



ASSOCIATION
OF ALBANIAN
MUNICIPALITIES



KONRAD
ADENAUER
STIFTUNG

LOCAL GOVERNMENT 2020



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The responsibility for the facts and opinions expressed in this study rests squarely on the authors, and their interpretations do not necessarily reflect the ideas or policies of the Konrad Adenauer Foundation.

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“Local authorities were the first line of defence when the crisis hit,” said the President of the European Commission Ursula von der Leyen, adding that local authorities deal with the families, the workers and the communities and that the citizens and the regions must be involved from the very outset in the dialogue against the pandemic. She also called on local and regional authorities to present a coherent vision of the policy for the future of Europe.

Introduction

The local government in Albania consists of 61 municipalities, 61 municipal councils and 320 administrative units, and they constitute the first level of local government, with the second being represented by 12 Regional Councils.

The Associations of Municipalities advocate on behalf of their members, who are mayors, council chairmen, councilors, unit administrators and the executive technical and professional administration in the municipality. We lead and back the commitment of the local government to improve their work and efficiency, enabling economic, social and environmental growth. The protection and improvement of the local democracy and decentralization is crucial in our work.

We support the central government's policies for reforming any sector of the local government, offer our alternatives and solutions in line with the interests of elected local officials and the local economy, in compliance with the European Charter of Local Self-Government of the Council of Europe.

The mission of the Association of Municipalities is to serve the interest of the citizens and improve their quality of life.

To achieve our mission, we follow these goals:

- *Enabling and encouraging local government officials to maintain and improve the institutional and fiscal health by increasing efficacy and effectivity, managing costs, improving*

the quality and quantity of services and by being accountable, transparent and protective of public assets.

- *Promoting good governance and reforms in the community everywhere in Albania (61 municipalities and 12 Regions) by providing local government officials with up-to-date information and technical assistance, as needed, as well as capacity-building for the elected officials and the administration.*
- *Promoting and raising awareness on European integration issues, directives, norms, criteria and standards of the EU since 70% of this legislation affects the local government and they will be implementing it.*

Executive summary

2020 was a very difficult time for our entire country, but it was even more so for the local government. Strife originated on June 30th 2019 following local elections contested by just one party, without political competition, without an alternative and not pluralistic, a process not witnessed since 1991. All 61 municipalities were won by the ruling party, but the worst outcome is the one-colour local councils because each and every one of the councilors belongs to the same ruling party as the mayor. This product of the June 30th polls impaired the local democracy and stifled debate and alternatives since the exchange of opposing views in councils between the executive and the legislative becomes almost non-existent, considerably damaging democracy and leading to lack of transparency and accountability.

These elections inflicted serious damage to the local democracy and added to conflicts between the parties. Western diplomats used various ways to note how this negative perception could affect the progress of the reforms, of democracy and of local elections, to say the least. Rather than foster Albania's democratic credentials, this considerably worsened the aspiration for EU integration and the opening of the accession negotiations. International institutions adopted a critical stance on the voting process on June 30th. The first to react was the Congress of Local Authorities of the Council of Europe, which withdrew from the election monitoring mission. Later, we had the reaction from OSCE/ODHIR and the EU Delegation. (*The statements with the respective links are in appendix 1*).

Both the manner of their conduct and their detrimental outcome exposed these elections to a series of complaints. Therefore, AAM lodged a complaint over the June 30th election with the Constitutional Court, which has accepted the request as legitimate, and we await its examination (*appendix 2 the response of the Constitutional Court*).

In addition to the turmoil created by lack of political vision, the municipalities had to cope with two natural disasters. Two earthquakes, on September and November of 2019, preceded the pandemic that gripped the country for 10 months in 2020, putting the local government in a difficult position, both socially and financially.

In handling the disaster from the earthquake that struck almost 15 municipalities in three regions, the municipalities again showed lack of professional, infrastructural and financial power and the competence to intervene to solve problems despite their experience in disaster management. However, some of their activities were not highlighted to the extent they deserved. Again, the central government stole the political and public show by stepping into what was local government action.

Lacking sufficient knowledge on virus situations despite the existence of a legal framework, the local government coped well and took measures to prevent the COVID-19 pandemic. The municipalities worked well in disinfecting and cleaning public spaces, and in ensuring social support for the needy. But nothing was done to help economic recovery.

Just like the municipalities of neighbouring and European countries, our municipalities were expected to play first fiddle, to work better to spot cases of COVID-19 and to request the financial help that they are owed by the government.

This did not happen due to the pressure that exists when the local government has the same political affiliation with the government. This shortcoming -- of the government's own making -- was used

fairly well by the government to keep the municipalities away from public eye and to concentrate all the economic and political power in its own hands for the tackling of COVID-19. This led to the municipalities being excluded from the management of both aid packages, even though it must be said that the packages were non-comprehensive, bureaucratic and insufficient.

The effects of the earthquake and the pandemic, adding to the heap of hardships the municipalities were having, were felt across the country's institutional architecture. They triggered painful harsh conditions at the local level for the taxpayers, too. The two main taxpayer groups, the businesses and the citizens, were cast into a conundrum regarding their paying power vis-à-vis their willingness to pay.

Hence, the municipalities faced financial strains due to the failure of collecting planned revenue from some sources, as well as overdue liabilities and new debts created during 2020.

In the aggregate, the political fallout from the voting and non-democratic local elections of June 30th, the problems with the earthquakes and the pandemic and the insufficient budget quotas for the municipalities from central transfers and own revenues turned it into a year that was not good for the elected, a difficult year for local public services, be they the traditional ones or the newly transferred functions as part of the decentralisation strategy. Meanwhile the citizens expected more cleaning services, greenery, transparency, infrastructural improvements, streets, schools and kindergartens, agricultural services and a relatively stabilized local economy.

From a technical point of view but not simply that, we **conclude** that the local government keeps facing challenges, is currently undemocratic, lacks authority and financial power, and the financial resources it gets by the central government are much below its real needs and are incomparable with regional and EU countries. Public

services are insufficient in quality and quantity in urban areas, and even worse in rural areas. Transparency and accountability need to be improved substantially and not superficially.

What we **recommend** extends from the **central** approach for the municipalities to democracy itself and the decentralization of the municipalities themselves. The central government must understand decentralization down to its core and make it real, not just for publicity. The central government must lay the groundwork for the political, financial and administrative decentralization of the local government, essentially a process it is owed. The budget of the unconditional transfers should at least be doubled from 1% to 2% of the GDP, and this should start to be implemented in 2022. The sectorial budget should be an integral part of the municipality's total budget. Funds for investments already managed by the Albanian Development Fund must be directly given to the municipalities. The municipalities must not apply to the central government and compete for their services.

The government must prepare a functioning legal framework that is as clear, understandable and applicable as possible at the local level, for the current and new functions and responsibilities, including those that potentially influence the local level.

The government must wrap up the fiscal real estate dataset (cadaster) because its absence is preventing municipalities from generating revenue. The level of royalties in favor of the municipalities should be increased from the current 5% to at least 25-35%, while the 50% - 50% split would be ideal. The central government must not interfere with legal amendments in the middle of the budget year (financial and other changes affecting the municipalities).

We **recommend** to the **municipalities** themselves a more democratic approach in their midst. They should grant more decentralization to their own institutions, such as, to the administrative units.

The municipalities must deepen their decision-making transparency by using all the means possible. They must communicate more with the citizens and increase real participation. Fiscal policies must be oriented more towards the needs of the community rather than the need to increase the municipal budget. Investments should be harmonized and balanced between urban and rural areas regardless of where there are more citizens. The urban and rural integration and cohesion should guide the ongoing work of municipalities. The management of human resources in the municipality should be handled with care. This is related to two dimensions, the quantitative one, namely the number of employees for which there are convincingly bad indicators, and the professional dimension related to the skills of the staff, which is also an area of inferior indicators due to the salary, layoffs and the position in general. But we strongly recommend scrapping political control from employment and hiring from political affiliation.

The country's economic recovery requires cooperation and synergy between the two powers. The local economy grows by interaction with the central economy, just as the central economy grows from the local one. Their powers are divided but the goals are common, and they should not disorderly and illegally interfere in each-other's affairs.

It is time for politics to understand the concept that the local government should stay away and be moderate during general elections, and it behooves the government to keep a distance and refrain from influencing local elections because it thus encourages the values of competition and the local soul and will.

