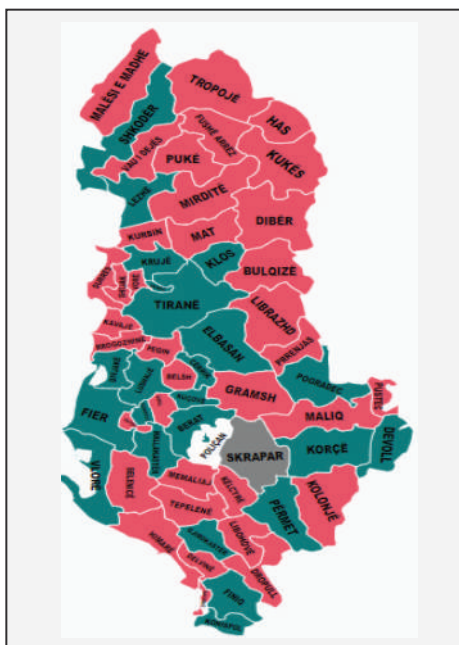
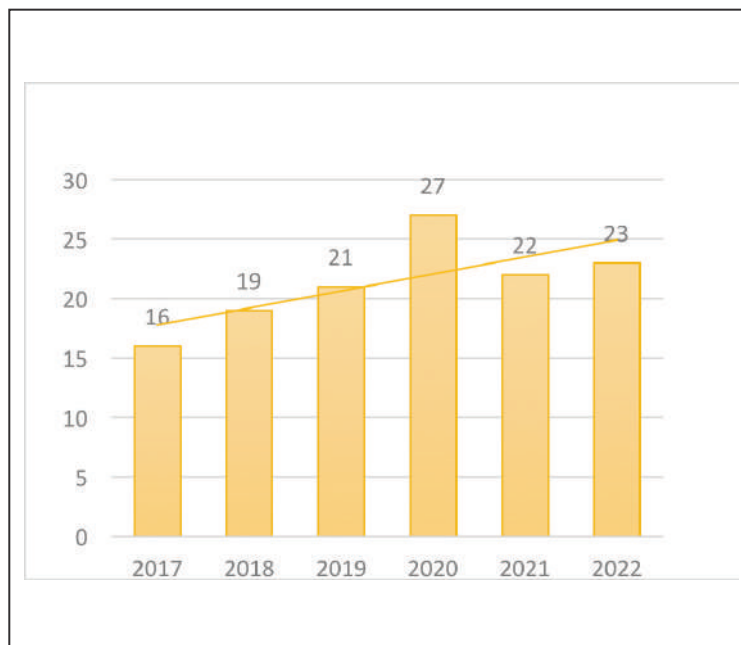
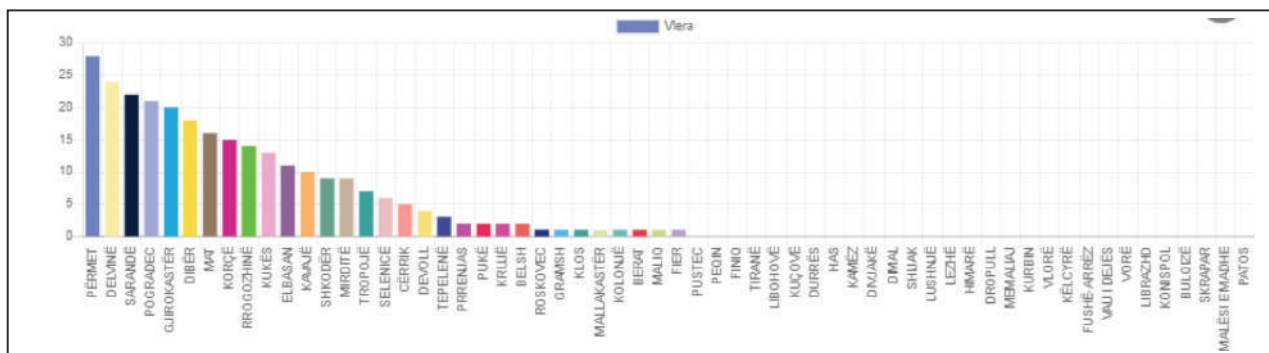


Chart 58: Action Plan for the Integration of R&E at local level 2017-2022



- 29 municipalities reported on the regular use of the ROMALB system for the purpose of statistics and analysis, as well as reporting on the decision-making of the Municipality and the Ministry of Health and Social Protection. *The indicator has decreased since 2021 with 32 municipalities that used the ROMALB system.*
- In 2022, about 11% R&E beneficiaries benefited from municipal social housing programs against the total number of applications for the reporting year. The indicator remains at the same level as in 2021. 33 projects have been implemented, in support of the Roma and Egyptian minorities, or an average of 0.58 projects per municipality (N=57). *The indicator has significantly decreased since 2021 with 72 projects. The municipalities of Shkodra, Gjirokastra and Elbasan had the highest number with 3 projects each.*
- The number of employed Roma and Egyptian minorities in 2022 is a total of 417 or an average of 8.34 per municipality (N=50). *The indicator decreased since 2021, where there were 661 or an average of 12.47 per municipality. Berat Municipality has the highest number of R&E employees with 121, followed by Kavaja Municipality with 32.*
- In 2022, the number of employees from the Roma and Egyptian minorities in municipal institutions and public services is 271 or an average of 5 employees (N=54). *The number has increased since 2021 with 214 employees in total. The municipalities of Përmet with 28 and Delvina with 24 have the highest numbers.*

Chart 59: The number of R&E employees in the municipal institutions in 2022



Problems and challenges

- The monitoring system for violations of minority rights has not yet been established in a significant number of municipalities.
- Insufficient financial resources to support with special programs, with projects, accommodation, and organization of dedicated activities for R&E minorities.
- Municipal social housing programs are limited against the total number of applications.
- Lack of specialized civil society organizations that provide services to citizens in the fight against discrimination and in recognition of minority rights.
- Insufficient cooperation and assistance from international institutions and specialized organizations on the protection of minority rights.

Recommendations

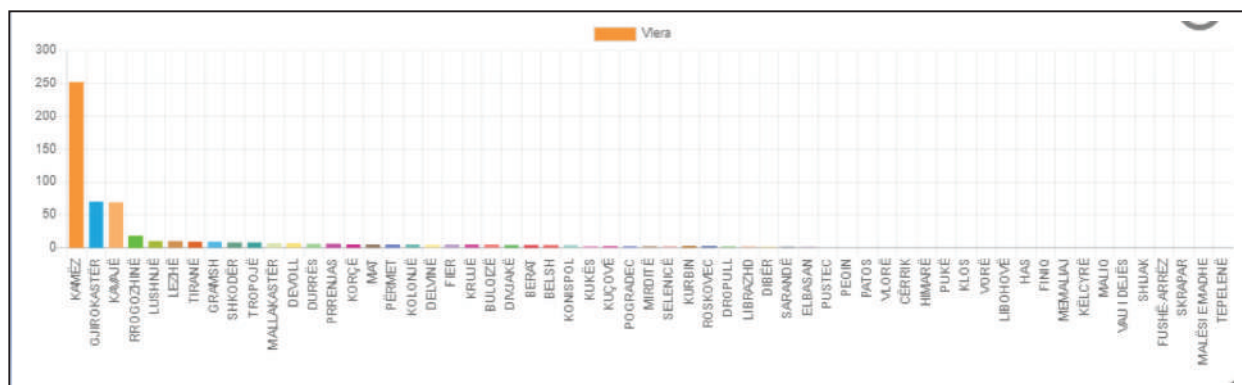
- The establishment of the monitoring system for the violation of the rights of minorities as well as the use of the ROMALB system by all municipalities.
- Training support for municipal staff dealing with ethnic minority R&E issues.
- Enhancing human resources in the municipal social service covering Roma and Egyptian minorities to assess the situation, conduct site monitoring and follow-up.
- Approval of local plans for the integration of the Roma and Egyptian minorities by the municipalities that have not implemented that, as well as the inclusion in the mid-term budget funds for their implementation.

Specific objective: Strengthening the system to ensure gender equality

Progress towards this objective according to the indicators is as follows:

- In 2022, the reported number of trainings of local civil servants with gender equality experts was 231 in total or an average of 4 trainings per municipality (N=57). *The number of trainings has decreased compared to 2021, where 272 trainings were reported.*
- The number of specialized services provided by the Municipalities for women victims of domestic violence/shelters, desegregated by administrative units, was 572 in total or an average of 10.59 trainings per municipality (N=54). *The number of services has increased compared to 2021, where a total of 380 were provided. The highest number of services or 44% of the total number were provided in the Municipality of Kamza with 252, Gjirokastra with 70 and Kavaja with 69 services. 16 municipalities do not provide any services while seven did not provide any information.*

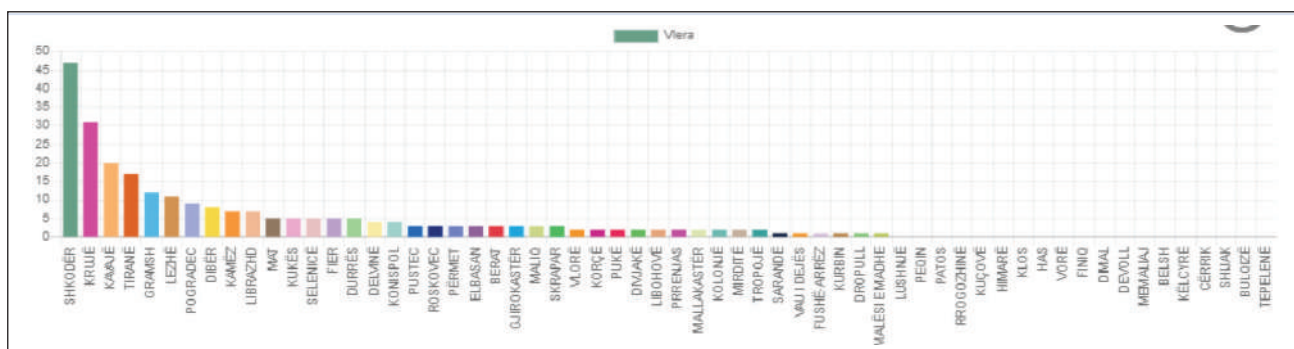
Chart 60: Specialized services provided by LGUs for victims of domestic violence, 2022



In 2022, a total of 1,677 reports of cases of violence were made to the Ministry of Health and Social Protection through the REV-ALB system, or an average of 34.94 cases per municipality (N=48). The indicator marks a decrease from 2,092 reports made in 2021. The highest number of reports were made by the Municipality of Tirana with 283 and the Municipality of Durrës with 264.

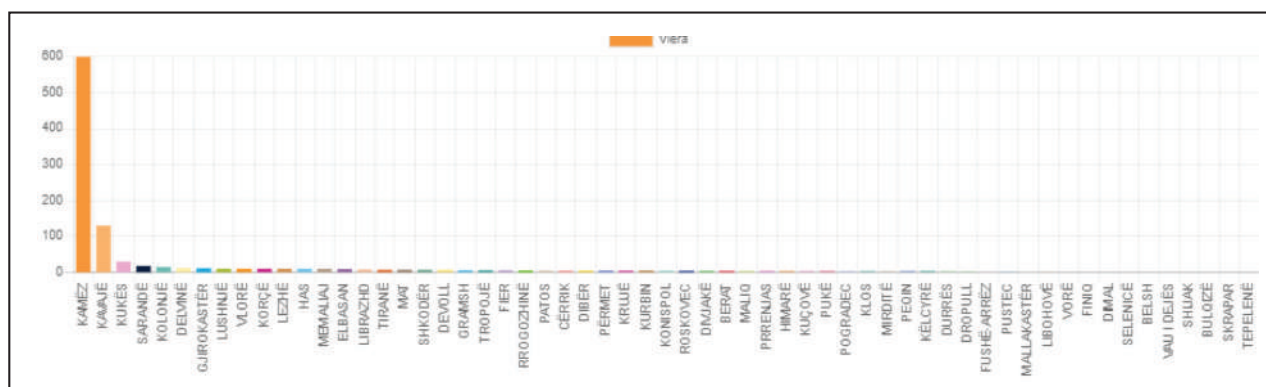
- Drafting of gender budgeting of the Municipality is a legal obligation. In 2022, only 34% of Municipalities (21 Municipalities) reported drafting a gender-sensitive budget with an increase of 5 Municipalities compared to 2021. A significant lack of planning is noted where 19 Municipalities reported that they have not carried out gender budgeting and 21 did not provide any information.
- In the framework of cooperation with civil society and donor projects a total of 252 activities against gender discrimination were carried out, or an average of 4.34 activities per municipality (N=58). The indicator remains at the same levels as in 2021. The municipalities of Shkodra (47), Kruja (31) and Kavaja (20) had the highest number of activities.

Chart 61: Activities of Municipalities and CSOs on gender discrimination, 2022



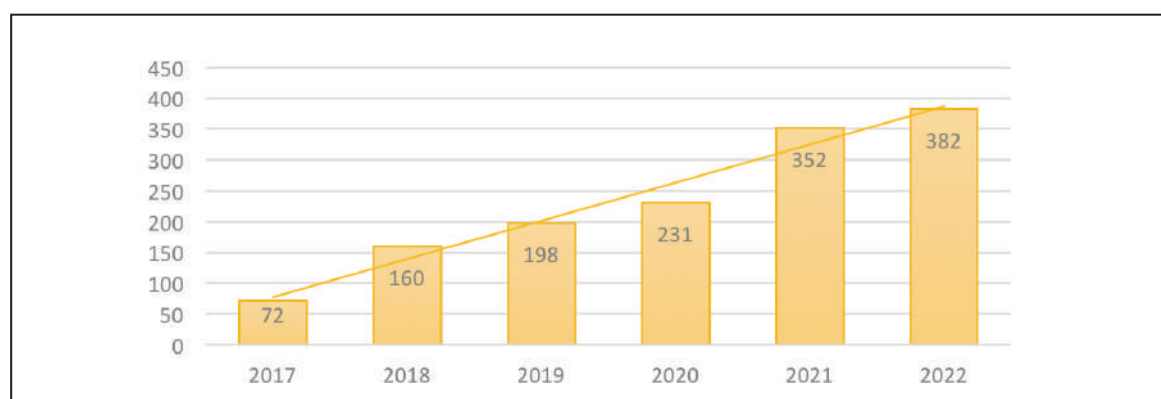
- In 2022, a total of 1,032 case management services were reported, or an average of 19.47 per municipality (N=53). The indicator has increased by 45% compared to 2021 with 568 services. The Municipality of Kamza reported the highest number with 600 services followed by Kavaja with 130.
- In 2022, 742 kindergartens and nursery schools received maintenance and reconstruction services from municipalities (N=57) or an average of 13 per municipality. The indicator has increased since 2021 with a total of 537 kindergartens and nursery school.

Chart 62: Number of services by case management, 2022



- 7.2% of the municipal budget (N=55) was allocated in 2022 for the protection of victims of domestic violence. 23% of the reporting municipalities have allocated 0% of their budget on cases in need of protection from domestic violence, while 6 municipalities did not provide any information. The fund has slightly increased since 2021 where 6.95% % of the budget was allocated.
- In total **382 activities on the promotion of gender equality** and implementation of the European Charter for the equality of M/F persons in local life have been implemented or an average of 6.7 activities per Municipality (N=57). The indicator marks an increase since 2021 with 352 activities. The highest number of activities was reported by the Municipality of Tirana with 66, Shkodra with 47 and Elbasan with 30.