“June 30th and the municipalities, from the earthquake to COVID 19 but let's look ahead”.

Methodology

The report analyzes the dynamics of development of the local government in the during 2020, but not detached by the events of 2019 and the recommendations for 2021.

The report was prepared by a working group composed of independent experts and Association of Albanian Municipalities. The report is based on the analysis of the findings identified by:

The activity of the Association of Municipalities during the reporting period and the long professional experience gained by the association and its staff in monitoring of democracy, local decentralization, and public administration reforms.

The report benefits from the knowledge of a well-known field, including the active participation in the meetings of the Consultative Council of central government-local government, which discussed strategies, laws and guidelines. Participating in meetings with central institutions also helped since their approach was very inclusive.

The opinions and the positions of the Association on the current situation and the respective processes, on the legal framework in its dynamics, the conclusions and recommendations drawn from meetings of technical forums on the fields of activity of the local government, opinions and recommendations from regional meetings with interest groups, technical staff and civil society.

Information gained by other sources from the cooperation and implementation of projects, from donors, experts and partners of the Association.

Research into various reports, publications or a number of articles prepared as part of the policies, projects or activities of various public institutions operating in the area of local government.

Comparative results of local government performance in Albania and other countries in the region of Southeast Europe that provided by NALAS (Network of Associations of Local Authorities of South-East Europe), which the Association of Municipalities is currently a member of.

Budgetary Performance of Local Government Units for 2020

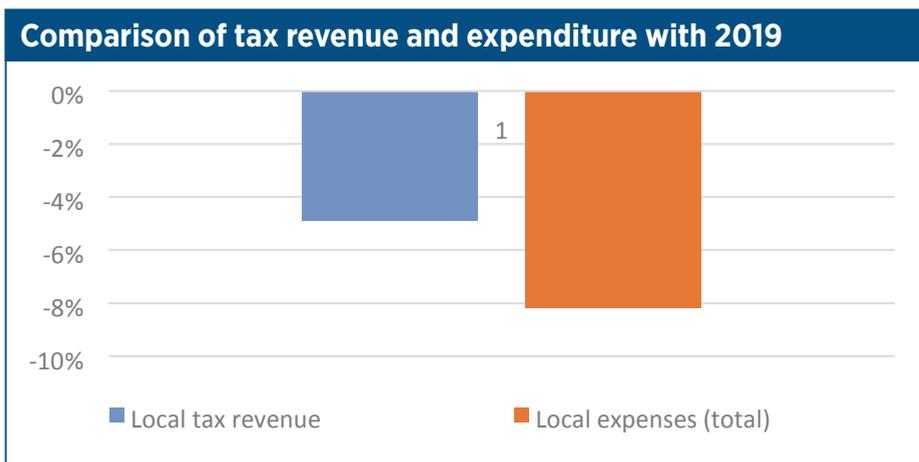
The implementation of the budget of the Local Government Units (LGU) during 2020 has been considerably conditioned by the effects of the two natural disasters that hit our country consecutively by the end of 2019 (Earthquake of 26th November 2019) and at the beginning of 2020 (COVID-19 Pandemic). The revising of the 2020 budget through 4 (four) normative acts passed by the Albanian Parliament gave the local government the first signals that LGU budgets were projected to decline in terms of revenue, and consequently in terms of expenditures.

Table 1

Designation	2019 Actual	2020 Forecast	2020 Revised	2020 Actual	Change 2020 forecast vs. 2020 actual (In %)	Comparison 2020 actual vs. 2019 actual (in %)
Local tax revenue	23,102	26,944	23,045	21,975	81.6%	-4.9%
Local expenditure (total)	56,227	57,554	53,285	51,626	89.7%	-8.2%

Source: Ministry of Finance and Economy, www.financa.gov.al

As Table 1 clearly shows, the budget of the Local Government Units suffered a decline of its expected tax revenue, by about ALL 3.9 billion less than expected for 2020. However, this target was not achieved, as the actual level of local tax revenue was about ALL 22 billion, or ALL 1 billion less than the revised plan for this period. The level of collection vis-à-vis the initial forecasts for 2020 is 81.6%, but compared to the actual rate of collection in 2019 we have a decrease of 4.9%. On the other hand, local expenditures were revised downwards by ALL 4.2 billion, while actual local expenditure further highlighted this decline, registering about ALL 6 million less than the initial 2020 plan. Compared to the realized value for 2019, there is also a significant decrease in total local expenditure of about 8.2% for 2020. Hereunder, the actual performance of 2020 budgetary indicators for LGUs will be presented, providing a comparison with the progress of the previous year.



The same data of Table 1 is presented in the graph above.

Financial resources

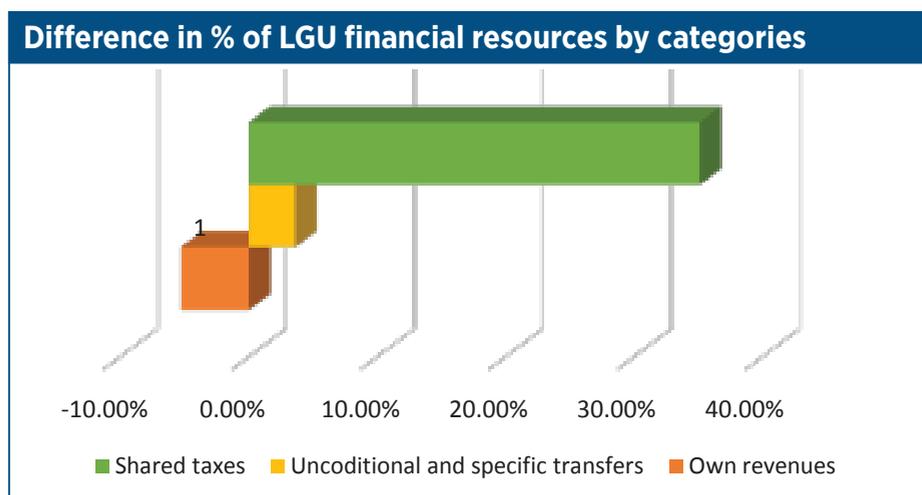
The total financial resources of the local government recorded a value of ALL 52 billion until the end of 2020, a slight increase of 0.2% compared to the same period of the previous year.

Table 2. Financial resources of LGUs by categories (in ALL)

	2019 Actual	2020 Actual	Difference	
			(absolute)	(in %)
Own revenue	25,560,822,145	24,193,380,087	-1,367,442,058	-5.3%
Unconditional and Specific Transfer	24,663,762,864	25,559,999,936	896,237,072	3.6%
Shared Taxes	1,675,112,103	2,263,355,534	588,243,431	35.1%
Total	51,899,697,112	52,016,735,558	117,038,445	0.2%

Source: *Ministry of Finance and Economy, Local Finances Platform, www.financatvendore.al*

As evidenced by Table 2, the revenue from own sources has decreased significantly by about ALL 1.4 billion less than in the same period of 2019, or 5.3% less. Whereas the unconditional and specific transfer has increased during this period, marking an increase of ALL 896 million, or about 3.6% more than in 2019.



Meanwhile, revenue from shared taxes grew with about 35.1% over the same period of 2019.

Performance of revenue from own local sources according to LGUs

Revenue from own local sources (taxes and local tariffs, activities with assets and others) recorded a value of about ALL 24.2 billion, with a decrease of about 5.3% in annual terms, or about ALL 1.4 billion less than the level recorded the previous year.

According to the constituent categories, revenue from their own sources performed negatively because of a drop in the collection of local tax revenues (-5%) and local tariffs (-6.6%) in this period.