Chart 63: Promotion activities on gender equality 2017-2022



Problems and challenges

- The municipal budget allocated for the protection of victims of domestic violence continues to be at extremely low levels.
- The REV-ALB system is not used by all municipalities and there is failure of regular reporting to the MHSP.
- There are low capacities of local officials and community center staff to cope with and manage all cases.
- There is lack of inter-institutional coordination and ineffective functioning of local level mechanisms within the harmonizing measures to counter domestic violence.

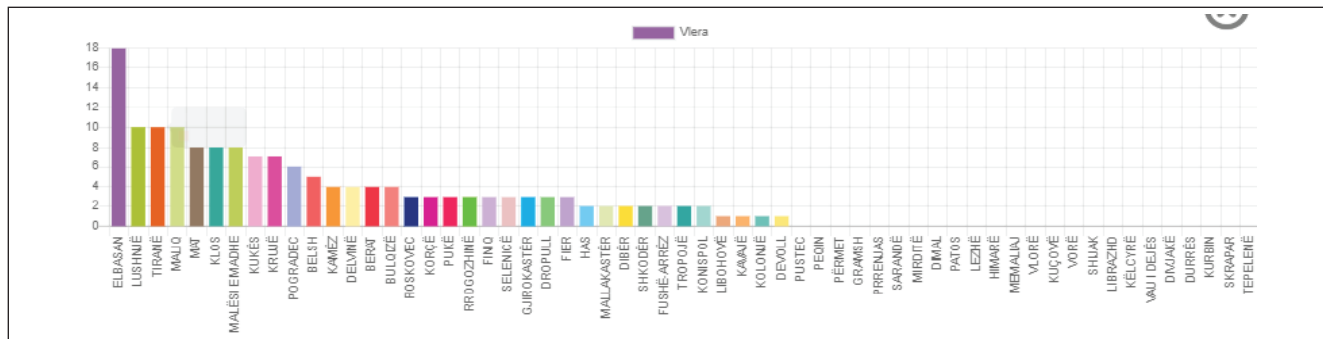
Recommendations

- Provide specialized and re-integration services for victims and strengthen case management work.
- Improve technical and financial assistance to the municipalities in terms of the allocation of the budget earmarked for the protection of children, as well as to the municipalities that have drawn up gender-sensitive MTBP.
- Improve the interaction between the municipalities and the Commissioner for Protection from Discrimination.
- Increase the number of awareness campaigns for protection from any form of discrimination, gender equality issues, protection of the Roma and Egyptian communities, as well as for the recognition of the rights of minorities and human rights.

Specific objective: Effective enforcement of Law 93/2014 “On the Inclusion and Access of People with Disabilities”

- In 2022, a total of 158 awareness activities and trainings on accessibility standards for people with disabilities (PWD) were carried out, or an average of 3 activities per municipality (N=52). The number is almost at the same level as in 2021. Of the reporting municipalities, 26% of them (16 municipalities) have not undertaken any awareness activity. The Municipality of Elbasan has the highest number of activities and trainings with 18, Tirana, Maliq and Lushnja with 10 each.

Chart 64: Activities on accessibility standards for people with disabilities (PWD), 2022



In 2022, the establishment of the Needs Assessment and Referral Unit was reported in 24 municipalities against 20 municipalities in 2021. The preparation of the Local Action Plan for the Social Inclusion of PWDs was carried out by 50% of the municipalities (31 municipalities) remaining at the same level as 2021.

- In 2022, a 6.94% increase in the local budget fund for the removal of environmental and infrastructural hurdles for PWD was reported. The indicator has decreased since 2021, where it was reported at 8.24%.
- On average, **36.37% of the schools in the pre-university system have infrastructure accessible** to people with different abilities (N=59), increasing by 3.27p.p. compared to 2021. The municipalities of Gjirokastra, Kamza, Roskovec, Rrogozhina report 100% infrastructure accessible to PWDs, while Poliçan and Shijak did not provide any information.

Chart 65: Number of schools accessible for children with different abilities, 2022

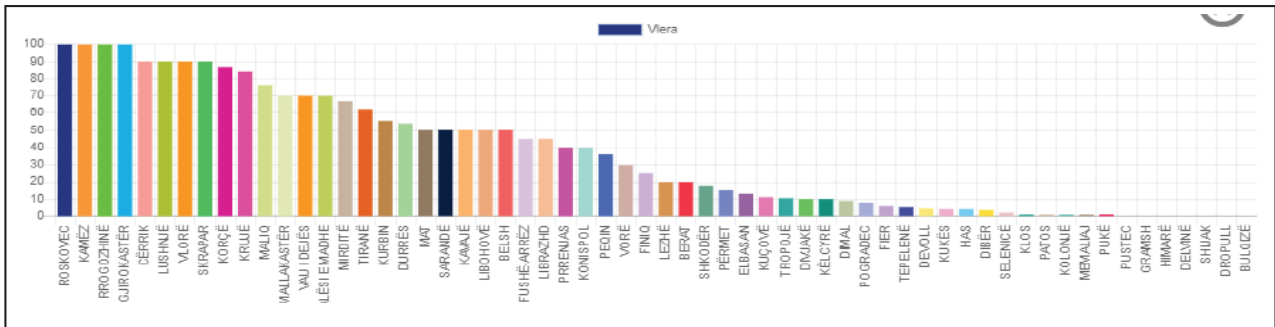


Chart 66: % of accessibility of school infrastructure by children with different abilities 2017-2022

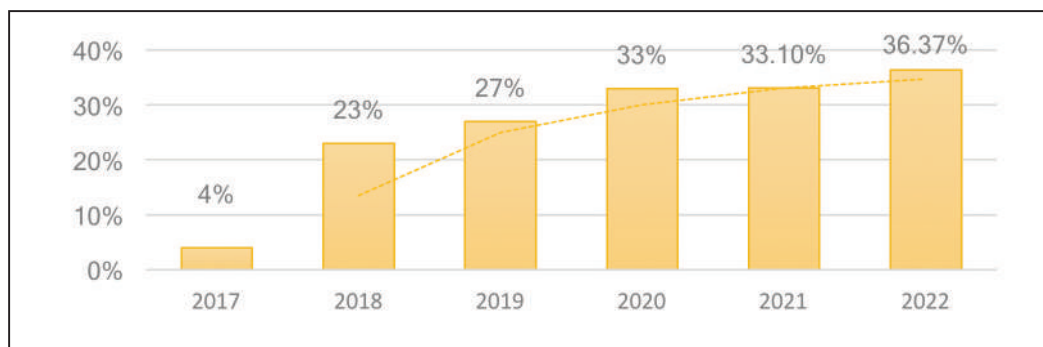
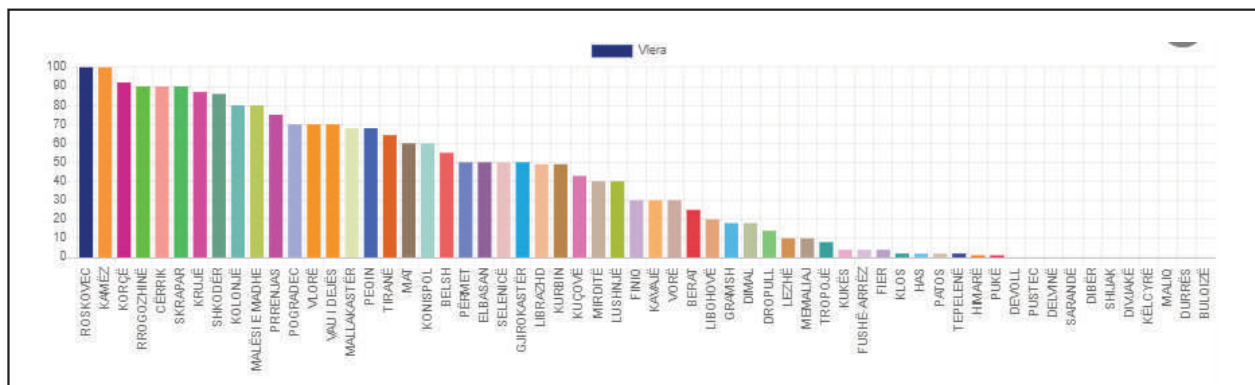
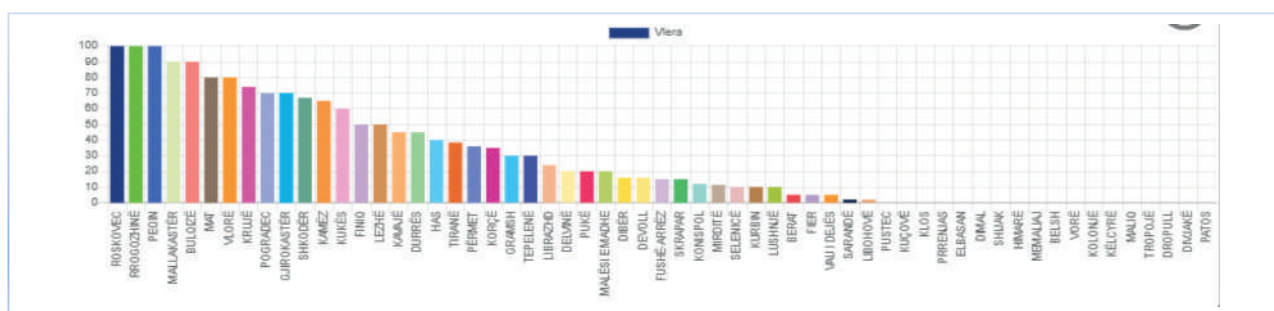


Chart 67: The rate of public institutions accessible for people with different abilities, 2022



- In 2022, the average rate of public institutions accessible for people with different abilities against the total number of institutions at the local level was 39.49% (N=56); the indicator has increased by 2.59 p.p. compared to 2021. The municipalities of Kamza and Roskovec reported 100% public institutions' infrastructure accessible for PWDs.
- In 2022, 278 local officials were reported employed in social support and protection structures for PWDs, or an average of 4.71 officials per municipality (N=59), with a slight increase compared to 264 officials in 2021. The highest number of employees was reported in the Municipality of Vlora -24. The municipalities of Fushë-Arrëz, Këlcyra, Peqin, Saranda and Skrapar have no officials for PWD, and the Municipality of Poliçan did not provide any data on the indicator.
- About 31.4% is the average road infrastructure accessible by people with different abilities in relation to the length of the urban network in the territory of the municipality (N=53). The indicator shows an increase of 4.7 p.p. compared to 2021 where 26.27% was reported. The municipalities of Rrogozhina, Peqin and Roskovec report that 100% of urban roads are accessible to people with different abilities. While 20% of municipalities report 0% accessible road infrastructure.

Chart 68: The rate of urban network accessible for people with different abilities, 2022



In 2022, the number of historical and cultural centers in the territory of the Municipality equipped with the appropriate infrastructure for people with different abilities was reported as a total of 123 from 86 in 2021. About 38% of municipalities (23 municipalities) reported that they do not have the appropriate infrastructure and 5 municipalities¹³⁰ did not provide any information.

Problems and challenges

- The basic infrastructure to ensure the access of people with disabilities remains low. Insufficient budgets for serious and sustainable investments in the municipality.
- Lack of updated data and in-depth analysis on the situation and needs of people with different abilities at the municipality and regional level.
- The rate of accessibility in schools, public institutions and various services, as well as in cultural facilities is still limited in most municipalities.
- Few employment opportunities in line with the working needs and skills of PWDs to enhance their integration in society.
- Low number of services and employees dedicated to people with disabilities to deliver the proper quality and timely services.

¹³⁰ Skrapar, Poliçan, Maliq, Këlcyra, Elbasan

Recommendations

- Better cooperation between various stakeholders actors at the local and central levels, as well as periodic monitoring of social care services provided for the vulnerable and PWD categories.
- Improving the infrastructure and creating conditions to facilitate the access of PWD to institutions, cultural centers and other services in the territory of the municipality.
- Strengthening cooperation with education, vocational training, employment, and health, psycho-social, integrative, rehabilitative services, etc. for the support of people with disabilities.
- Better information sharing related to evaluation, monitoring and quality rating of service providers for different categories of beneficiaries.

CONCLUSIONS ON THE JUDICIARY AND FUNDAMENTAL RIGHTS

The municipalities continued their efforts in 2022 to implement their legal obligations and enhance their capacities in the protection and promotion of fundamental rights. Progress has been made in increasing the number of Child Protection social workers (CPW) as well as cooperating with the civil society and donor projects to protect minority rights. The monitoring system for violations of rights operates in only 33% of the municipalities.

Insufficient human capacities in managing rights violation cases and very limited financial resources remain the key challenges. Although the indicator has increased compared to previous years, it still remains at low levels compared to the needs the municipalities have in managing all cases. *There is still significant gender-sensitive budget planning gap in numerous municipalities.*

Stronger efforts are needed to tackle discrimination and violence against people with disabilities, improve general access, promote employment, and collect statistical data on their situation. The quality of education for children with disabilities, especially children with hearing impairment, continues to be a concern. There are not enough assistants for children with disabilities in the pre-university education system. Additional efforts are needed to provide training on inclusive education approaches to all teachers and on early disability detection.

3.9 Chapter 24: Justice, Freedom, and Security

Specific objective: Furthering the fight against organized crime

In 2022, the working group for the implementation of the Action Plan for the fight against organized crime at the local level was created in 28 municipalities; the indicator has no increase compared to 2021. There is no progress regarding the drafting of the Public Safety Strategy at the local level in only 36 of the 38 Municipalities in 2021.

Chart 69: Working group in the Municipality for the implementation of Action Plan for the Fight against Organized Crime

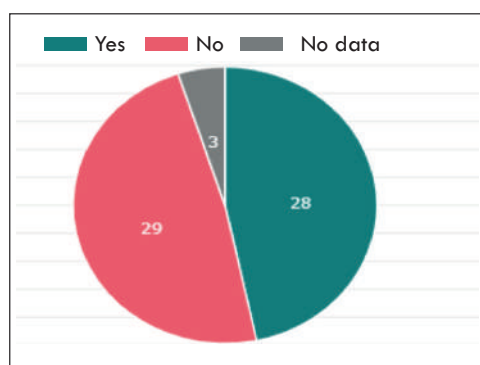
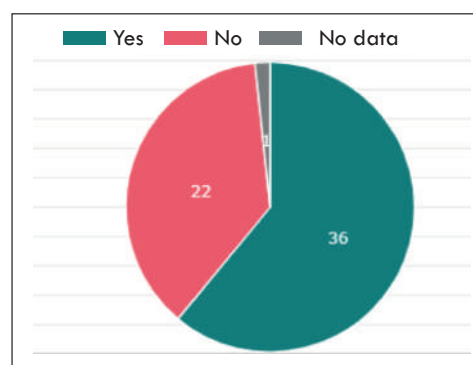


Chart 70: Public Safety Strategy in the municipality 2022



Progress has been made by the municipalities in the establishment of the Local Safety Councils in 2022, as a mechanism in the fight against organized crime in about 77% of Municipalities (47 Municipalities). The indicator has increased by only 1 Municipality compared to 2021.

Map 14: Local Safety Council against Organized Crime 2022

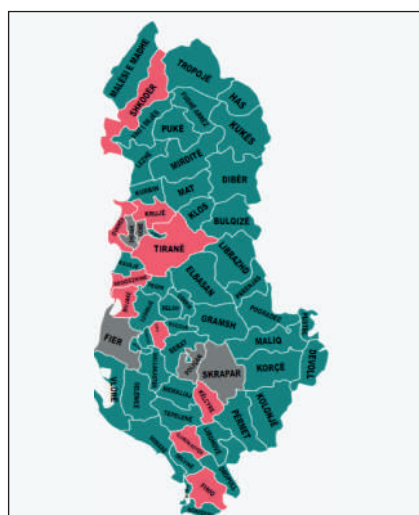
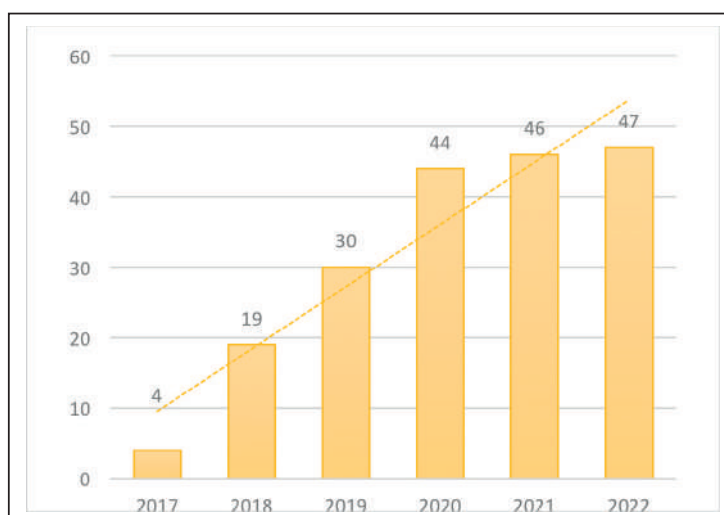


Chart 71: Establishment of Local Safety Councils 2017-2022



- In 2022, the establishment of the Community Policing Office in each administrative unit was reported with an average of 52.3% (N=50). The indicator shows an increase of 11.7 p.p. Meanwhile, there are 11 municipalities that did not provide any information on this indicator.
- The number of cases referred by citizens to the Community Policing Office was 2,348 for 2022 or an average of 52.18 cases per municipality (N=45). The Municipality of Maliq had the highest number of referred cases -350 followed by Lushnja with 300 cases.

Problems and challenges

- The failure to establish the working group in the fight against organized crime in all municipalities and the ineffective cooperation with the State Police structures remains a challenge.
- The lack of Public Safety Strategies for some municipalities has led to challenges in managing the situation and the coordinated response.
- Local Safety Councils are not fully operational in all municipalities of the country.
- The establishment of the community policing offices especially in the Administrative Units and in rural areas remains a challenge.
- Citizens' awareness to refer any case is at low levels and inter-institutional cooperation is not effective.
- Information exchange and updating of adequate and accurate data on the number of cases remain problematic.

Recommendations

- Strengthening inter-institutional cooperation at the central level with the line ministries and at the local level through the LSCs for risk and damage assessment and taking preventive measures related to safety issues.
- Full operation of the community policing service. Strengthening cooperation in case management with all partners involved in the process.
- Establishing the Community Policing Office in all municipalities and in each administrative unit.
- Drafting and approval of local Public Safety Strategies and Establishment of Local Safety Councils in all municipalities.

CONCLUSIONS ON JUSTICE, FREEDOM, AND SECURITY

In 2022, the Municipalities continued their efforts to implement the measures provided for in the Strategy against Serious and Organized Crime 2021-2025 and the 2021-2022 Action Plan, approved in 2021. In finetuning with the local government functions related to issues of justice and security, **the municipalities had made progress in the establishment of the Local Safety Council,** as a mechanism in the fight against organized crime, but the drafting of the Public Safety Strategy at the local level has not kept up at the same pace. Also, the establishment of the Community Policing Office in each administrative unit has not made significant progress.

Building trust and enhancing community safety through community policing is a priority. In the 2022 monitoring report of the Ministry of the Interior, the State Police stated that it will amplify its measures to identify high-risk and priority areas, and build the capacities of community policing officers and referral mechanisms. Cooperation with the community, local structures, and the implementation of policing awareness campaigns in high-risk areas remain a priority for the promotion of community policing and its role for the community.

3.10 Chapter 26: Education and Culture

“Albania is relatively prepared in the field of education and culture. Adequate financial resources must be allocated to ensure the implementation of reforms and new policies.¹³¹”

In 2022, the draft decision “On some additions and amendments to Decision no. 682, dated 29.7.2015, of the Council of Ministers, “On the use of public funds for the transportation of educational workers and of students who attend school far from their place of residence” was discussed in the Consultative Council of the central and local governments. This decision aimed to create better conditions for public pre-university teachers who work far from their place of residence and for students who attend school far from their place of residence by using public funds to ensure their transportation.

Specific objective: *Increasing attendance in preparatory preschool classes*

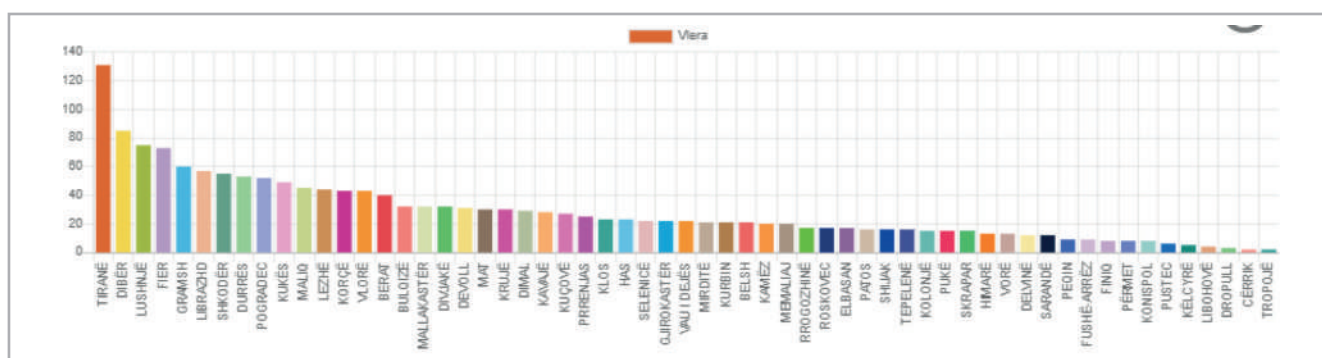
In 2022, 1 674 kindergartens, or an average of 28.37 kindergartens (N=59) were operational. The municipality of Tirana has the highest number with 131 gardens, Dibra with 85 gardens, Lushnja with 75, and Fier with 73 gardens. The municipalities of Poliçan and Malësi e Madhe did not report on the indicator.

- In 2022, the Municipalities' reports (N=55) showed that in 15.17% of kindergartens the number of children was below the allowed capacity. In 2021, the indicator was 27.37%. The Municipality of Divjaka had the highest number of kindergartens under capacity-93%.

Average ratios at the national level in 2022 are reported to be:

- The average child/preschool teacher ratio in the urban area was 15.78 (N=59)
- The average student/teacher ratio in urban areas was 15.1 (N=57)
- The average student/teacher ratio in the city-center of the municipality was 18.02 (N=58)
- The average ratio of students/class in the urban area was 23.48 (N=57)

Chart 72 : Number of kindergartens by LGU, 2022



¹³¹ European Commission Report for Albania (2022)

- In 2022, it was reported that municipalities have organized **236 awareness campaigns for parents about the children attending preschool** education, or an average of 4.14 per municipality (N=57). *The Municipality of Elbasan has the highest number with 34 campaigns, Dimal and Gjirokastra with 20 campaigns. The indicator has increased by almost 36% since 2021 where 151 campaigns were organized.*
- In 2022 **the fund allocated from the local budget for the reconstruction of the existing kindergartens** or the building of new ones was 2.53% (N=56) with a very slight increase since 2021. *About 48% of municipalities (29 municipalities) reported zero percent of funds allocated in their budget, while 5 municipalities did not provide any information¹³².*
- In 2022, **the number of children in the Municipalities of the basic education (compulsory) age group** belonging to marginalized groups was reported in a total of 11,341 or an average of 257.75 children per Municipality (N=44). *The number has decreased by 37% compared to 2021, where 15,610 children from marginalized groups were reported in the municipality. The highest number was reported by the Municipality of Tirana-1,982, Municipality of Elbasan-1,943 and Kuçova -1,749.*

Objektivi specifik: rritja e pjesëmarrjes në institucionet e arsimit të detyrueshëm për fëmijët e grupeve të marginalizuara.

- 50 municipalities or 82% of the municipalities in 2022 planned **infrastructure for PWD** in their school reconstruction/construction designs. *The indicator has increased by 4 p.p. since 2021. There are 6 municipalities: Tepela, Shijak, Pustec, Peqin, Mirdita, Himara that have not planned any infrastructure for PWDs and 5 municipalities that did not report any information¹³³.*
- On average, **2.54% of the local investment fund has been allocated for the construction of new schools** and the reconstruction of existing schools as per the budget approved in 2022. *The indicator shows a decrease from 2021 with 3.11%, from 2020 with 5.64% and from 2019 where the fund allocated for the reconstruction of existing schools, or the construction of new schools was on average 7.55%.*

Specific objective: Improving the decision-making process in schools in pre-university education

97% of municipalities had a municipal representative on the school board in 2022, with an increase of 90% since 202. Only the Municipality of Peqin reported that it did not have any municipal representative on the school board, while the Municipality of Poliçan did not report on the indicator.

Problems and challenges

- The low budget of municipalities continues to be a challenge for the construction and reconstruction of kindergarten and school buildings in the pre-university education.
- Kindergarten overcrowding is a problem in some municipalities that are unable to meet the entire community needs for child enrolment.
- The difficulty to enrol in preschool education especially of the Roma and Egyptian children as a priority for the integration of both communities in education.
- Lack of infrastructure to ensure access of PWD in certain educational institutions.
- The forecasted items in the budget and application for calls for EU-funded projects and other donor-funded projects, or alternative co-financing sources for school interventions remain challenging.

¹³² Skrapar, Poliçan, Memaliaj, Mallakastra, Librazhd did not report on this indicator.

¹³³ Bulqiza, Dimal, Elbasan, Librazhd, Poliçan did not report on this indicator.

Recommendations

- Improving school infrastructure by planning and allocating more earmarked budget.
- Municipalities should take local initiatives and mechanisms to build communication channels between parents, teachers, and the municipality to improve the knowledge and raise awareness about education, as well as voice the various concerns.
- Building the local administration capacities in monitoring and reporting the LGUs responsibilities and tasks for the kindergartens and schools management, as well as making the annual monitoring reports public on the municipality official website.
- Creating facilities and mechanisms to ensure adequate school infrastructure for children with disabilities and other marginalized groups.

Specific objective: Preservation and protection of tangible and non-tangible cultural heritage, the national generation treasure of the Albanian people

- In 2022, a total of 17 **cases of violations and illegal constructions** in cultural heritage areas and sites were reported against 12 reported in 2021. *The highest number was reported by the municipalities of Bulqiza and Gjirokastra with 4 violations each and Selenica with 3.*
- In 2022, a total of 109 measures against violations and other measures for the preservation of cultural heritage assets were taken (*against 855 measures in 2021*). The highest number of measures was reported by the municipalities of Lushnja with 60 measures, Kuçova with 11 measures, and Saranda with 11 measures.

Specific objective: Supporting the creativity and creative activity of Albanian artists through the strengthening of cultural events and the involvement of artists

- 1,643 **cultural events** or an average of 27.38 activities per municipality (N=60) were organized. The number increased since 2021, where 770 cultural activities were organized. The Municipality of Tirana has the highest number of activities with 550 followed by the Municipality of Durrës with 108.
- **Local fund approved for cultural events** of the municipality itemized in the cultural heritage budget in 2021 was 8.18% (N=53). The budget allocated for cultural events has increased since 2021 with 7.64% and 2020 where it was 5.56%.

Problems and challenges

- Low financial resources to promote cultural heritage at national and international levels, to promote and organize annual festivals, and preserve folk music.
- Increasing cooperation with other public and private institutions, entrepreneurs as well as with young artists to influence new ideas about organizing cultural events to promote the region.
- Increasing cooperation with the Ministry of Culture and other central institutions to preserve and inherit cultural traditions such as folk songs, costumes, and handicrafts of the region.
- Better cooperation with the community to improve living conditions and to respond to the demand for the preservation of the cultural heritage authenticity.

Recommendations

- Strengthening cooperation and coordination between the local administration and state police structures to prevent violations and damages to cultural heritage.
- Drafting cultural property management plans through a detailed identification of the type and importance of assets of cultural heritage values.
- LGUs should take actions and policies to consider culture as an incentive for tourism development.
- Application of financial support schemes to enable the preservation of individual-owned cultural heritage assets.
- Increasing human and financial capacities to organize cultural events for the promotion of the regional and national cultural elements.

CONCLUSIONS ON EDUCATION AND CULTURE

Despite the progress made at the central level with the approval of the Sector Strategies and the relevant Legislation, the municipalities still encounter difficulties in the policy implementation. **Even in 2022, the municipalities lacked the budget to invest in the kindergartens' and schools' infrastructure.** The fund allocated by the local budget for the reconstruction of existing kindergartens, or the construction of new ones was at low levels. **There has been progress in the provision of PWD infrastructure in school reconstruction/construction designs in 82% of municipalities.**

In 2022, the problems of illegal constructions in cultural heritage sites and local budget limitations for cultural events in line with the community needs were identified. The preservation and maintenance of cultural heritage assets remains a challenge. Raising residents' awareness and close cooperation with police structures and other central institutions for the prevention and punishment of cases of violations is paramount. The drafting of plans for the protection and development of cultural heritage assets, as well as the allocation of budgets for investments and maintenance is a problem that must be properly and sustainably addressed.

According to the EU 2022 Report, **more resources are needed to modernize the education system** and ensure quality, equity, and inclusiveness for all students. The financial school autonomy has not progressed as by-laws and provisions for ensuring actual school financial autonomy have not been developed. Anti-corruption measures continue to have a limited impact on education, which remains a particularly vulnerable sector in this regard.

3.11 Chapter 27: Environment and Climate Change

“Albania has shown a degree of preparation in this field. Limited progress has been made in the further alignment of policies and legislation with the EU acquis, in areas such as water management, chemicals and environmental crime. Albania has made progress in the field of civil defense and is ready to join the European Union Civil Defense Mechanism. However, Albania must continue to work on further improving its civil defense system. Considerable efforts are needed to enforce laws especially in waste management, water and air quality, and climate change¹³⁴”.

In 2022, the following draft acts were discussed in the Consultative Council of the central and local governments:

In the area of Environment and Forestry:

- The draft law on the approval of the Action Plan Against the Poisoning of Threatened and Endemic Species of Wildlife in Albania, 2022-2030”. The draft law prepared by the National Anti-Poisoning Group within the Balkan Anti-Poisoning Project (BAPP) aims to serve as part of the national strategy that will help prevent, fight, and reduce wildlife poisoning in Albania.
- The draft decision “On the approval of requirements for hospital waste management”. The delivery of health care services generates waste and requires their management within the hospital facility, whether they are hazardous or non-hazardous. The act is intended to provide requirements for hospital waste producers to help them operate within the legal requirements for a safe working environment.
- The draft decision “On an addition to DCM no. 559 dated 29.07.2022 “On setting prices and fees for the provision of harvest/use of the national forest fund for economic purposes as well as wood and non-wood products”. The draft decision sets the prices and fees for wood products and aims to achieve a sustainable use and harvest of the forest fund, which is necessary for the financial regulation for the use of forests and the best possible management of this sector.
- The draft decision “On the criteria for the classification of violations leading to minor or serious consequences and financial sanctions in the National Forestry Fund” and the draft decision “On determining cases for putting into use and for changing the category of use, procedures and relevant documentation for land use changes and reduction in volume from the national forest fund or its expansion”.