Table 3. Revenue from own sources by categories (in ALL)

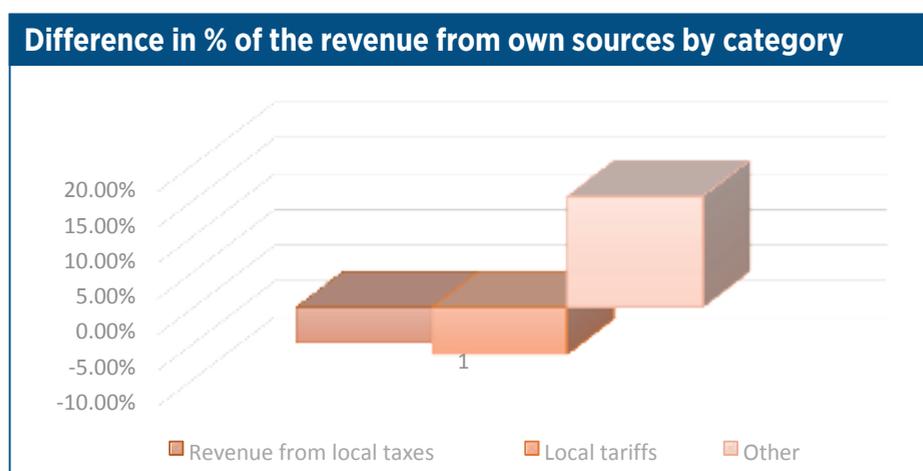
	2019 Fact	2020 Fact	Difference	
			(absolute)	(in %)
Revenue from local taxes	15,802,637,353	15,019,737,275	-782,900,078	-5.0%
Local tariffs	9,475,325,582	8,846,583,458	-628,742,124	-6.6%
Others	282,859,210	327,059,354	44,200,144	15.6%
Total¹	25,560,822,145	24,193,380,087	-1,367,442,058	-5.3%

Source: Ministry of Finance and Economy, Local Finances Platform
www.financatvendore.al

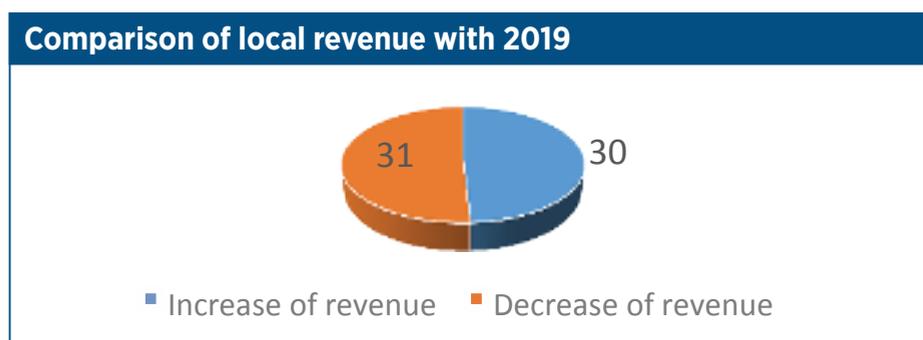
The graph below shows the difference in tax revenue, tariffs and other revenue for 2020 by comparing it with 2019. 30 out of 61 municipalities have managed to have a positive revenue performance

¹ This includes tax and fee revenues, shared taxes and unconditional and specific transfers.

for this period, while the remaining 31 LGUs have not been able to neutralize the decline in revenue from their own sources. Some of the municipalities affected by the November 26th 2019 earthquake showed a significant decrease in revenue, such as the Municipality of Durrës, Krujë, Kurbin and Shijak. On the other hand, the positive performance of the Municipalities of Saranda, Himara and Pogradec is worth noting, and it can be attributed to the easing of restrictive measures taken to fight the pandemic during the summer season 2020, since these municipalities are tourist destinations.



The data for each municipality are supplied as an appendix of this report on Table 4. The differences in absolute value of the revenue from own local sources at the municipal level (in ALL).



Source: *Ministry of Finance and Economy, Local Finances Platform*
www.financatvendore.al

Expenditure of the Local Government Units

In terms of expenditure executed via their own mechanisms, the 2020 performance of the 61 municipalities totaling ALL 51.3 billion logically follows the downward trend compared to the previous year, facing a shortfall of ALL 4.5 billion, or 8.1% less than the same period of 2019.

Table 5. LGU expenditure from its own sources (in ALL)

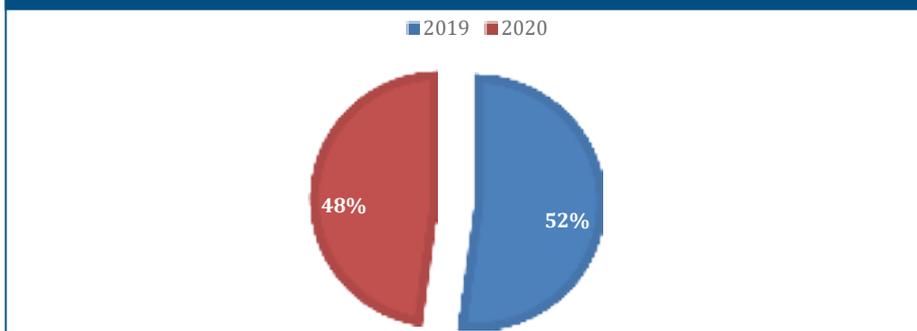
	2019 Fact	2020 Fact	Difference	
			(absolute)	(in %)
Expenditure from own sources	55,859,721,125	51,307,466,420	-4,552,254,704	-8.1%
Total	55,859,721,125	51,307,466,420	-4,552,254,704	-8.1%

Source: *Ministry of Finance and Economy, Local Finances Platform*
www.financatvendore.al

Expenditure performance by Local Governmental Units

Analyzing the data of the total expenditure made by the 61 municipalities in 2020 (compared to the same period of 2019), we see that performances vary from one municipality to next (Table 6) and they do not follow the same trend as in the case of revenue from its own resources analyzed above. 38 out of 61 Municipalities have spent less in 2020 compared to the same period of the previous year. Almost all the big municipalities show a downward trend, with the Municipality of Tirana (ALL -1.2 billion), Municipality of Durrës (ALL -458.2 million) and Municipality of Lezhë (ALL -330.2 million) topping the list. It is worth emphasizing that the vast majority of municipalities affected by the earthquake of November 26, 2019 show declining costs compared to the same period of the previous year.

Difference of the expenditure from own sources from 2019 to 2020



Source: *Ministry of Finance and Economy, Local Finances Platform*
www.financatvendore.al

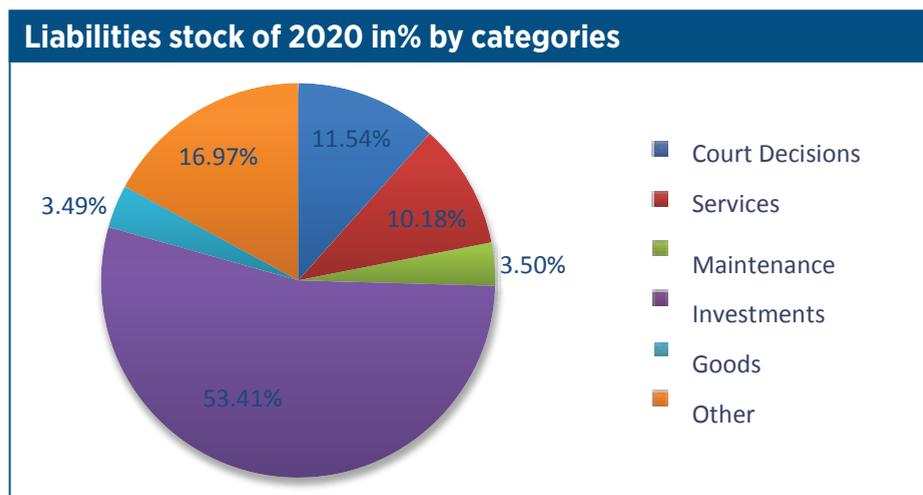
Detailed data for each municipality are an appendix of this report: Table 6. Differences in absolute values of total local expenditure at the municipal level (in ALL).

Accumulated Debt of LGUs

Data published by the Ministry of Finance and Economy shows that by the end of 2020 the total debt of LGUs reached ALL 6.930 billion, marking at the same time a significant decrease of ALL 1.239 billion compared to last year.