Specific objective: Raising local government awareness of and building their capacities for their role in the protection of the environment, nature and forest management

The LGUs responsibilities in the field of environmental protection are related to the provision, at the local level, of measures to protect the quality of air, land and water from pollution, the provision of measures to protect against noise pollution, and the development of educational and promotional activities on the environmental protection.

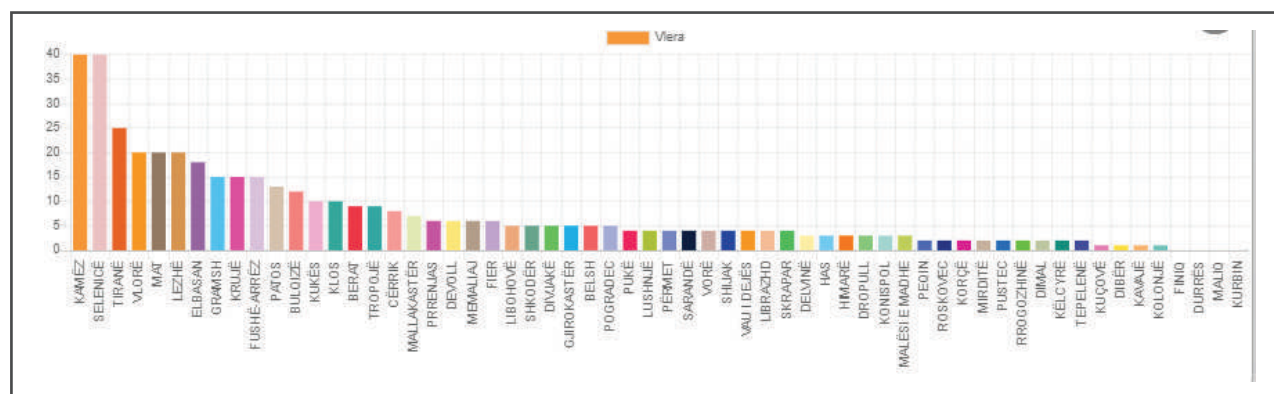
¹³⁴ European Commission Report for Albania (2022)

- In 2022, a total of **201 local officials** were trained on the legislation and the implementation of central policy measures in the field of the environment, or an average of 3.53 trained officials per municipality (N=57); the indicator has increased since 2021, where 142 trained employees were reported. The Municipality of Tirana has the highest number with 46 followed by Vlora with 30 trained officials. *The municipalities of Cërrik, Malësi e Madhe, Maliq, Poliçan did not provide any information.*
- The municipalities **organized 385 awareness campaigns in 2022 in environmental protection** and minimization of pollution in cooperation with other local stakeholders and CSOs. The indicator has increased against 364 campaigns organized in 2021. *The highest number of campaigns was organized by the Municipality of Tirana-27 campaigns as well as Gjirokastra and Selenica with 25 campaigns each.*

Specific objective: Educating new generations to protect the environment and minimize pollution

- In 2022, 436 awareness raising campaigns were organized in middle schools and high schools on environmental protection and pollution minimization, or an average of 7.27 per municipality (N=60). The Municipality of Kamza organized the highest number-40 and Selenica-36. The Municipality of Poliçan did not report any information. The indicator has increased against 288 campaigns in 2021 and 167 in 2020.

Chart 73: Awareness campaign on environmental protection in schools, 2022



Specific objective: Drafting of the action plan on the improvement of ambient air quality at the local level

- Municipalities have the legal obligation of drafting local action plans to implement central policies for air quality improvement. **In 2022, 14 municipalities reported having drawn up Action Plans which showed an increase of 2 more municipalities than in 2021.** 78% of municipalities still do not have a local action plan for air quality improvement.
- **In 2022, a total of 23 measures planned by the Municipalities were reported in the MTBP for improving air quality** or on average 0.79 measures per municipality (N=29). Only 7 out of 29 reporting municipalities have provided measures for air quality in MTBP. *The indicator is down from 27 measures in 2021 and there is a marked lack of reporting from many municipalities.*

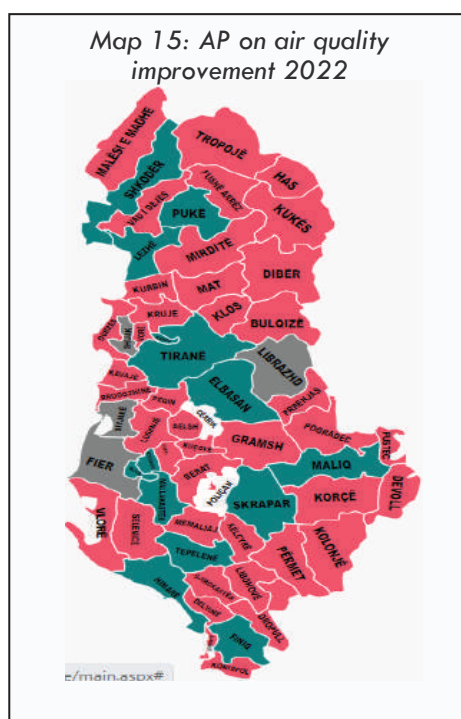
Problems and challenges

- The staffing and their qualification are at low levels to meet the challenges of the sector.
- Municipalities are once again faced with low local administration capacities to ensure the implementation of the environmental legislation.

- Action plans and concrete measures for implementation or actions to improve air quality are missing in some municipalities.
- Financial resources remain insufficient and there is a lack of environmental policy planning in MTBP.
- Few projects focusing on air quality improvement implemented in some municipalities, mainly in small ones.
- Lack of sustainable activity of NGOs operating in the field of environment and of international organizations specialized in environmental issues.

Recommendations

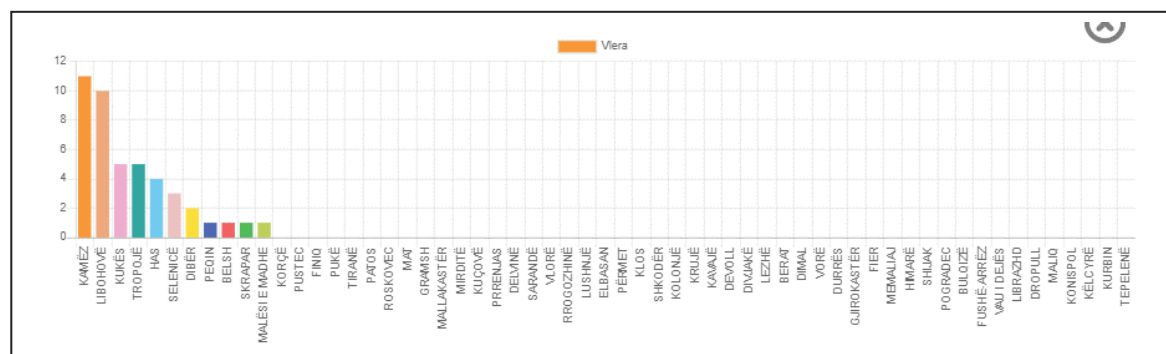
- Approval as soon as possible of Local Action Plans on the air quality improvement by the Municipalities that have not approved them yet and integration of measures in the budget programs.
- Enhancing the number of local officials covering environmental protection and air quality and the implementation of relevant legislation, in some municipalities.
- Better cooperation in EU-funded projects and other donor-funded projects in the field of environment and providing training for public officials in the field of environment and European standards.
- Continuation of civic education programs, education of young people in schools and increased cooperation with other stakeholders at the local level and civil society organizations.
- Municipalities must make a detailed analysis of investment needs and ensure a progressive fund planning in the local budget on environmental issues.



Specific objective: Improving Integrated Waste Management

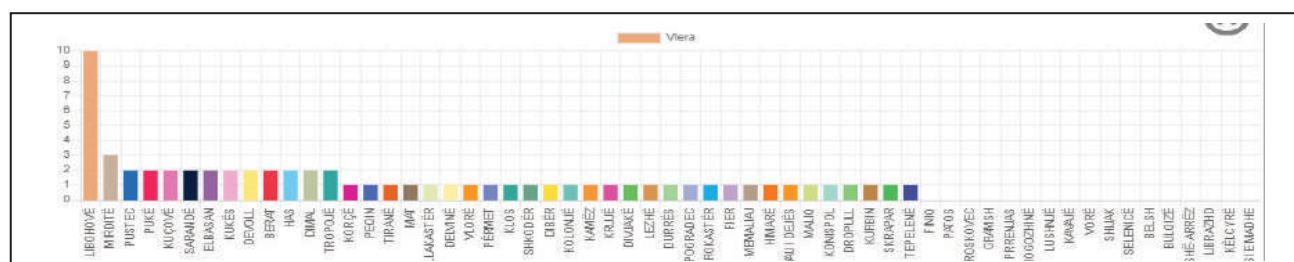
- In 2022, 24 municipalities drafted the Local Integrated Waste Management Plan (IWM) that is 5 more municipalities than in 2021. *This indicator was not reported by 22 municipalities that did not provide any information. The municipalities that drafted the Local IWM Plan in 2022 were: Lushnja, Divjaka, Përmet, Gjirokastra, Himara, Bulqiza and Kruja.*
- In 2022, 19 municipalities or 31% carry out the disposal of recyclable waste according to the objectives of the local waste management plan. *The indicator has increased from only 19.7% of municipalities in 2021.*

Chart 74: Unauthorized waste disposal sites by LGU, 2022



- 64 authorized disposal sites were used by municipalities for waste disposal in 2022 (N=58) or an average of 1 disposal site per municipality. The total remains the same as in 2021 and the highest number was found in the municipality of Libohova-10. The municipalities of Cërrik, Librazhd, and Poliçan did not report on this indicator.

Chart 75: Authorized landfills, 2022



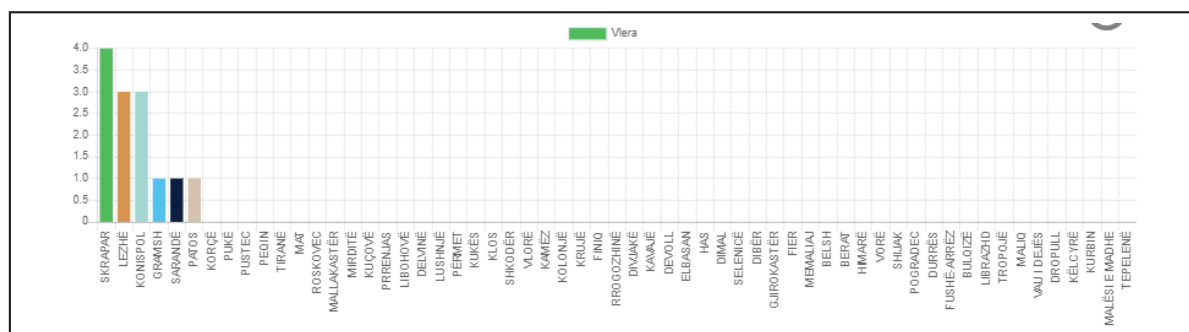
- The average distance of the center of the Municipality from the approved landfill is 58.77 km. The indicator of the distance of the center from the landfills has improved compared to 31.32 km in 2021, 21.41 km in 2020 and 7.97 km in 2019 and 2018.

Specific objective: Implementation of waste recycling measures

This specific objective was set in 2022 and its progress is assessed in four indicators:

- on average, 11.1% of waste collection points were equipped with waste segregated containers where waste was segregated at source (N=55).
- the number of waste collection vehicles was 529 in total or an average of 9.12 vehicles per municipality (N=58). The municipality of Finiq owned most vehicles-150 and Tirana -80 vehicles.
- the number of specialized tools for waste collection segregated at source was 54 or an average of 0.95 per municipality (N=57). The municipalities of Tirana and Durrës owned most specialized vehicles-12.
- the number of contracts signed with waste recycling businesses was 13 (N=56). Only 6 municipalities reported that they had signed 1 to 4 contracts, the maximum number was reported by the municipality of Skrapar.

Chart 76: Number of contracts signed with business operators on waste recycling, 2022



Problems and challenges

- Strengthening the municipalities' capacities in line with the new waste management methodologies is challenging.
- The inability of municipalities to segregate waste at source due to the high cost and lack of appropriate equipment.
- The malfunctioning of the monitoring system by the municipalities and the poor quality of services by private waste management operators.
- The large number of inadequate and unauthorized disposal sites remains a challenge.
- The low level of civic awareness and education, including young people, about the importance of waste segregation at source.

Recommendations

- Drafting of the local integrated waste management plan by all municipalities and the integration of its measures in the Medium-Term Budget Program.
- Ensuring funding and monitoring the implementation of the Integrated Waste Management Plan with high financial effectiveness and efficiency.
- Continuous monitoring by the municipalities of the services delivered by private operators and concessionaires contracted for waste collection, disposal, and recycling services.
- Increasing the number of waste recycling investment projects in municipalities or regions and cooperating with the central government for their timely implementation.
- Enhancing awareness and civic education through awareness raising campaigns in cooperation with civil society organizations.

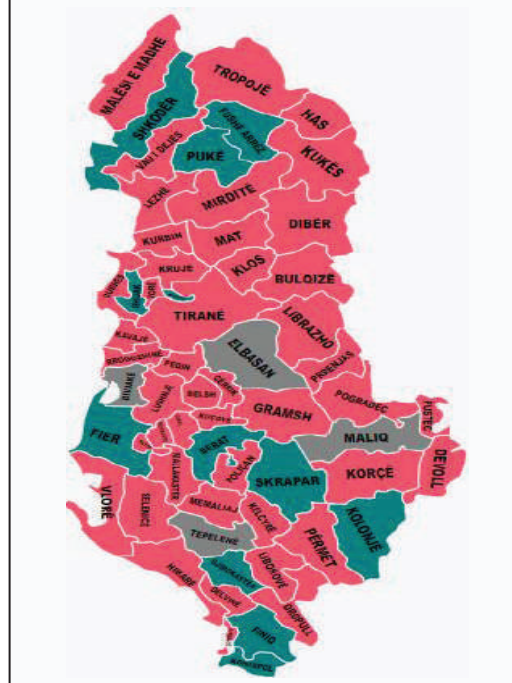
The local climate change mitigation plans were drawn up by 12 municipalities with one more since 2021. The municipalities of Tepelena, Maliq, Elbasan, Divjaka did not provide any information on the indicator.

Specific objective: Increasing capacities to adapt to the challenging climate change effects at the local level

In 2022, the number of specialists employed and trained at the local level in climate change, energy efficiency and renewable energies was 411 in total or an average of 7.09 officials per municipality (N=58). The indicator has increased significantly by about 8 times more than in 2021 where only 48 officials were reported. The Municipality of Elbasan had the largest number, almost 60% of the total, with 254 environmental specialists.

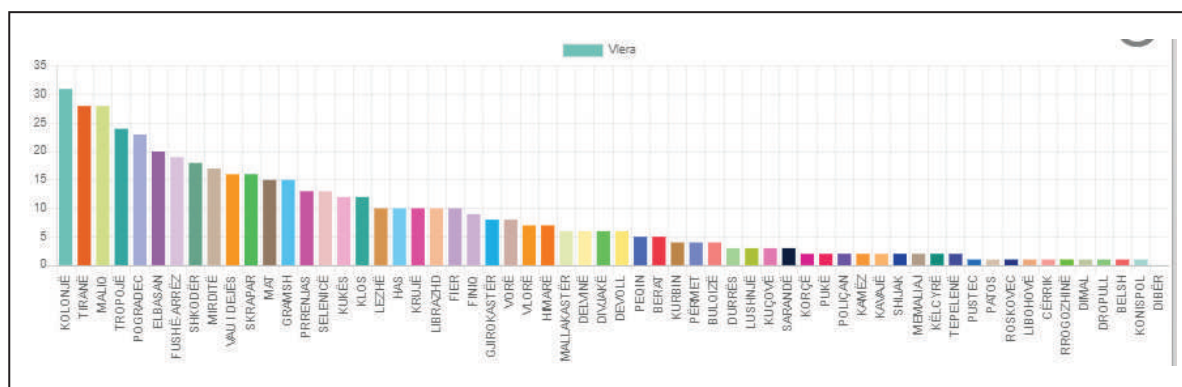
Specific objective: Afforestation of degraded areas through the destination recycling of forest resources and the elimination of debts of entities operating in the forest fund.

Map 16: Local risk mitigation plan, 2022



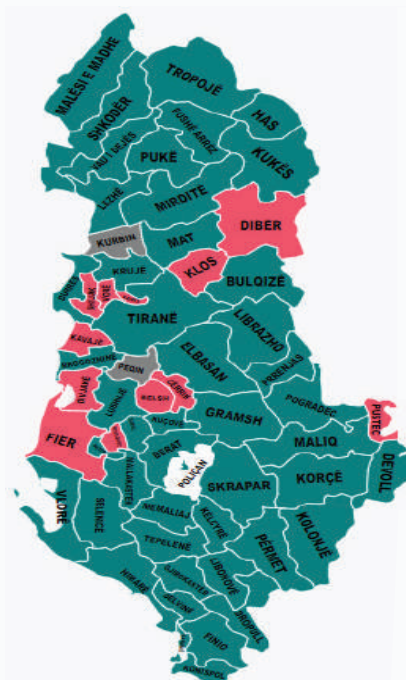
- In 2022, 62% of municipalities drew up the plan for the sustainable management of the forest and pasture fund. 20 municipalities reported that they had not drawn up the plan for the management of the forest and pasture fund, while three municipalities did not provide any information¹³⁵.
- The total number of local specialists for forest and pasture management in 2022 was 495 or an average of 8.39 officials (N=59). The indicator has slightly increased since 2021 with 31 more specialists. The municipalities with the highest number of employed specialists were Kolonja with 31, Maliq and Tirana with 28 each.
- The establishment of a database of the operating entities and the creation of the forest and pasture fund cadastre is one of the local government tasks.

Chart 77: Employment rate of forestry fund specialists according to legislation, 2022



¹³⁵ Poliçan, Peqin, Bulqiza did not report on the indicator

- Map 17: Database of the operating entities in the forest and pasture fund, 2022



- Approval of local Climate Change Adaptation plans by all municipalities and provision of funds for the implementation of their measures.
- Drafting of Local Forest Plans and Management Plans as well as connecting the local plan measures in the medium-term budget planning document in line with the municipalities' priorities.
- Cooperation between the municipality and citizens in actions for the protection of the environment, as well as in monitoring environmental pollution by economic operators, and pressing them to take measures to avoid pollution.
- Organizing awareness raising and outreach campaigns on climate change risks and mitigation measures.

In 2022, the following draft acts were discussed in the Consultative Council of the central and local governments:

- Draft “National Strategy of the Water Supply and Sewerage Sector 2023-2030”. The strategy aims to draft appropriate policies and dedicate sufficient funds to improve the quality of water supply services, disposal, and treatment of wastewater.
- The document on “National Policies for the reorganization of the water supply sector and the disposal, treatment and processing of wastewater” approved by Decision of the Council of Ministers no. 302, dated 11.5.2022.
- Draft law “On the preliminary approval of the area, distance and width of the water sources shores” approved by Decision of the Council of Ministers no. 748, dated 1.12.2022.

In 2022 it was reported that:

- On average, 81% of households were connected to the water supply network in urban areas in 2022 (N=60)¹³⁶. The situation remains the same as in 2021 where 33% of municipalities reported 100% connection of households to the water supply network and the municipalities of Dropull, Finiq, and Pustec reported 0% connection to the water supply network in urban areas.
- On average, 59.87% of households were connected to the water supply network in rural areas in 2022 (N=60). The indicator has decreased by -2.3 p.p. from 2021 where it was 62.17% and by -11.33 p.p. from 2020 where it was 71.2%.
- On average, 82.77% of households are connected to the sewerage network in urban areas (N=58). The municipalities of Poliçan, Përrenjas, Kolonja, Devoll, Memaliaj, Lezha, and Gramsh reported 100% connection to the sewerage network in their territory. The municipalities of Divjaka, Peqin and Shijak did not report on this indicator.
- On average, 20.49% of households are connected to the sewerage network in rural areas in 2021 (N=57). The municipalities of Shijak, Skrapar, Divjaka and Dibra did not report any information. The indicator has decreased since 2021 with 22.36% and since 2020 where 23.42% was reported.

Chart 78: % of households connected to the water supply network in urban areas, 2022

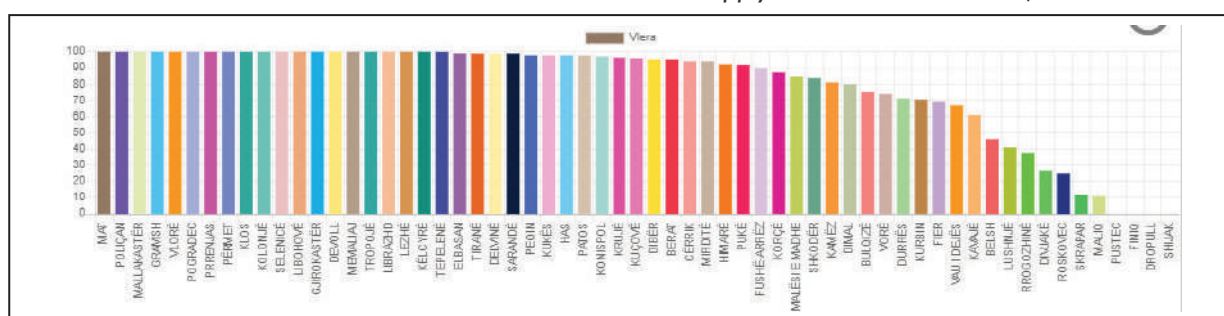


Chart 79: % of households connected to the water supply network in rural areas, 2022

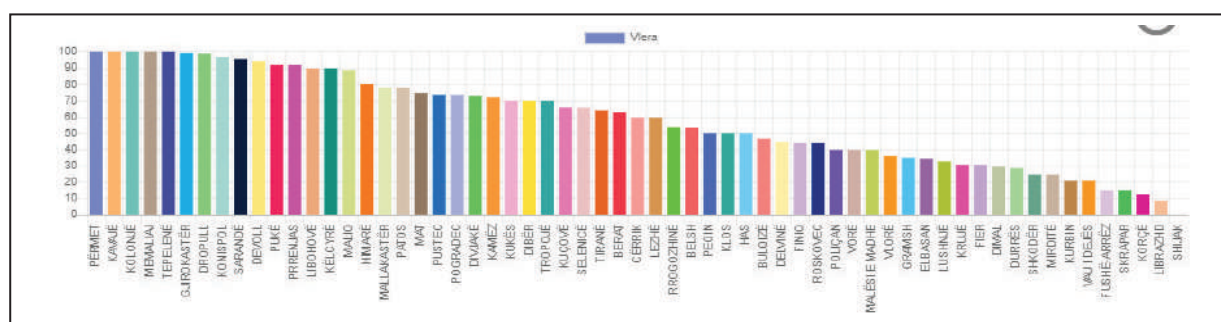
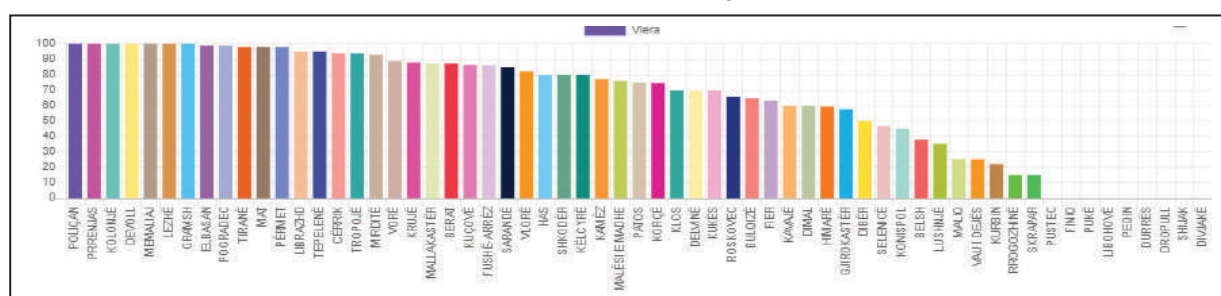
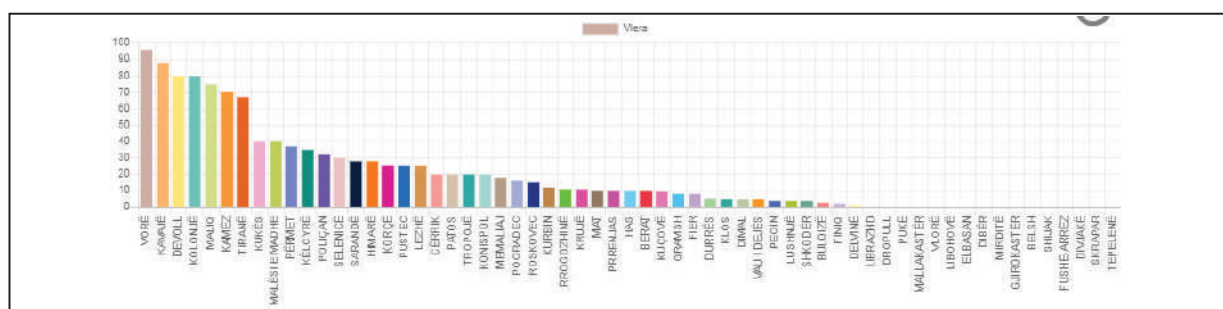


Chart 80: % of households connected to the sewerage network in urban areas, 2022



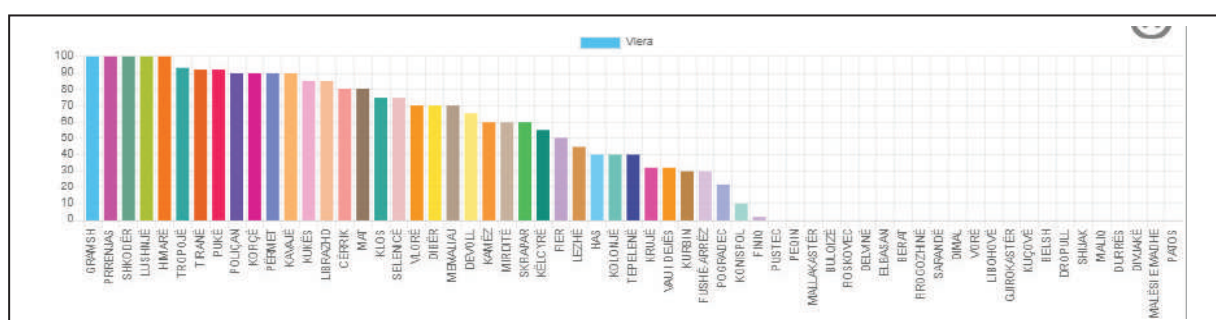
¹³⁶ The municipality of Shijak did not report on all four indicators as in 2021

Chart 81: % of households connected to the sewerage network in rural areas, 2022



- About 20% of municipalities (or 12 municipalities) reported that the wastewater treatment plant was established and operational in 2021 (N=58). The indicator has decreased with two municipalities since 2021. The municipalities of Shijak and Cërrik did not provide any information on the indicator.
- In 2022, it was reported that on average 48% of the rainwater sewer network was rehabilitated and operational in the municipalities (N=52)¹³⁷. The indicator decreased by -4 p.p. since 2021 with 51.86% of the rainwater sewer network rehabilitated.

Chart 82 % of rainwater sewer network rehabilitated and operational, 2022



Specific objective: Increasing the capacities to deal with natural emergencies

In 2022, the following draft acts were discussed in the Consultative Council of the central and local governments:

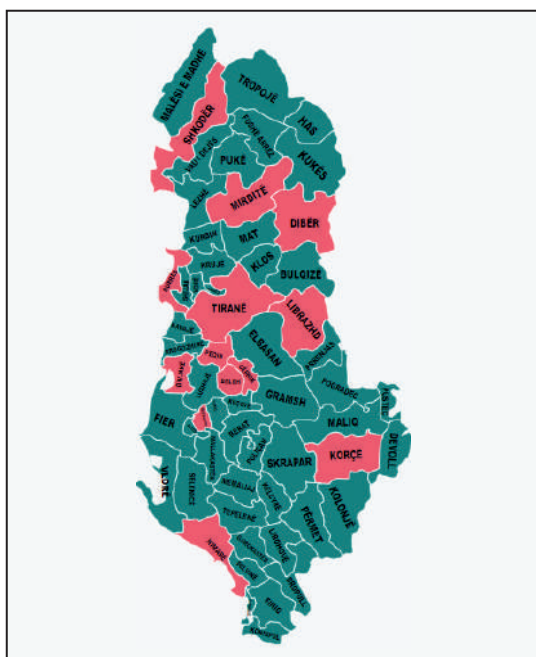
- Draft National Strategy for Disaster Risk Reduction 2023-2030 prepared by the National Civil Defense Agency. The vision of the strategy: “A safer, more stable Albania, able to reduce the risks of natural disasters and climate change effects, to prepare, cope with, and recover from disasters, integrated in all sectors with developed capacities to ensure the prevention of new risks and the management of remaining risks, so that they can all help in strengthening the resilience capacity and attain sustainable development of society”.
- Draft decision “On determining the criteria and procedures for allocating funds of the National Agency of Civil Protection, to take preventive and rehabilitation measures from disasters, in the damaged infrastructure, as well as in other activities in the field of civil protection”. The purpose of this draft decision is to determine the criteria and procedures for the use of the National Civil Defense Agency (NCDA) funds, planned for taking preventive and rehabilitative measures from disasters, in the damaged infrastructure, as well as in other activities in the field of civil protection; and to unify the procedures and criteria for the use of NCDA funds, for the fulfillment of its mission in civil protection.

¹³⁷ 9 municipalities did not report on this indicator

The progress in achieving this specific objective is measured by the following indicators:

- In 2022, there were 48 municipalities out of 53 municipalities from 2021 that reported having drawn up the **Local Civil Emergency Response Plans** in line with the National Civil Emergencies Plan. The indicator has decreased since 2021 and 21% of the municipalities have not drawn up a local plan for Emergencies.
- **In 2022, 60 municipalities or 99% of them set up civil emergency headquarters and civil emergencies structures.** Only the municipality of Himara has not set up the Civil Emergency Headquarters and structure yet. The indicator has increased by +2 p.p. since 2021.