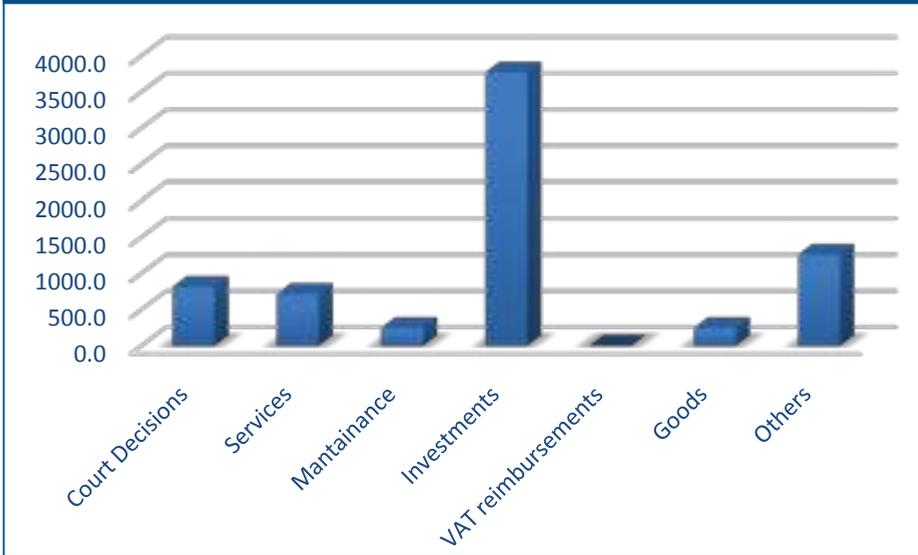
It should be noted that the total debt of municipalities for 2020 has a disproportionate distribution. The highest debt has been accumulated by three municipalities, namely Tirana (761.8 mln), Kavajë (727.8 mln) and Vorë (702.6 mln), with each of them liable for more than 10% of the total local debt. This group is followed by three other municipalities, namely Pogradec (338.7 mln), Lezhë (308.4 mln) and Roskovec (302.2 mln), with each of them liable for about 5% of total local debt.

However, the performance of the 61 municipalities in this aspect is mixed, because data from the Ministry of Finance and Economy shows that 16 out of 61 municipalities have increased the amount of arrears, especially the Municipality of Vorë (ALL +689 million), the Municipality of Malësi e Madhe (ALL +204.4 million), the Municipality of Roskovec (ALL +156.8 million), the Municipality of Belsh (ALL +87.8 million), the Municipality of Divjakë (ALL +62.7 million) and the Municipality of Kuçovë (ALL +92.2 million). On the other hand, a very positive trend is observed in the settlement of debt by the Municipality of Tirana (ALL -996.1 billion), the Municipality of Kukës (ALL -206.1 million), the Municipality of Kamza (ALL -143 million), and the Municipality of Bulqizë (ALL -121.9 million). It is worth mentioning that the Municipalities of Patos, the Municipality of Këlcyrë and the Municipality of Devoll do not have liabilities by the end of 2020.



The debt is divided in some expenditure categories, with investments accounting for the lion's share at 53.4%, followed by other types of spending at 17%, court decisions at 17% and services at 10%.

Stock of liabilities of 2020 in value by categories



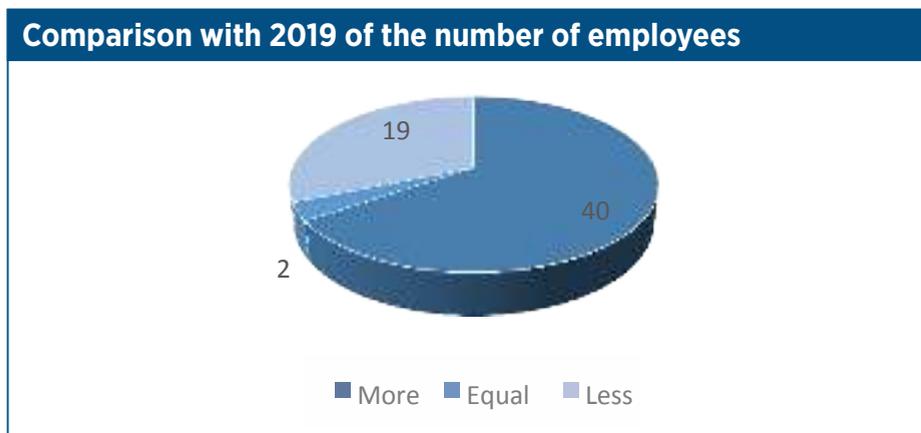
Source: Ministry of Finance and Economy, www.financa.gov.al

Detailed debt data are presented as an appendix to this report in two tables. The first table shows arrears of LGUs, including regions, for the period 2019-2020 (in ALL millions), while the second table details the debt for the municipalities only.

Number of employees of LGUs

During 2020, according to the online financial system of the Government (FISG), the total number of factual employees for the 61 governmental units resulted to be 34,047 employees. Compared with 2019, we note an increase of 901 employees. As seen in the graph below, 40 out of 61 municipalities analyzed have increased the number of employees compared to the same period of the previous year, especially the Municipality of Tirana (+488 employees), the Municipality of Pogradec (+130 employees) and the Municipality of Durrës (+81). On the other hand, there are municipalities with a decreasing trend in the number of employees, especially the Municipality of Dibër (-63 employees), the Municipality of Kamzë

(-53 employees), and the Municipality of Lezhë (-52 employees), and two other municipalities that have not changed the number of their employees.



Source: *Ministry of Finance and Economy, www.financa.gov.al*

The table with data for each municipality is an appendix to this report as Table 8. Number of LGU employees for the period 2019-2020.

Financial stress of the municipalities

The Law 68/2017 “On Local Self-Government Finances” introduced the concept of difficulties and financial stress of municipalities, which were categorized into four stages. The financial situation of the municipalities is assessed in the ratio of the percentage of the arrears of the municipality against the approved annual expenditures. The law stipulates that municipalities with significant outstanding financial obligations are to develop financial rehabilitation plans. It also requires the Ministry of Finance and Economy to monitor these plans and to take actions if these plans fail to improve the situation. More specifically, the cases of financial difficulties of municipalities are explained below.

- Category 1: The municipality is considered to have **financial problems** when the ascertained outstanding liabilities constitute **15 - 25 % of the approved annual expenses**.
- Category 2: The municipality is in **financial trouble** when the delays in the payment of liabilities are ascertained also in the following month and the value of the stock of the liabilities increases progressively above the level of **25% of the approved annual expenditures**.
- Category 3: The municipality is in **serious financial difficulties** when long-term debts and outstanding liabilities account for over **80% of annual expenditures**. At this stage, the intervention of the Ministry of Finance and the Council of Ministers is foreseen
- Category 4: The municipality is **insolvent** when the ratio of long-term debts and outstanding liabilities to the approved budget is higher than **1:3**. The Ministry of Finance proposes putting the respective local unit under administration

The evaluation of the financial situation of the municipalities has been conducted in 2019 by the Project “Local Finances”, backed by the Swiss Government/SECO. According to this report for 2019, one municipality fell into the “serious financial difficulty” category, with its stock of arrears equal to 85.2% of approved expenditure. Nine municipalities are in the “financial difficulty” bracket (Konispol, Ura Vajgurore, Kukës, Rogozhinë, Poliçan, Dibër, Pogradec, Finiq, Tepelenë), 12 units have financial problems and 37 municipalities do not have financial problems.

During 2019, the municipalities of Shkodër, Korçë, Fier, Elbasan, Durrës and Tirana have a very good performance with a single-digit stock of arrears versus approved expenses.

Nr.	Local Self-Government Units	Percentage of stock to approved expenditure	Difficulty Status
39	All municipalities not mentioned below	< 15 %	Without Financial Problems
12	Peqin (PQN)	14.91%	Financial Problems
	Lezhë (LZH)	17.26%	
	Klos (KLS)	18.27%	
	Selenicë (SLN)	18.42%	
	Mirditë (MRD)	19.25%	
	Kamëz (KMZ)	19.97%	
	Cërrik (CRRK)	21.01%	
	Librazhd (LBR)	21.12%	
	Roskovec (RSK)	21.53%	
	Libohovë (LBH)	23.30%	
	Bulqizë (BLQ)	23.49%	
	Tropojë (TRP)	24.44%	
9	Tepelenë (TPL)	31.81%	Financial Difficulties
	Finiq (FNQ)	32.79%	
	Pogradec (PGR)	35.89%	
	Dibër (DBR)	37.04%	
	Poliçan (PLC)	41.94%	
	Rrogozhinë (RRGZH)	43.34%	
	Kukës (KKS)	44.13%	
	Ura Vajgurore (URV)	45.82%	
	Konispol (KNS)	58.76%	
1	Kavajë (KVJ)	85.20%	Serious Financial Difficulties

The table shows the group of 22 municipalities regarding the status of financial difficulties

The municipalities must still work to bolster their financial discipline to avoid the accumulation of arrears. They must also improve the capacities to monitor and evaluate the implementation of the budget. The mayor but also the council itself must have a more active role in this monitoring.