Map 18: Drafting of the Local Civil Emergency Response Plan, 2022



Map 19: Municipality having set up the civil emergencies structure, 2022



- The coverage of the **civil emergency budget** by the Central Government for 2022 was on average 10.88% of the civil emergency budget at the local level (N=55). There is an increase of 1 p.p. of the civil emergency budget compared to 2021 where 9.71% was reported.
- The average rate of additional civil emergency funds allocated for 2022 by the municipalities was 2.88% (N=55). The indicator has decreased since 2021 by 5.41% and since 2020 where an average of 6.79% additional funds were allocated.

Problems and challenges

Municipalities continue facing challenges in the water supply sector:

- Illegal interventions in the water supply network by residents, families and private businesses have exacerbated the problems of the municipalities.
- Administrative capacities, infrastructure and early warning, prevention, preparedness and response systems are still inadequate.
- The lack of water supply and sewerage network is still present in some municipalities which report 0% network connection to households.
- The inability of municipalities to finance investments in water supply and sewerage networks due to the high cost of these projects.

Recommendations

- Covering of investment projects by the central government mainly for the municipalities with the biggest problems in the network and limited budgets.
- Cooperation with the Community and the Police to stop illegal interventions in the water supply network.
- Drafting and approval of the Local Civil Emergency Response Plan in line with the National Civil Emergency Plan by all municipalities.
- Additional funds by the Central Government under the obligation to support municipalities with budget funds for the civil emergencies prevention and management.

CONCLUSIONS ON THE ENVIRONMENT AND CLIMATE CHANGE

The environment and climate change are sectors with a great impact on sustainable and harmonized development with the EU acquis and European standards for environmental protection.

Moderate progress has been made in the drafting of local action plans in implementation of central policies. Also, local climate change mitigation plans remain at low levels. Progress has been made in drawing up plans for the sustainable forest and pasture fund management by 62% of the Municipalities.

The training of local officials on the legislation and the implementation of central policy measures in the field of environment **continued at a satisfactory rate. Also, the number of specialists employed and trained at the local level on climate change**, energy efficiency and renewable resources was **8 times higher than in 2021**. In relation to civil emergencies, progress is great in setting up civil emergency headquarters and structures throughout the territory of the country.

*The water supply and sewerage sector is still facing problems with service extension throughout the territory of the country, mainly in rural areas, as well as with reducing losses from illegal interventions in the network. The EU report stated that the performance of the water supply and sewerage services sector remains low and Albania needs to further strengthen and accelerate water reform measures*¹³⁸. With reference to further steps in the field of environment, the EU report for 2022 stated that immediate measures should be taken to review and improve the environmental and strategic impact assessments for existing and planned projects, plans and programs, especially in the sectors of hydropower, construction, tourism, transport and mining¹³⁹.

¹³⁸ European Commission Report for Albania (2022)

¹³⁹ European Commission Report for Albania (2022)

3.12 Chapter 32: Financial control

“The European Union promotes the reform of national governance systems to improve managerial accountability, sound financial management of revenues and expenditures, and external control of public funds. Also, the financial control rules further protect the EU's financial interests against fraud in the management of EU funds and the euro against counterfeiting.”

“Albania has a certain level of preparation in the area of financial and budget provisions. enhance the administrative capacities and co-ordination mechanisms among key stakeholders in the own resources system¹⁴⁰”.

On administrative infrastructure, the Ministry of Finance and Economy has overall responsibility for financial and budgetary issues. Albania will need to continue to work on establishing the relevant institutions involved in the own resources system, an own resource coordination body and implementing rules. These are needed to ensure that, upon accession, it will be able to calculate, forecast, account for, collect, pay, control, and report to the EU, on own resources in line with the EU acquis¹⁴¹.

Also, the legal amendments will lead to the better definition and strengthening of sanctioning measures to enhance the level of managerial responsibility and improve the further law enforcement through the clarification of the duties and functions of the structure responsible for financial management, control and accounting, as well as the review of the role of stakeholders involved in the implementation of the system¹⁴².

The total revenue for 2022 was realized in the amount of ALL 572.7 billion or 98% of the 12-month plan. Compared to a year ago, revenues increased by ALL 62 billion or 12% more¹⁴³.

The local government's own revenues were realized in the amount of ALL 24.4 billion (they account for 6% of the total public revenues). Compared to 2021, local revenues have increased by 5.5%. The Municipality of Tirana collected about 57.1% of the total local revenues (or ALL 13.9 billion) during the 9-month period of 2022. The infrastructure impact tax accounted for 42.8% (or ALL 5.9 billion) of the own resource revenues for the Municipality of Tirana. Clustered by population, municipalities with over 100,000 inhabitants (11 municipalities including the Municipality of Tirana) realized about 81% of the total revenue collected by the country's 61 municipalities¹⁴⁴.

Compared to 2021, the LGUs revenues are increased by 4.99%. The own revenues constitute about 34.4% of the total revenues for LGUs for the year 2022.

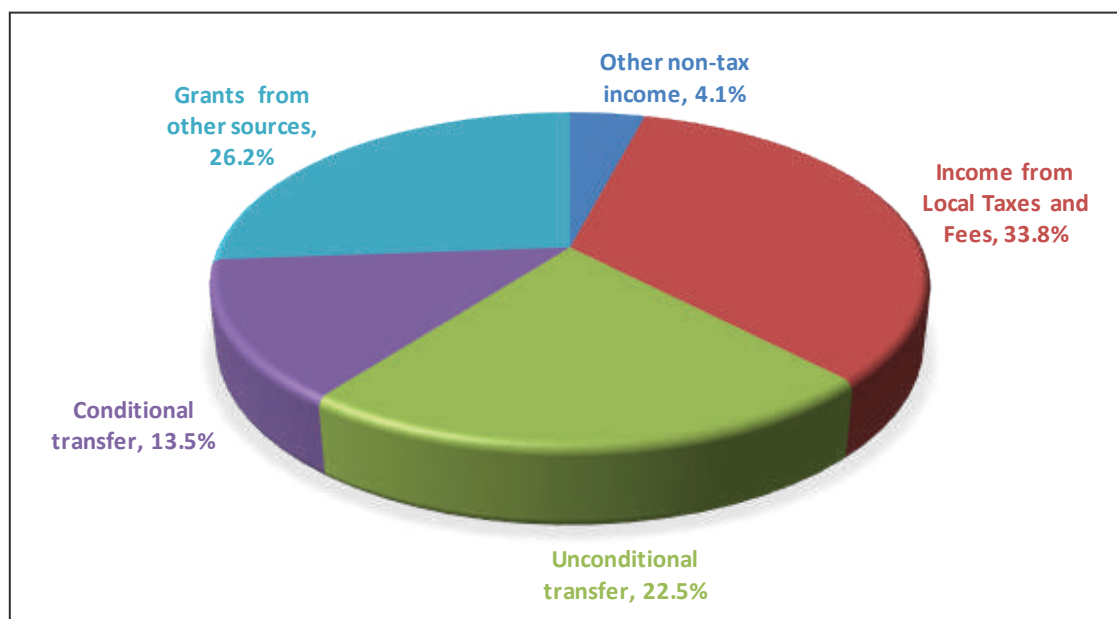
¹⁴⁰ European Commission Progress Report for Albania (October 2022)

¹⁴¹ European Commission Progress Report for Albania (October 2022)

¹⁴² Ministry of Finance and Economy; <https://financa.gov.al/>

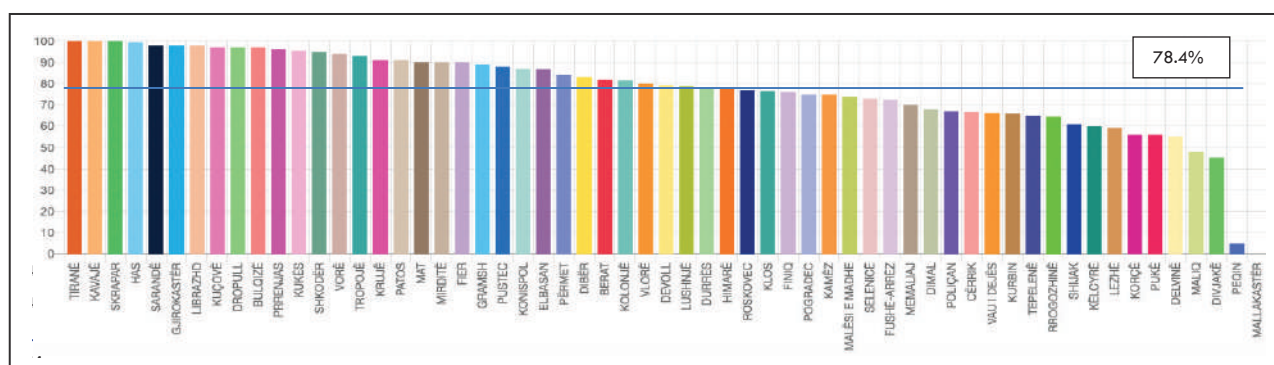
¹⁴³ Ministry of Finance and Economy, Summary of preliminary 12-month performance of revenue and expenditures; <https://financa.gov.al/permbledje-e-performances-paraprake-12-mujore-te-te-ardhurave-dhe-shpenzimeve-2/>

¹⁴⁴ Ministry of Finance and Economy, Local Finance Report (2022)

Chart 83: Total local revenues by financing sources, 2022 (Q3) ¹⁴⁵

In 2022, the average realization rate of the LGUs annual planned revenues was estimated at 78.4% (N=58) or 1.36 p.p. higher than the average rate of the previous reporting year. About 31 municipalities (51%) had a revenue realization rate above the average rate (N=58)¹⁴⁶.

Grafiku 82: Norma e realizimit të të ardhurave të planifikuara vjetore, viti 2022



General public expenditures for 2022 reached about ALL 651 billion with a realization rate of 102.1% of the annual plan compared to the initial budget and 97.6% of the amended annual plan¹⁴⁷. Current and capital expenditures marked a realization rate of 98.5% and 93.9% of the annual plan according to the initial budget, as well as 100.3% and 93.4% of the annual plan under the normative act no. 19 (dated 29.12.2022). The current expenditures for 2022 were 8.4% more than in 2021, while capital expenditures were ALL 112.1 billion (or 12.2% lower than a year ago). The gap level for 2022 was about ALL 78.2 billion (or 8.4% lower than the previous reporting year)¹⁴⁸.

¹⁴⁵ Ministry of Finance and Economy; <http://financatvendore.al/data/revenues>

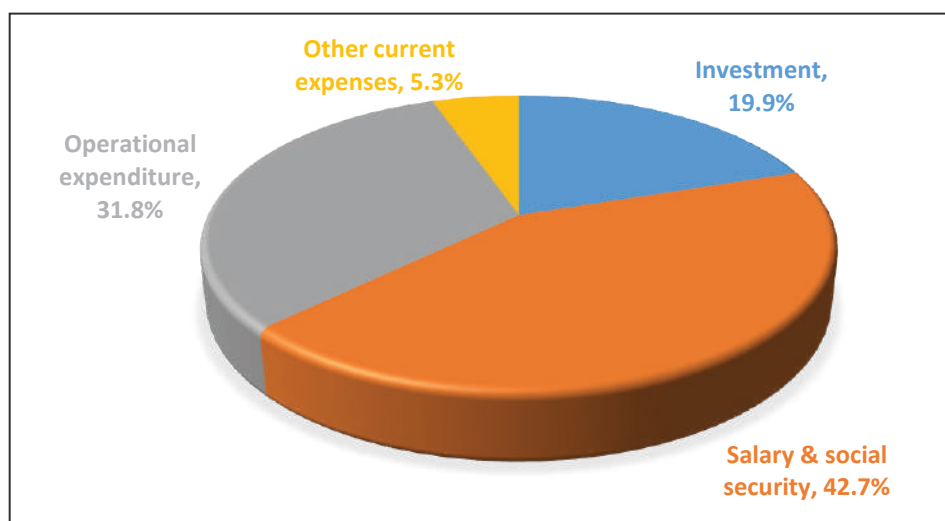
¹⁴⁶ LGUs reporting on performance indicators for 2022

¹⁴⁷ Ministry of Finance and Economy; <https://financa.gov.al/>; With reference to Normative Act no. 19, dated 29.12.2022 (AN no. 19)

¹⁴⁸ Ministry of Finance and Economy (2023); <https://financa.gov.al/permbledje-e-performances-paraprake-12-mujore-te-te-ardhurave-dhe-shpenzimeve-2/>

Local government expenditures in 2022 were ALL 59.018 miliard lekë¹⁴⁹ or 97.5 % of the planned expenditures of ALL 60.2 billion. Compared to a year ago, the local budget realization rate was about 12.2 % more (59 018 billion ALL compared to 52 583 billion ALL in 2021)¹⁵⁰. About 31% of the total expenditures were covered by the unconditional transfer and 52% by own revenue. About 21% of the total local government expenditures were used for investments, 43 for wages and social insurance and 32% for operation costs¹⁵¹.

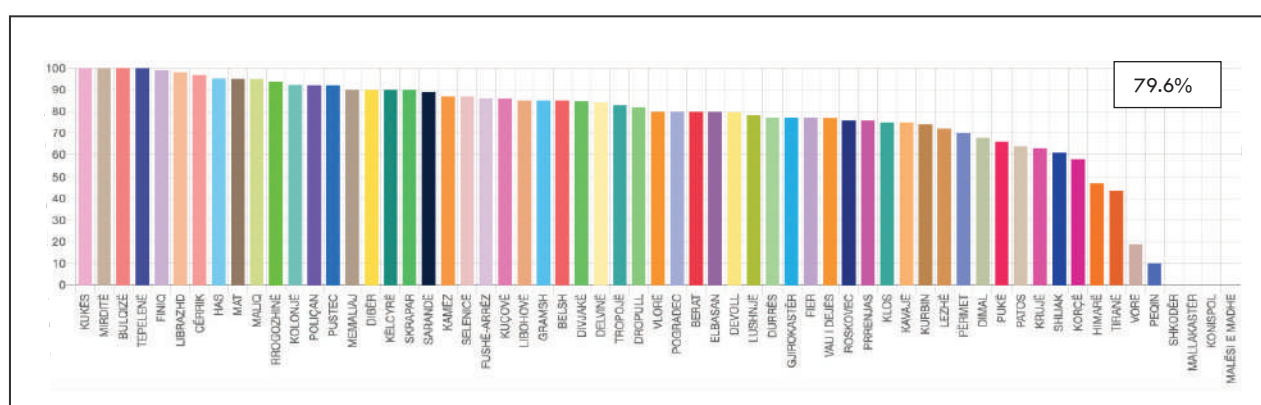
Chart 85: LGUs expenditures by source of funding 2022 ¹⁵²



The average realization rate of LGUs annual planned expenditures was about 79.6%, almost at a similar level to 2021 (N=57). Thirty-four (34) LGUs had an expenditure realization rate above the average rate.

The weight of local expenditures by the LGU economic nature for the 9-month period of 2022 was estimated in salaries and insurance (47.8%), operating expenditures (30.9%), other current (3.8%) and capital expenditures (17.4%). The most significant decrease in 2022/2021 was in the “capital expenditure” category¹⁵³.

Chart 86: Realization rate of planned annual expenditures, 2022



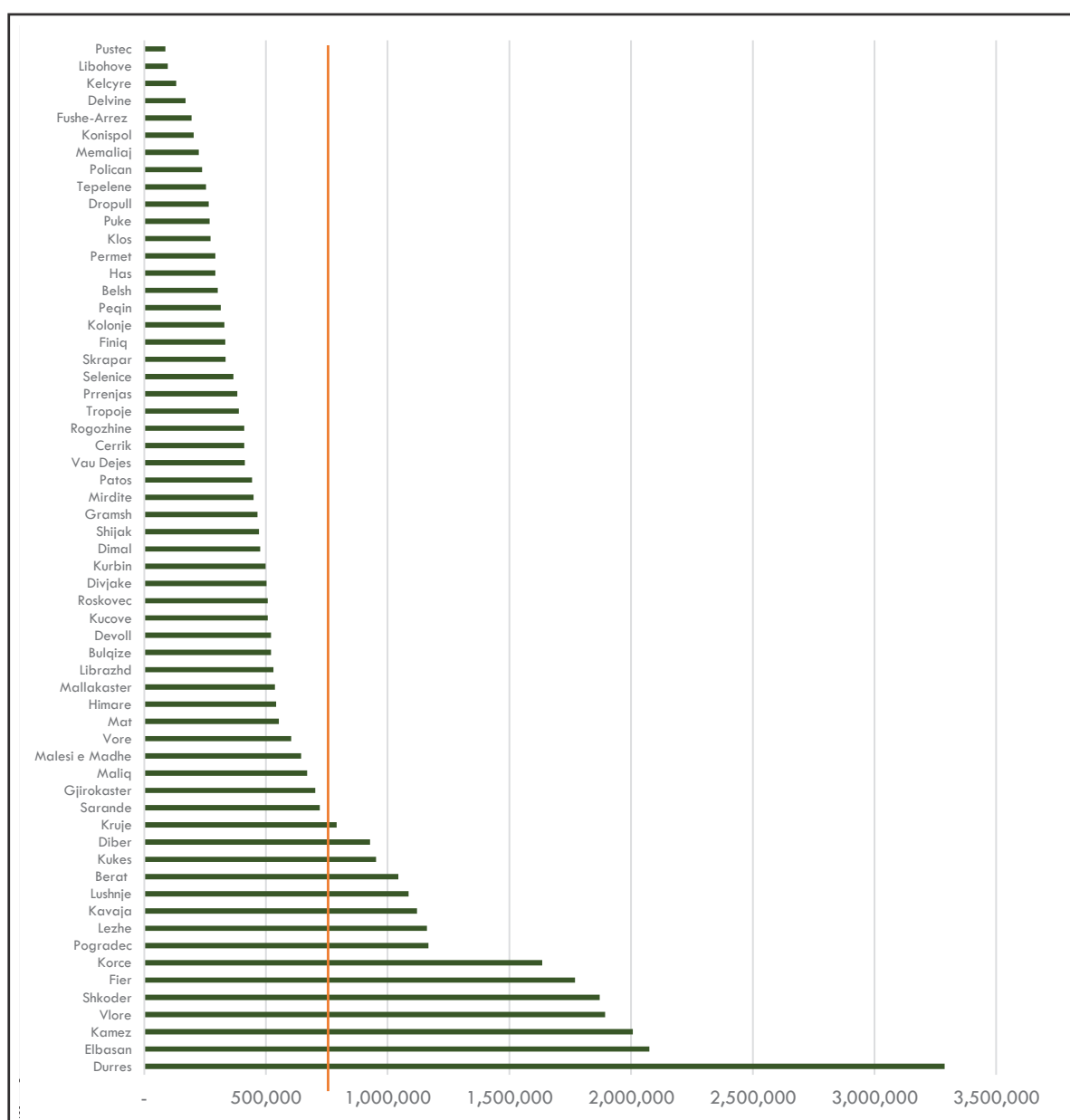
¹⁴⁹ Note: LG expenditures does not include the funds for reconstruction (2023)

¹⁵⁰ Local Fiscal Indicators Report (2022); Ministry of Finance and Economy and Local Finance Project

¹⁵¹ Ministria e Financave dhe Ekonomisë, Drejtoria e Financave Vendore (2023)

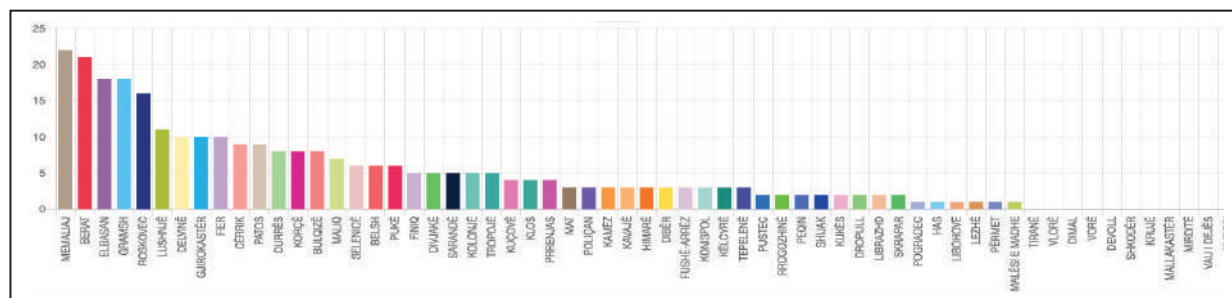
¹⁵² Ministry of Finance and Economy; <http://financatvendore.al/data/expenditures>

¹⁵³ Governmental Financial Information System, Ministry of Finance and Economy, Local Finance Analysis Report (2022)

Chart 87: Change of LGUs local expenditures period 2022/2021 ¹⁵⁴

In 2022, the LGU Audit Sector of the Supreme State Audit Institution (SSA) performed 72 audits for local government, of which 25 were financial audits, and 35 were financial and compliance audits. In order for the audited entities to improve their condition, 1298 organizational measures, 190 measures for damage compensation (in the value of ALL 285,122), 458 measures for negative effects on the efficient and effective management of expenditures (in the value of ALL 6,694,426) were given and missing revenues in the budget of the Municipalities in the amount of ALL 22,236,132 were recorded.

Chart 88: The number of public hearings organized by LGUs on the actual budget implementation, 2022



In 2022, the LGU Audit Sector of the Supreme State Audit Institution (SSA) performed 72 audits for local government, of which 25 were financial audits, and 35 were financial and compliance audits. In order for the audited entities to improve their condition, 1298 organizational measures, 190 measures for damage compensation (in the value of ALL 285,122), 458 measures for negative effects on the efficient and effective management of expenditures (in the value of ALL 6,694,426) were given and missing revenues in the budget of the Municipalities in the amount of ALL 22,236,132 were recorded.

Box 8: Challenges of municipalities in the implementation of financial control policies

Municipalities of Devoll, Korça, Roskovec: Increased realization of expenditures; Correctness and efficiency in the incurred expenditures.

Municipality of Mirdita: Enhanced performance in the realization of revenues in order to realize planned expenditures to improve services to citizens.

Municipality of Përmet: Increased realization of expenditures by carrying out timely public procurements.

Municipality of Shkodra: Realization of planned annual expenditures within the time limits defined in the register of forecasts; Hearings should be held in the first quarter via online platforms and with specific focus groups.

Municipality of Selenica: Revenue growth for 2023 and debt management.

Municipality of Tropoja: No deficit between planned and actual revenues.

Municipality of Vlora: During the implementation of the 2023 budget, it is foreseen that the debt to third parties will decrease to 35%.

Municipality of Lezha: Improved performance indicators in revenue management and increased effectiveness in the use of funds.

Municipalities of Përrenjas, Kamza: Realization of public hearings for the actual budget implementation; Increased number of hearings.

Municipality of Patos: Higher participation of citizens.

Following the efforts to change the climate of impunity, 76 administrative measures and 223 disciplinary measures have been recommended. Besides, during 2022, 17 audits were performed, of which 10 fell under the compliance audits in the field of cadastre, 5 combined audits in the environmental area and 2 audits on the implementation of recommendations. At the end of the audits, 2 measures on legal improvements, 231 organizational measures and 31 measures for negative effects on effective and efficient management of public property administration (in the amount of ALL 48,201) were assigned¹⁵⁵.

Some of the challenges and recommendations of the previous report remain relevant:

Problems and challenges

- The necessary financing of public service functions at the local level to meet the standards.
- Payment of arrears, avoidance of debts.
- Bad practices leading to economic damage in public funds management by the LGUs as evidenced during the SSA activities of external control and audit.
- Limited professional capacities in some LGUs in drawing up budget execution performance reports and ensuring transparency on the achievement of objectives and forecasted results.

Recommendations

- Working for the establishment and strengthening of the relevant institutions involved in the system of own resources administration, a coordinating body of own resources and implementing rules¹⁵⁶.
- Increasing the effectiveness of the applicability of the financial management and internal control system.
- Ensuring sustainability and increasing the unconditional transfer above 1% of the GDP for the local government to have more budget to implement the decentralization reform in some sectors where the service is below the minimum standards; Unconditional transfer formula improvement¹⁵⁷.
- Ensuring the applicability of the approved methodology for responsive budgeting for the Roma and Egyptian minorities by the LGUs.
- Increasing the capacities and effectiveness of LGUs in public procurement that affects the realization of planned expenditures.

¹⁵⁵ Bulletin of the Supreme State Audit Institution January-September 2022; <https://panel.klsh.org.al/storage/phpXs7Mx>

¹⁵⁶ European Commission Progress Report for Albania (October 2022)

¹⁵⁷ Minutes of the Consultative Council (Decision no. 6 dated 28/10/2022)

CONCLUSIONS ON FINANCIAL CONTROL

The local government's own revenues were realized in the amount of ALL 24.4 billion (they accounted for 6% of the total public revenues). Compared to 2021, local revenues have increased by 5.5%. The average rate of local revenue realization in 2022 has increased slightly compared to the previous reporting year. Local government expenditures in the 9-month period of 2022 were ALL 38.7 billion or 64% of the planned expenditures of ALL 60.2 billion. Compared to a year ago, the local budget was realized at about 6% more (or ALL 2.1 billion)¹⁵⁸. About 54% of the total expenditures were covered by the unconditional transfer and 45% by own revenue¹⁵⁹. More public hearings on the budget execution were organized by the LGUs than the previous reporting year.

A series of organizational measures, measures for compensation, administrative measures/and disciplinary measures have been given for the improvement of audited entities (LGUs) condition by SSA due to negative effects on the efficient and effective management of expenditures during 2022.

Enhanced applicability of the financial management and internal auditing system; improving performance in revenue administration; increasing effectiveness in the realization of expenditures for quality and standard service delivery; and reducing debts remain challenging for the municipalities.

The priority for the government is to ensure sustainability and increase the unconditional transfer above 1% of the GDP in order for the local government to have more budget to implement the decentralization reform in some sectors where services are below the minimum standards and improve the formula of unconditional transfer¹⁶⁰.

¹⁵⁸ Local Fiscal Indicators Report (2022), Ministry of Finance and Economy and Local Finance Project

¹⁵⁹ Local Fiscal Indicators Report (2022), Ministry of Finance and Economy and Local Finance Project


































¹⁶⁰ Ministry of Finance and Economy: Minutes of the Consultative Council (Decision no. 6 dated 28/10/2022)

APPENDIX 1:
*Assessment of progress achieved
according to the evaluation indicators*




	Strategic Objective	Indicators of assessment	Dashboard
Legend			
	There is no progress	●	
	Indicators at the same levels as in 2021	●	
	Ecuri e mirë gjatë vitit 2022	●	
Part 1: The political criterion			
1	GOVERNANCE		
1.2	Establishment of one-stop offices for public services	One Stop Shop Office (OSSH)	●
		The number of services provided by ZNJN	●
		The total number of citizens who have applied for online services from the One Stop office	●
1.3	Increasing the transparency of local finances	The local annual budget of the municipalities published on the website of the municipality and at www.financatvendore.al	●
		The number of public hearings with citizens organized by the municipality during the budget preparation period for 2021.	●
1.4	Participation of citizens in budget decision-making	The number of public hearings organized by the municipality on the realization of income and expenses planned for 2020 (on the execution of the budget)	●
		The number of recommendations of citizens, CSOs and interest groups reflected in the PBA/budget document against the total number of recommendations (%)	●
		Number of public hearings on the budget with youth / national minorities and PWD	●
2	Public administration		
2.1	Strengthening the capacities of the local government administration	Number of employee with civil servant status	●
		average rate of female civil servants	●
		Employment of women in management positions	●
		Number of local officials (total) who have participated in trainings from ASPA (according to human resources data)	●
		The number of local employees (total) who have participated in trainings from other providers (except those trained by ASPA - according to data from Human Resources)	●
		The Human Resources Management Information System (HRMIS) is functional and is used by the municipality for human resources management.	●
		The ratio (in %) of the local budget for training for local officials against the total budget in the reporting year	●
2.3	Commissioner for Information and Protection of Personal Data (IDP)		
2.3	Improving the accountability of the local administration	The number of responses given to citizens' requests to the total number submitted to the municipality in %	●
		The number of acts of local decision-makers published in the municipality's electronic register, over the total number of acts approved by the municipality during the reporting year	●
		The number of reports on the findings/recommendations from the Commissioner for Protection against Discrimination which the municipality has rejected compared to the total number of reports submitted to the municipality by KMDHP	●
3	People's Advocate		
3.1	Improving the review by the municipality of reports of findings and recommendations of the People's Advocate	The number of recommendations from the Ombudsman presented to the Municipality during the last year.	●
		The number of recommendations implemented by the People's Advocate which the Municipality has accepted and has taken measures to address them.	●
4	Civil society		
4	Cooperation with civil society	The total number of recommendations/requests given by CSOs during the local decision-making process and other issues on good local governance	●
		Total number of recommendations from CSOs taken into consideration from the Municipality during the local decision-making process	●
		Total number of recommendations from CSOs accepted from the municipality during the local decision-making process	●
		The number of grants given by the Municipality for joint projects in partnership with CSOs according to the value of the grants	●
5	Fight against corruption		
5.1	Improving the efficiency and effectiveness of criminal investigations against corruption	Number of cases (complaints) for violation of administrative procedures and corruption (including public procurement)	●
		The number of local administration employees who have declared their assets, as required by law (Reported by Human Resources)	●
		The number of declarations of conflicts of interest by local officials and the City Council during decision-making	●
		Establishing a network of local anti-corruption coordinators in the municipality - Appointment of the point of contact	●
			●
5.2	Strengthening the capacities of the local government administration in the fight against corruption	Setting up the municipality's electronic register of citizens' requests and complaints	●
		The resolution rate of citizens' requests and complaints according to the deadlines defined in the legislation by %	●
5.3	Adoption of anti-corruption policies at the LG level	The municipality has approved the Integrity Plan in order to stop corruption in the services provided by them according to the instructions of the Ministry of Justice - proof to be loaded into the system	●