Legislation affecting local governments and the AMA perspective

Fewer legal acts of significance in the field of local government have been adopted during 2020 compared to previous years. This is mainly due to the fact that the attention of the legislative power has been focused on handling the COVID-19 pandemic and the consequences of the November 2019 earthquake. However, below we present a summary of the most important acts along with the essential changes they entail, as seen from the municipalities' point of view.

Law 20/2020 “On the Completion of the Transitional Processes of Property” was approved on March 5, 2020. Its purpose is to create a simplified and harmonized legal foundation for the completion of transitional processes of public and private registration procedures.

The main innovations of this Law can be summarized as follows:

- **Ownership titles over Agricultural Land:** Law 20/2020 provides that the Land Acquisition Act (LAA) gained before the entry in force of this law will not be subjected to the verification of its validity by the SCA and will be registered in the Immovable Property Register, if the criteria set out in the law are met.

- **Illegal constructions, unlicensed buildings and yards in use:**
The innovation consists in the fact that the value of these constructions, which are not to be legalized, will be anyhow registered in the database for identification purposes, according to the procedures set by the Council of Ministers.
- **The updating, inventorying, transferring and registering of immovable public properties** is specified by the procedures provided according to the final list approved by the Council of Ministers.

The adoption of this law led to the repeal of Law no. 7501, dated 19.07.1991 “On the Land”, so much debated due to its implementation and consequences.

Law 122/2020 “On Some Changes in Law No. 9632, dated 30.10.2006, “On the Local Tax System”, as amended, exempted small businesses from profit tax. More specifically, the amendment stipulates that “the tax rate applicable on the taxable profit for taxpayers accountable under the simplified small business profit tax for businesses with an annual turnover from ALL 0 (zero) to ALL 8 (eight) million, is 0 (zero).” Since such tax was allocated to the municipalities, the Association of Municipalities has asked for a rigorous reimbursement of lost revenue as a result of this legal change. On the other hand, the initiative has been viewed positively as it helps small businesses hit by the pandemic.

Law no. 98/2020 “On an Amendment to Law No. 9632, dated 30.10.2006 “On the Local Tax System”, as amended, was approved on 23.07.2020 and was published in the Official Gazette No. 145, dated 06.08.2020. This legal amendment removed the obstacle of submitting a document for the payment of local taxes by applicants of legalization permits. The change was as follows:

“The buildings already included in the legalization process will pay an infrastructure impact tax for new buildings equal to 0.5 % (zero-point five percent) of the total investment value.”

Law 101/2020 “On Some Additions and Amendments to Law No.10 019, dated 29.12.2008 “The Electoral Code of the Republic of Albania”, as amended, was approved after a long negotiation process conducted by the Commission set up for electoral reform in October. With regard to the changes affecting the local government, they are related to the change of the election period, the obligation to report public activities on the eve of the elections and the obligation to respect gender representation. More specifically:

- General elections for the Assembly or for local government units are held simultaneously throughout the country within the period from April 15 to May 15 or from October 15 to November 15.
- Public institutions are obliged to report to the Central Election Commission (CEC) all activities of a public nature that they plan on holding in the four months ahead of the election up to the polling day.
- For each constituency in the Parliamentary elections, no less than one in every three names of the multi-name list must belong to the under-represented gender, while in local elections one in every two consecutive names in the ranking must belong to the same gender. The non-fulfillment of this obligation by the electoral subject will empower the CEC, or the ZEAC in the case of local elections, to refuse to register the multi-name list.

Law 102/2020 “On Regional Development and Cohesion” was much debated in the media arena, especially after its adoption. It aims

to define instruments for the regional development and cohesion in the Republic of Albania by promoting of balanced regional economic, social and cultural development to ensure that policy-making authorities coordinate their planning activities to stimulate the harmonized and integrated planning of the regions, to ensure the harmonization of sectorial strategies in a common regional developmental policy and to back it with the relevant budget. To make the law succeed, Albania has been divided into four regions, which are to be determined by a decision of the Council of Ministers.

In principle, regional development is indispensable, but it would have been best set-in motion through elected local institutions by mainly reforming the second tier of the local government. In the consultation phase, we have suggested that the regions and their borders must be delimited by a widespread communication and consultation process, with a bottom-up approach, a broad political consensus and not just with a DCM. A small country like Albania, especially after the territorial reform that created 61 municipalities, no longer needs to draw up a central concentrated policy, but regional and local policies by elected institutions.

We keep sticking to our recommendation that the government should use the reform policy of the current 12 regions to ensure regional development and not to create new structures overlapping with the existing ones.

Law 71/2020 “On Some Changes and Additions on Law No. 10465, dated 29.9.2011 “On the Veterinary Service in the Republic of Albania”, as amended, enabled the start of the implementation of the veterinary service reform and the completion of the legal framework for the unification of the veterinary service, paving the way for the transfer of the competences and functions of the local self-governed veterinary service into the structure of the veterinary service of the Ministry of Agriculture and Rural Development.

With the approval of the law No.139/2015, “On Local Self-Governance”, local government units no longer exercise functions related to the veterinary service or veterinary structures. Under this provision, the competent authority reports to the Minister and it stipulates that a structure responsible for veterinary services must be built to oversee it. This structure will be organized at a regional level.

The local self-governing units and the veterinary service cooperate to implement prophylactic measures, establish markets for live animals and pastures, control and eradicate infectious diseases in animals, control stray cats and dogs, monitor public premises for the use of protective masks for aggressive escort animals and determine the burial grounds and elimination of animal carcasses and the fencing and guarding of waste collection areas.

Law 57/2020 “On Forests” regulates the definition of the role and functional responsibilities for every institution responsible for forests, at the central and local level, upon the establishment of the National Forestry Agency. The new law on forests was seen as being indispensable to adjust forestry structures to the new reality on the ground following the division of Albania into 61 municipalities.

The role of the municipalities starts by securing the budget to finance the forest sector in cooperation with the state budget, donations and revenue from all possible activities in the forest fund. To the local government, the novelty of the law consists in the creation of community structures in the villages (the village chairman and village council), which are meant to oversee the sustainable use of the forests in the village in accordance with the needs and the policies for the development of rural areas.

The law sets standards in terms of human resources. The number of employees of the structure responsible for forests is determined in proportion to the surface of the forestry fund as follows:

- a) one forest specialist for 750 – 1000 hectares at high (high altitude) forests;
- b) One forest specialist for 1500 – 2500 hectares for low altitude forests and bushes.

Law No. 106/2020, “On Some Changes in Law no. 8438, dated 28.12.1998, “On Income Tax”, as amended, stipulates a change in the profit tax threshold. More specifically, the tax rate will be changed to

- a) 0% for taxpayers with an income of up to ALL 14,000,000 per year.
- b) 15% for taxpayers with an income over ALL 14,000,000 per year

DCM No.684, dated 02.09.2020 “On the Transfer of Ownership of Forests and Public Pastures to the Municipalities”, makes an adjustment in accordance with the administrative-territorial changes. It provides that the areas of the public forest and pasture fund, according to the inventory lists, their supporting infrastructure, assets, archive and protocol, currently under the administration of the Ministry of Environment, as well as areas of the public forest and pasture fund and supporting infrastructure, which have been transferred to the former communes and municipalities, are transferred to the ownership of the municipalities.

Law 63/2020 “For the Improvement of Business Areas (BID)” introduces for the first time the concept of the BID in Albania as “Business Improvement District - BID”.

This law aims to create a mechanism, with a non-profit organization status, to encourage owners of the commercial units, which are used

for business purposes, to participate in the process of sustainable development of the area, which according to this law is called “BID”, through private contributions that are to be used for additional services for businesses in the respective BID area.

We detect a problem related to the role of the municipality in the functioning of BID organizations. The first of our two worries stems from the ability of the BID to intervene through an “operational agreement” in performing the public functions of the municipality, mainly related to investments in infrastructure, and secondly the financing forecasts that are transferred by the respective municipality to the BID organization, in accordance with this law.

We do not clearly see and understand the need for a legal provision for the cooperation of municipalities with commercial units which operate in certain areas. Thereby, the law would oblige the municipality to comply although the municipality can carry out and shape cooperation with private operators without the need of a law. We express our strong reservations on the respective provisions and for the practical implementation of this law.