6	Human rights and protection of national minorities		
6.1	Strengthening the capacity of local government to implement national and international human rights standards	Number of trainings by central authorities / CSOs on national and international human rights standards	●
		Number of local administration officials trained on national and international human rights standards	●
		The number of cases of violation of human rights referred totreated from inter-institutional groups/Municipality	●
Part II: Economic Criterion			
1	The existence of a functional market economy		
1.1	Improving the environment for business	The municipality has drawn up and approved the Local Development Plan in the Municipal Council	●
		The number of incentive incentives for promoting the development of small enterprises organized by the Municipality during the reporting year	●
		Number of Services that support the development of small and medium-sized enterprises organized by the Municipality during the reporting year (please clarify the list of services)	●
Part 3: Ability to Assume Membership Obligations			
11	Agriculture and rural development		
11.1	Strengthening the capacities of the local government administration in the agricultural and rural information and advisory system	The Directorate of Agriculture has established the Agricultural and Rural Information and Advisory System	●
		The number of beneficiaries who have received information and advice from the Directorate of Agriculture in the Municipality	●
		The local fund for rural / agricultural development in relation to the budget of the Municipality in the reporting year (in %)	●
11.2	Improving productivity and competitiveness in the agricultural sector: improving rural infrastructure, balanced territorial and economic development of rural areas	% of the drainage and irrigation inventory that was taken over by the municipality	●
		Functional irrigation system against the total irrigation network of the Municipality taken over (in %)	●
		% of irrigated agricultural area against the total	●
		% of the functional drainage network against the total drainage network in the reporting year (in %)	●
		The area of agricultural land that is irrigated in relation to the total area in %	●
11.3	Implementation of the LEADER approach	Establishment of Local Action Groups (Local Action Group), with the participation of the Municipality, farmers and Civil Society Organizations	●
12	Food safety, veterinary and phytosanitary policies		
12.1		The ratio of the number of licensed live animal markets to the total number of live animal markets (in %)	●
		The ratio of the number of public retail markets conforming to hygiene standards against the total number of markets in the territory of the municipality In the reporting year (in %)	●
		Establishment of animal protection centers	●
12.2.	Efficient operation of the consumer protection system	The customer office established and functional in the municipality	●
		The number of complaints submitted by citizens on food safety to the Consumer/Coordinator Office	●
14	Transport policy		
14.1	Increasing road safety at the local level	% of the existing road network <u>urban</u> in the territory of the municipality in accordance with the legal construction standards	●
		% of the existing road network <u>rural</u> in the territory of the municipality in accordance with the legal construction standards	●
		% of the existing road network of the territory of the municipality which is within the legal standards of signage (only the part of the road network that is administered by the municipality)	●
		The number of villages that do not have the necessary road infrastructure to connect with the center of the Municipality during 365 days of the year / against the total number of villages of the Municipality (in %)	●
		The number of villages connected to NJA through the existing road network in relation to the total number of villages (in %)	●
		Local budget fund for road maintenance (in % of the Municipality Budget) in the reporting year	●
		The local budget fund for road construction/rehabilitation in relation to the Municipality budget in the reporting year (in %)	●
		Fund for road safety in relation to the local fund for the transport sector (in %)	●
		Km of roads dedicated to bicycles in urban areas of the Municipality in relation to km of total roads in urban areas (in %) - the indicator should be cumulative to measure progress from year to year	●
14.3	Promotion of walking and cycling	% of the internal road network of the urban areas of the municipality equipped with sidewalks	●
		Walking and cycling promotion campaign undertaken by the Municipality - number	●
15	Energy		
15.1	Increasing the efficiency of energy use	Appointment (recruitment) of the energy efficiency manager in the Municipality	●
		Training and certification of the energy manager by the relevant structures	●

		Number of projects implemented according to energy efficiency requirements	●
15.2	Increasing the efficiency of energy use: improving the implementation of minimum requirements for public and private buildings and services	The number of checks on energy efficiency requirements in buildings for public and private services undertaken by the Municipality under the responsibility of the Energy Manager and the relevant findings.	●
		The number of cases found with violations for non-compliance with energy efficiency rules	●
15.3	Increasing the use of renewable sources and promotional policies for the use of renewable energy sources by the private sector	The number of projects implemented by the municipality based on the use of renewable energy sources	●
16	Taxes		
16.1	Improving the administration of the system of local taxes and fees in the direction of increasing the taxable base	Planned/implemented tax policies of the municipality aimed at promoting the formalization of the economy in its territory, during the reporting year	●
		The number of field inspections undertaken by the municipality in order to prevent the informal economy in its territory during the reporting year	●
		The number of public hearings with business groups organized by the municipality for the purpose of information and inclusion in the discussion of tax policies of the municipality in the reporting year	●
		Construction of a database (program) of debtors of the municipality (program established/and effective)	●
		The increase in income from local taxes and fees in the reporting year	●
19	Social policies and employment		
19.1	Social protection at local level	The number of local administration officials responsible for social inclusion in the municipality, by category	●
		- Unit for the protection of children	●
		- Gender Equality Officer	●
		- Worker for domestic violence (legal act).	●
		The number of local administration officials responsible for the administration, monitoring and evaluation of the Economic Assistance scheme	●
		Needs Assessment and Referral Sector set up in the municipality	●
		The local fund planned for social care expenses against the budget of the Municipality in the reporting year (in %)	●
		The number of PWD beneficiaries compared to last year	●
		Percentage (%) of cases of social housing offered to victims of trafficking to the total number of beneficiaries of social housing in the municipality during the reporting year	●
19.2	Social inclusion at the local level	Local action plan for social inclusion Approved at the UN	●
		The percentage (%) of social housing cases against the needs presented in the municipality	●
		Statistical database on social inclusion (raised)	●
		The number of students attending vocational education who benefit from scholarships through the municipality.	●
19.3	Support for active work programs	The number of unemployed people receiving economic assistance who have been financially supported by the Municipality for education and professional training that match the needs of the labor market and in cooperation with the Regional Employment Office	●
		The number of PWDs who have been supported by the Municipality for education and professional training / against the total number of PWDs who can be employed in the labor market (legal act)	●
		The number of young people who complete university education and professional training, who have been financially supported by the Municipality to start a private business in their professional field	●
22	Regional policies and coordination of structural instruments		
22.1	Strengthening cooperation in regional and local development in order to contribute to economic development and reduce regional disparities.	The number of collaborations with other municipalities within the territory of Albania	●
		Participation in joint regional and European initiatives undertaken with the aim of reducing regional differences - Transnational and cross-border cooperation projects	●
23	Judiciary and fundamental rights		
23.1	Strengthening the system for the protection of children's rights	The municipality has a Unit for the Protection of Children's Rights	●
		Number of staff employed in the Unit for the Protection of Children's Rights	●
		The number of cases identified by the interdisciplinary group of violations of children's rights during the reporting year	●
		The number of orders for protection referred to the coordinator in the municipality to the number of cases identified in the reporting year (in %)	●
		The number of cases treated for the protection of children provided by the Municipality in relation to the total number of identified cases	●
		% of the budget dedicated to child protection over the general budget for social services in the reporting year	●
		The number of activities organized by the Municipality to promote the protection of children's rights (EU-UNICEF Data on Children's Rights)	●
		Creation of a system for monitoring cases of discrimination within the territory of the Municipality: for registration, management, addressing to higher authorities	●

		The level of cooperation of the Municipality with the Commissioner for protection against discrimination: (i) the number of activities undertaken in cooperation; (ii) regular joint reporting on cases of discrimination identified	
		Awareness campaigns organized by the Municipality in schools or the community for the protection of LGBTI persons from discrimination	
23.3	Effective implementation of the 2016 Law "On the Protection of Minorities in the Republic of Albania"	Creation of a system for monitoring cases of violations of the rights of national minorities that occurred in the territory of the Municipality: for registration, management, addressing to higher authorities	
		Socio-cultural activities regularly organized by the Municipality, with the aim of increasing awareness and mutual respect between the majority and the minority of the population	
		The civil servant of the local administration trained for the commitments of the Municipality for the National Plan for Roma and Egyptians	
		Local Action Plan for the Inclusion of Roma and Egyptians Approved	
23.4	Improving the coordination of work between central and local authorities for the implementation and monitoring of the National Action Plan for the Integration of Roma and Egyptians in the Republic of Albania 2016-2020	The number of trainings conducted for the local administration in the ROMALB electronic data collection system	
		Data refresh frequency in the ROMALB electronic system divided (monthly, quarterly, annually)	
		Number of R/E beneficiaries from social housing programs n1 Municipality in relation to the total number of applications for the reporting year	
		Number of projects under implementation in support of the Roma / Egyptian community	
		The total number of R/E employees in the municipality, including services/ against the total number of employees (%)	
		The number of R/E employees in the institutions of the Municipality during the reporting year	
23.5	Strengthening the system for ensuring gender equality	Gender Equality Sector in the Municipality / Local coordinator for gender issues in the Municipality	
		Number of cases referred to MKR meetings (employee gender and meetings)	
		The number of trainings of civil servants of the local administration with Gender Equality experts	
		The number of specialized services offered by the Municipality for women victims of domestic violence/shelters, divided by administrative units (NJA)	
		The number of reports in the REV-ALB system for the reporting period	
		Drafting of the gender budgeting of the PBA of the Municipality	
		The number of activities undertaken in cooperation with CSOs for gender discrimination	
		Number of services by case management	
		Number of nurseries and kindergartens for children built/maintained by the Municipality in rural areas in the reporting year	
		Local fund for women, victims of domestic violence: social housing, social care services, economic assistance in relation to the Municipality's budget for the social sector in the reporting year	
		The number of activities organized by the Municipality for the promotion of gender equality (European Charter for the Equality of Women and Men in Local Life)	
23.6	Protection of the rights of PWDs: Effective implementation of Law 93/2014 "On the inclusion and access of persons with disabilities"	Establishment of the Needs Assessment and Referral Unit in the Municipality	
		Preparation of the Local Action Plan for the Social Inclusion of the PWD / planned in the PBA	
		The number of six-monthly reports of the Municipality to the MSHPS on PWD issues	
		% of the increase of the local budget fund for the removal of environmental and infrastructural obstacles of the PWD in the territory of the Municipality during the reporting year	
		The number of schools in the Municipality equipped with infrastructure that ensure access to PWDs in relation to the total number of schools in the Municipality (in %)	
		The number of public institutions in the territory of the Municipality equipped with infrastructure that ensure access to PWDs in relation to the total number of public institutions (in %)	
		Civil servants of the local administration for PWD issues	
		Road infrastructure within the Municipality that ensures accessibility for PWDs (% km of the urban area)	
		Historical and cultural centers (museums, cinemas, archaeological centers) in the territory of the municipality equipped with the appropriate infrastructure for people with different abilities (ramps, explanatory equipment for people with limited hearing and vision)	
24	Justice, freedom and security		
24.1	The development of the fight against organized crime	The working group in the Municipality for the implementation of the Action Plan for the Fight against Organized Crime established	
		Drafting of Public Safety Strategies at Local Level	
		Establishment of Domestic Security Councils	
		The establishment of the Community Policing Office established in each administrative unit	

		Number of cases referred to Police Offices in the community by citizens	
26	Education and culture		
26.1	Increasing participation in preparatory preschool education classes: the possibility of participation and mass inclusion of children in the preschool education system	The number of kindergartens in the Municipality	●
		% of kindergartens with the number of children below service capacity	●
		Average child/teacher ratio in the urban area	●
		Average student/teacher ratio in urban areas	●
		The average student/teacher ratio in the city - the center of the municipality	●
		The average ratio of the number of students/class in the urban area	●
		Awareness campaign to parents for the inclusion of children in the preschool education system undertaken by the municipality	●
		The investment fund approved in the budget for the construction of new gardens/ and reconstruction of existing gardens in relation to the local budget for the reporting year (in %)	●
26.3	Improving the school infrastructure of pre-university education	The number of projects for the reconstruction/construction of schools in the municipality that include provisions for PWD infrastructure (tents with (1) elevators) and (2) ramps)	●
		The local investment fund for the construction of new schools / and the reconstruction of existing schools in relation to the local budget approved in the reporting year (in %).	●
26.4	Improving the decision-making process by creating a school-parent-government communication	Representative of the municipality in school decision-making	●
		Initiatives of the municipality to support the establishment of school-parent-government communication	●
26.5	Preservation and protection of material and non-material cultural heritage - national wealth of the Albanian people for generations	The number of measures taken against these violations and illegal constructions by the municipality in the last year	●
26.6	Supporting the creativity and creative activity of Albanian artists through the increase of cultural activities and the involvement of artists	The number of cultural activities organized by the municipality for the promotion of local culture and national culture in the reporting year.	●
		The local fund approved for cultural activities of the municipality in relation to the budget of the municipality for cultural heritage in the reporting year (in %).	●
27	Environment and climate change		
27.1	Awareness and capacity building of local governments for their role in the protection of the environment, nature and forest management	The number of local administration employees trained in environmental legislation and its implementation, as well as the advantages of the environmental field in relation to EU integration	●
		Awareness campaign for the general public for the preservation of the environment and the minimization of pollution organized by the Municipality, central institutions and other actors (CSO/projects)	●
27.2	Educating the younger generations to preserve the environment and minimize pollution	Awareness campaign in secondary and 9-year-old schools for the preservation of the environment and the minimization of pollution organized	●
27.3	Drawing up action plans for improving the air quality of the environment at the local level	Local action plan (PV) for improving the air quality of the environment in implementation of the National Plan for the improvement of air quality.	●
		The number of measures for improving air quality included in the PBA	●
27.4	Improving integrated waste management	MIM local plan drawn up, planned in PBA	●
		Recyclable waste of the territory of the municipality is recycled according to the objectives of the local MIM Plan (by recycling companies / or public enterprises)	●
		The number of closed storage sites in the territory of the municipality in relation to the total number of storage sites	●
		The number of unauthorized storage sites in the territory of the municipality	●
		The number of authorized storage sites / landfill or incinerator in the territory of the municipality	●
		Distance of the municipality center from the nearest landfill	●
27,6.1	Integrating climate change risks into local plans in line with national priorities and objectives	Local Plan (PV) drawn up/updated by the Municipalities most vulnerable to climate change that have integrated climate change risks and climate change mitigation and adaptation measures.	●
27,6.2	Improving the quality of water supply and sewage services	% of households connected to the water supply network in urban areas	●
		% of households connected to the water supply network in rural areas	●
		% of households connected to the sewage network in urban areas	●
		% of households connected to the sewage network in rural areas	●
		Sewage treatment facility up and running	●
		% of the rainwater drainage network rehabilitated and functional (to be verified if the indicator is formulated correctly)	●
27,6.3	Increasing the ability to adapt to the harmful effects of climate change, at the local level	The Local Development Plan includes measures that address adaptation to climate change and the reduction of CO2 emissions (proof)	●
		The number of specialists employed and trained at the local level for climate change and renewable energies	●
27,6.4	Increasing capacities for dealing with natural emergencies	Drafting of the local plan for dealing with civil emergencies in accordance with the National Civil Emergency Plan	●
		The establishment of the civil emergency headquarters	●
		Elevation of the structure of civil emergencies	●
		% of the civil emergency budget covered by the Central Government	●
		% of additional funds for civil emergencies	●

27.8	Afforestation of degraded surfaces through destination recycling of income from the forest fund and obligations of entities that exercise activity in the forest fund	Local Action Plan (PV) for the sustainable management of the forest and pasture fund Drafted and approved (which also integrates breeding measures for forests and pastures, medicinal plants, etc.)	
		The area of the forest fund under the administration of the municipality	
		The number of forestry fund administration specialists in the municipality	
		The creation of a database on subjects that exercise activity on the forest and pasture fund of the Municipality	
32	Financial Control		
32.1	Strengthening the capacities of local government in the effectiveness and transparency of local financial management	Percentage (%) of realization of planned annual expenses and income	
		% of the change in the outstanding debts of the Municipality to third parties during the last two years / planned in the MTBP	

MUNICIPALITIES IN THE PROCESS OF INTEGRATION OF ALBANIA IN THE EUROPEAN UNION

Assessment Report 2022



Agjencia për Mbështetjen e Vetëqeverisjes Vendore



BASHKITË PËR NË EVROPË
Një projekt i financuar nga BE