Decision No. 144, dated 13.2.2020 “On Some Changes on Decision No. 132, dated 7.3.2018, of the Council of Ministers, “On the Methodology for Determining the Taxable Value of Immovable Property ‘Buildings’, the tax base for specific categories, the nature and the priority of information and data for determining the tax base, as well as the criteria and rules for the alternative assessment of tax liabilities”, as amended, has effected changes in the prices per square meter for open spaces in the Municipality of Tirana, and in the price per square meter of construction areas intended for industrial activities at 50 (fifty) % of the price of housing spaces in the respective areas in the cities or the administrative units for the Municipality of Tirana.

Decision No.405, dated 20.5.2020, “On the Approval of the Strategy for the Development of Primary Health Care Services in Albania 2020-2025” was drafted by the Ministry of Health and Social Affairs and was approved by Decision of the Council of Ministers.

Regarding the tasks foreseen for the local government, the Strategy is too broad and it does not define either the obligations or the financial resources of the municipalities. Local government authorities will have to resolve – once and for all -- the legal aspects of ownership of primary care centers, which would pave the way for further investments in this center by the local government and its potential partners, including the private sector. More specifically, the role of the local government is foreseen to be the following:

Decision No. 418, dated 27.5.2020, “On the Approval of the Document of Strategic Policies and the National Plan for the Integrated Management of Waste, 2020–2035” mentions in just two paragraphs the energy-producing waste plants, which have been the subject of public debate during 2020 for the incinerators of Tirana, Elbasan and Fier. According to the strategy, waste energy plants are part of waste management, as the penultimate option of the hierarchy. Upon all the preliminary processes of differentiated collection, recycling, composting, solid waste disposal, in accordance with the policies in this document and the technical schemes established in the National Sectorial Plan for solid waste disposal, the municipalities and other waste producers may send other combustible waste to these plants.

The construction of these waste incineration plants upon the initiative of the Council of Ministers is a violation of the autonomy of the local government provided by the Constitution, the European Charter of Local Self-Government, the Law 139/2015 and the environmental legislation. It was the municipalities’ right to lead the way to a

resolution after an analysis of costs and a public consultation that should have led to such a decision.

Questions still lack answers over the functioning of the incinerators and the obligations of the municipalities to them. What are the fees that the municipalities will pay and how are they set? Will they affect the fees that the citizens and businesses will pay? Can the surrounding municipalities be forced to send waste to the incinerator if they can find more cost-effective methods of waste management?

Decision No. 456, dated 10.6.2020 “On Some Additions and Changes in Decision No. 910, dated 21.12.2016, of the Council of Ministers, “On the Issues, Object of Consultation, and the Structure, Procedure, Form, Manner of Organization and Functioning of the Consultative Council of the Central Governance with Legal Self-Governance”, as amended, amplifies the range of issues related to the diaspora and migration, which entails legal amendments for the creation of municipal services for the diaspora. The representation of the central government is increased with the representative of the diaspora minister and the representative of the enterprise protection minister. The decision also makes an adjustment in the number of local government representatives to compensate the representation of the local government.

Decision No. 783, dated 7.10.2020, “On the Approval of the Action Plan 2020-2022, Pursuant to the Intersectorial Strategy for Decentralization and the Local Governance, 2015–2020” is the three-year plan meant to further decentralize local government after the territorial reform.

At a first glance, many of its goals seem to have been achieved, also thanks to the contribution of the projects already undertaken, particularly the STAR Project. With we refer to goals, we mean the digitalization of the archive, the structure of the human resources

and others. Only a part of those objectives had a budget and its institutional responsibilities defined. Below we rank some objectives we believe to be of particular interest to the municipalities.

1. Increasing the distribution of revenue from the royalty tax for local self-governing units from the current level of 5% to 8%.
2. The gradual increase of the financing for the unconditional transfer to accommodate the financing of the new functions transferred in accordance with the law for Local Self-Governance.
3. Working on a study on the local functions that are financed with conditional transfers, the needs of the municipalities for the financing these functions and the possibilities of financing local self-governing units with conditional transfers from the state budget.
4. To define a space dedicated for local governance within the national macroeconomic fiscal policies, within the annual limit of public borrowing.
5. The drafting of the framework of by-laws for the prevention and management of financial problems and difficulties at the local level.
6. The harmonization of the legal and regulatory framework for the water supply service and waste water treatment (the water sector law) and the setting of the minimal quality and safety standard for the water supply service, including the calculation of its cost.
7. The drafting of new studies on the possible reorganization of the Holding Aqueduct and Channels to increase their efficiency.
8. Technical assistance for the LSU for the implementation of the CDM No. 319, dated 31.5.2018, "On the Approval of Measures for the Costs of the Integrated Waste Management".

9. Technical assistance for the clarification and negotiation of contractual relations of LSU with the central government and waste-treating plants during 2020- 2021.
10. The construction of waste-treating plants in accordance with the national master plan.
11. The establishment and consolidation of the financing scheme for the competences of the LSU in the field of healthcare, including the maintenance of health facilities.
12. The drafting/updating of minimal national standards for the priority areas:
 - Pre-university education;
 - Cleaning, greenery services, others;
 - Housing;
 - Security (Municipal Police);
 - Agriculture and rural development;
 - Civil Emergencies.
13. The establishment of the National Fund for the local level related to the projects of the EU.

Law 45/2019 on Civil Protection and the Mitigation of the Consequences of the Earthquake and COVID-19

The functions of the municipalities in the field of public safety, as defined in the Organic Law 139 of 2015, foresee, among others, also the responsibility of the municipalities for civil protection from natural disasters or other calamities.

Upon analyzing the current legislation, we observed the need for an improved planning at the national level to create capabilities to help institutions be more responsive to natural dangers, have a more realistic budgeting and a better coordination throughout the country. We also identified ambiguities in the division of roles

and responsibilities between different institutions, mainly local and central ones. Of course, we cannot fail to mention the significant lack of infrastructure and tools necessary in the municipalities to deal with natural disasters, not only at the fire stations, but also the lack of evacuation points, equipment reserves and others.

Some of the challenges identified by us have been addressed by the new law on civil protection, adopted on July 2019. This law paves the way to build the National Agency of Civil Protection, which will have greater administrative, technical and financial capacities than its predecessor, the General Directorate of Civil Emergencies.

The law, implementing the principle of subsidiarity, emphasizes the primary and very important role of the municipalities in the reduction of the dangers of disasters and civil protection, and it also establishes a mandatory minimal budget limit to that effect. To reduce the risk of disasters and empower civil protection, the municipalities rely on forecasting the minimum of 4 percent of their total annual budget, which come out of the conditional state budget funds. According to the same principle, the law foresees that the capacities of the affected self-governing unit are initially used in the handling of a natural disaster, and should they are insufficient, additional capacities from the neighbouring self-governing units are requested. If more is needed, they ask for the engagement of other state capacities, including the State Police and the Armed Forces.

It also foresees the obligation of the municipalities to compensate the damages of said disasters. As a rule, the damages are borne by the municipalities affected by the disaster out of the fund dedicated to civil protection, but should the compensation value exceed 8% of the municipality's budget, the Civil Protection Committee can decide that the compensation should be made by the National Agency.

Implementing this law represents the main challenge for not only for the municipalities but also other state institutions. We expect more clarity on the already-added roles and the responsibilities,

to improve communication between all sectors and respective agencies aiming at promoting a unified approach regarding the measures that need to be taken.

We also hope to see the launch of an efficient financial plan to ensure the appropriate budget for such situations. This careful budget planning will gradually enable the improvement of necessary local infrastructure.

Decision dated 11.11.2020 “On Determining the Cases and the Manner of Cooperation between the Central Government and Local Self-Governing Units, for the Creation or the Increase of the Public Fund of Social Housing” regulates the financial support of the local unit for the public fund of social housing.

Financial support for the creation or the increase of the public fund for social housing, according to the modalities defined in Point 1, of Article 18, of Law No.22/2018, “On Social Housing”, is granted to the local self-governing unit by the ministry responsible for housing, within budget upper limits approved annually for housing, and this is based on the needs identified in the 5 (five)-year housing plans and the possibilities of co-financing from the local self-governing units own revenues.

Decision No. 537, dated 8.7.2020 “On the Approval of the Minimal Energy Performance Requirements of Constructions and Construction Elements” is mandatory for the municipalities both in monitoring construction permits and the reconstruction or construction of public buildings.

This decision sets the minimal energy performance requirements for all new buildings and new building units during all stages of construction, including their designing, as well as for existing buildings.

Decision no. 833, dated 28.10.2020 “On the Detailed Rules of the Contents, Procedure and Administration of Personnel Files and the Central Personnel Registry” provides that state administration institutions, independent institutions and the local self-governing units are obliged to create and administer the file of each employee in their institution.

The Department of Public Administration creates and administers the Central Personnel Registry (hereinafter “CPR”), the unique state database that stores and processes electronically the information of the institution and active human resources, of the state administration institutions, independent institutions and self-governing units.

The cooperation platform “administrata.al” is the tool used by the state administration institutions, independent institutions and self-governing units to periodically report data for the calculation of basic indicators of human resource management.

The second call for proposals in the framework of the functioning of the Social Fund Program monitored by the Ministry of Health and Social Protection, aims to support the establishment of social services in the community, proposed by each local unit/municipality in Albania. The Social Fund has been created in 2018 and the first call has been made in November 2019. Given the low number of applications by municipalities to this Fund, we have analyzed the financing of social services and the functioning of this fund.

Despite the increase of the unconditional transfer once the three-year transition period ended, this increase, such as the previous specific grants, could not cover the associated costs for social services.

This is evident from the current state of offering social services in the municipality. According to the report of the Social Services Directorate for 2019, 21 municipalities, or 30% of the total, do not provide any social service.

Local government, handling emergencies from the earthquake to Covid-19

The municipalities and the earthquake

2020 was a difficult year for the municipalities in general, but especially so for the 11 municipalities hit by the earthquake. There were difficulties in the political and socio-economic context.

The moment offered two views: local and international solidarity and the civic engagement but also a system unprepared for civil emergencies, both on the local and central level, with major shortages in human, financial, infrastructural and technological capacities.

Key figures on damages:

- The earthquake of November 16, 2019 and its fallout affected over 200 thousand people;
- The total effect of the catastrophe in 11 municipalities reached 1 billion euros (ALL 121.21 billion), of which 843.9 million euros are physically-destroyed assets and 141.2 million euros are indirect losses;
- Most of the damages were recorded in the housing sector (78.5%), followed by the manufacturing sector (8.4%) and the education sector (7.5%).

- Most of the damaged buildings, about 76.5%, were privately-owned, and 23.5% were publicly-owned. The housing and manufacturing sectors are mainly private infrastructure while other remaining sectors are mainly public property.

Regarding the geographic distribution of damages and losses, the municipality of **Durrës** was the most affected with damages totaling 303.8 million euros, or 32.4% of total damages and losses, followed by **Tirana** with 284.3 million euros, or 30% of the total and third **Krujë** with 84.2 million euros (ALL 1.04 billion) or 9%.

The donations, especially funds raised by the Donors Conference, were an achievement that was followed by a slow implementation.

The slow disbursement can be partly explained by the time required by the bureaucracies of these procedures, but the central and local institutions had also to work faster and more efficiently.

The process of rebuilding housing and other government and business facilities, damaged by the November 26 earthquake, will be completed by the end of 2024 and will cost about 1 **billion euros**, an amount which will be financed with 300 million euros from internal sources and the rest from donors and NGO-s. More than 800 million euros are needed just to provide shelter for those who lost their homes.

There will be three reconstruction stages. The first will last until the end of this year (2020) and is expected to commit investments of up to 545 million euros, with over 90% earmarked for housing reconstruction.

The second stage, in the medium-term, 2021 and 2022, plans to invest 499.6 million euro, or 46.5% of the total, which will also serve to build housing.

The third phase, in the long-term, 2023-2024, will commit another 61 million euros, most of which will be used for the recovery of public infrastructure.

But now, after one year we think that it is very difficult to achieve the objectives of the reconstruction.

Sector-wise, the biggest damage has been inflicted to private housing. Besides the damage to homes, the November 26 earthquake has destroyed **public objects of high social importance, such as schools, health centers and other public buildings.** The damaged objects are as follows:

- **Housing buildings, 11,490 need to be completely rebuilt, 83,745 need repairs;**
- **Education; 321 buildings were damaged;**
- **Health; 8% of the buildings have been damaged;**
- **Public infrastructure; damage totaling 33 million euros;**
- **Business; 714 enterprises were damaged.**

Other damaged public buildings (57 buildings under the administration of the Ministry of Defense, among which a firefighting station, two Albanian Geology Service buildings, eight monitoring stations of the Institute of Geosciences, Energy, Water and Environment were slightly damaged, six buildings of the General Directorate of State Reserves, and also seven other public buildings were damaged and need to be repaired. The reconstruction cost of those buildings was estimated at about 22 million euro.

Role of the Municipalities in the reconstruction

The central government has claimed ownership of the reconstruction plan and its implementation. But a large volume of work has been done by the municipalities. They have done a good job with their resources and no financial support from the government to identify and assess the damage and help those affected.

The Albanian government approved on December 2019 the Normative Act for the Implementing Units **“On Coping with the Consequences of Natural Disasters”**.

From an administrative and executive point of view, the reconstruction process is highly centralized. The normative act designates governmental agencies as an implementing unit in their entirety. The Municipality of Tirana is the only one selected as an implementing unit out of the 11 municipalities affected by the earthquake.

It is the opinion of the AMA that the municipalities should have been the implementing units, at least for the individual private houses, while for the collective ones the implementing units should be the ones designated by the government. This would have increased trust in the municipalities; we would have split responsibilities and resources and created a more competitive environment.

The municipality and the pandemic

The first cases of COVID-19 were identified in early March 2020, which led to the immediate shutdown of educational institutions and later the lockdown of the whole country. The situation during the remaining months of 2020 has been constantly changing, with significant fluctuations. The consequences of the pandemic continue to bring negative effects in all aspects of personal and public life. The loss of life due to the pandemic has inflicted the most severe effects, followed by economic losses and social effects, particularly on children and young people, among others.

The COVID-19 saddled state bodies with the primary role of coping with the situation and mitigating its consequences. The effects were strongly felt also in the local government, which seems to have been unprepared and without the necessary tools to respond to the situation.

The COVID-19 emergency has been mainly managed on the central level, bypassing also the role that the municipalities are entitled to by law to deal with similar situations. By their very nature, the municipalities are responsible for offering services for the citizens and are closest to them than other state bodies. Consequently, the municipalities should be aware of emergency needs and have the wherewithal to address them.

In addition to the challenge of getting close to the citizens, mainly the elderly and the ones with special needs, the municipalities also faced difficulties in their internal functioning and in offering public services. We would like to recall that the need for some services, such as cleaning and disinfecting of public spaces, was several times bigger than in normal times.

The challenges of the local government can be summarized in three main directions:

- Providing services related to the management of the pandemic, such as cleaning and disinfecting, the supervision of the rules approved by the Ministry of Health, the distribution of food packages and medicine for certain needy social groups, supplying disinfectants to preschools, educational institutions and health centers, mobilizing emergency funds and the establishment of volunteer groups, among others.
- Covering the financial cost of the abovementioned services and the easing of economic consequences for the citizens. Generally, the municipalities activated their fund – the one of 4% of their total budget earmarked for emergency situations -- to cover the spending needed to halt the spread of the virus. On the other side, about a third of the municipalities approved the easing of fiscal measures by lowering tariffs and taxes or postponing the deadline for the payment of local taxes for both citizens and businesses. Both increase of spending and the revenue cuts will have their effects in the long-term

local budgets, particularly so since the municipalities did not receive dedicated state budget transfers for the pandemic.

- How to keep the municipalities working became clearer after the first months of the emergency when the authorities realized that the pandemic would last longer longer than they initially believed. The municipalities gradually started to take two measures mainly; firstly, they transferred services online and secondly, they began rotating employees in the offices. Indispensable services were offered online and the municipal council meetings were also held online. Many municipalities made contact numbers available for specific services. To provide services requiring the presence of employees, they took measures to work in shifts or with schedules adapted to the needs.

The services most affected by the pandemic and the protective rules were the civil registrar office, public relations, local fees and tariffs, cultural and sport activities and public transport.

On a rather general context, the health system was faced with great difficulties as a consequence of the lack of technical and human capacities. The opening of COVID wards in regional hospitals was done with much delay, concentrating the burden of infections on national hospitals. The role of the family doctor started being appreciated albeit belatedly.

Regarding the government's financial aid, the International Monetary Fund (IMF), in its January 2021 report¹, on the level of direct fiscal support for the pandemic, ranks Albania last in the region. The level of budgetary support turns out to be about 4.5 times less than the average of the countries in the Western Balkans region.

As to financial backing to alleviate the effects of the lockdown, Albania has remained at the level 1.2% of the Gross Domestic

¹ <https://www.imf.org>

Product (GDP), while Northern Macedonia is at 2.6% of GDP, Bosnia-Herzegovina at 5.1% of GDP, Kosovo at 5.1% of GDP, Serbia at 5.6% of GDP and Montenegro at 8% of GDP.

The two fiscal packages of the government were much debated because of their small financial volume and red tape the beneficiaries needed to go through. Business in general and tourism in particular have expressed many times dissatisfaction over the lack of consultation and the adoption concrete effective measures by the government. Numerous recommendations have been made for the government to cut Public Private Partnership (PPP) payments and increase the budget support to help businesses cope with the consequences of the pandemic.

Nothing matters more than the health and life of the citizens, and it must be our absolute priority!

With the pandemic revealing the weaknesses of the political dimension, the challenges were the lack of autonomy of the local government, the politicization of emergencies, the limitations on the citizens' participation in the decision-making process, the low level of trust in central and local institutions, the low level of political stability and the high level of conflict, and the low interest of public attention for local issues.

But the challenges have been far more visible in the administrative dimension, especially the insufficient budget for public services, the funding uncertainty, difficulties in cooperation and vertical coordination, the complexity of the situation with many unknowns, bureaucracies and lack of flexibility, lack of capacities, lack of access to reliable information, as well as limited abilities and lack of experience in pandemic management. Covid-19 is not fought with propaganda, nor should it be used politically.

The Consultative Council and institutional interaction

Central Government - Local Government 2020 Consultative Council

The Consultative Council has been very dynamic and inclusive during 2020. The Consultative Council is the consulting forum of the Central Government and Local Self-Governance. This forum was created by Law No. 910, dated 21.12.2016, “On Issues, Objects of Consultation, and the Structure, Procedure, the Form, the Manner of Organization and of Functioning of the Consultative Council of the Central Government with the Local Self-Governance”, aiming at institutionalizing the consultation process of the central and local governments.

In its fourth year of life, this forum has consolidated a consulting practice although it remains a modality in need of assessment as to its efficacy as an exhaustive instrument for addressing local government matters. This is because this council should function according to the law that determines the meeting between the local and central government should happen in a conference format that favours attention-seeking visibility rather than the accomplishment of its real purpose.

The goal of the consultative council is to consult and agree on matters of interest for both powers. This object has been modified to a linear meeting with a large number of topics and cases, and with many actors from the most key to the most peripheral. This approach greatly weakens this institution.

The approach of submitting to the council draft laws and issues unrelated to the local government must also be changed. The consultative council must make the focus of its work the activity of the associations of local elected officials and it is with them that it should sit down to define the agenda and the working plan. But the council organized by the Agency for the Support of Local Self-governance has not achieved this.

We have even witnessed what we could safely say is an orientation and tendency from other civil society players to take control of the agenda with time-consuming presentations and by presenting reports or initiatives of any kind, to mention a few such tendencies.

But despite this situation and the approach of the consultative council, the Association of Municipalities has participated in 100% of the meetings, and has also reacted in the highest percentage to acts presented, in about 90% compared to other players.

But it should be emphasized that the Association of Albanian Municipalities has had a very good cooperation with Albanian institutions, and particularly with the Interior Ministry, which leads the decentralization reform, as well as with the Parliament, and other agencies, by being part of decision-making discussion to draft decisions or to contribute to various topics.

The Association of Municipalities stands for Dialogue between the Central and Local Government, based on principles and the respective law. We seek a real dialogue to give solution to the problems and not just for show, not a meeting to be attended by anyone willing to speak or propose.

For an effective partnership, we recommend an earlier involvement of local government representatives in the formulation of acts that will of importance for the local government.

The role of the Associations of Local Elected should be considered a priority for the early involvement in the decision-making related to the local level of governance.

Annex - Facts and figures

APPENDIX

Table 4. Differences in absolute value of revenue from own local sources at the municipal level (in ALL)

LGU	Revenue from taxes	Revenue from tariffs	Other revenue	Total
Himarë	79,868,556.00	(17,361,942.00)	3,563,880.00	69,503,226.00
Tiranë	133,111,783.00	(121,240,654.00)	42,376,536.00	61,758,747.00
Patos	5,245,657.00	65,088,415.00	(28,468.00)	43,297,472.00
Kukës	2,605,394.00	40,429,788.00	1,252,938.00	36,510,118.00
Vlorë	59,851,628.00	(31,721,545.00)	840,861.00	29,167,790.00
Berat	(24,820,138.00)	44,449,680.00	(9,247,500.00)	21,612,298.00
Sarandë	(783,129.00)	7,951,021.00	1,057,264.00	20,490,429.00
Dropulli	1,964,999.00	1,336,591.00	553,940.00	18,993,300.00
Pukë	5,510,371.00	11,225,651.00	999,928.00	18,535,892.00
Mat	1,079,280.00	11,516,485.00	623,296.00	13,214,920.00
Kolonjë	2,439,880.00	6,433,240.00	-	12,876,989.00
Belsh	9,841,671.00	9,271,480.00	-	12,081,995.00
Rrogozhinë	5,999,020.00	3,543,953.00	-	9,542,973.00
Pustec	(1,419,395.00)	1,226,873.00	-	9,426,558.00
Konispol	2,618,379.00	6,704,732.00	-	9,323,111.00
Finiq	1,538,324.00	140,094.00	-	9,313,128.00
Prrenjas	1,085,635.00	5,073,113.00	600,000.00	7,661,846.00
Delvinë	364,730.00	6,882,116.00	-	6,956,196.00
Ura Vajgurore	(15,978,882.00)	24,515,833.00	-	6,948,486.00
Cërrik	11,564,385.00	(5,540,027.00)	-	4,991,221.00
Has	1,037,583.00	(412,845.00)	470,196.00	4,032,555.00
Përmet	(4,183,236.00)	1,118,961.00	-	3,563,331.00
Polican	1,628,038.00	1,432,247.00	287,264.00	3,522,013.00
Gramsh	5,461,895.00	(3,127,080.00)	-	2,334,815.00
Memaliaj	885,907.00	1,428,980.00	-	2,314,887.00
Këlcyrë	86,148.00	548,942.00	-	635,090.00

Lushnjë	20,859,564.00	(14,168,572.00)	-	585,232.00
Pogradec	(3,108,935.00)	1,762,579.00	791,398.00	481,149.00
Maliq	(11,432,687.00)	11,140,047.00	-	266,693.00
Tepelenë	(484,767.00)	660,758.00	-	175,991.00
Libohovë	(764,928.00)	(417,987.00)	(55,046.00)	(1,237,961.00)
Librazhd	(4,855,660.00)	9,798,355.00	(50,868.00)	(2,271,311.00)
Malësi e Madhe	6,892,253.00	(8,974,252.00)	(3,672,014.00)	(4,212,483.00)
Fushë Arrëz	(2,991,723.00)	(3,640,071.00)	-	(7,345,666.00)
Gjirokastër	(9,799,947.00)	(4,875,667.00)	240,320.00	(7,612,873.00)
Bulqizë	(6,576,658.00)	(1,482,869.00)	-	(7,900,527.00)
Devoll	10,684,976.00	11,541,339.00	-	(8,137,754.00)
Tropojë	(10,453,409.00)	1,819,565.00	-	(8,633,844.00)
Selenicë	(4,534,760.00)	(5,030,619.00)	543,580.00	(8,653,219.00)
Divjakë	(4,913,736.00)	(4,634,957.00)	-	(9,780,693.00)
Klos	(9,601,133.00)	(1,500,326.00)	-	(10,640,959.00)
Mirditë	(929,847.00)	(7,727,723.00)	-	(12,869,260.00)
Peqin	(15,018,843.00)	1,255,278.00	-	(13,763,565.00)
Shijak	(12,458,399.00)	(3,938,724.00)	-	(15,708,114.00)
Skrapar	(1,287,850.00)	(24,863,867.00)	9,117,095.00	(16,900,507.00)
Dibër	(3,296,525.00)	(15,224,821.00)	992,782.00	(17,793,715.00)
Kurbin	(17,616,160.00)	(3,213,943.00)	543,916.00	(22,379,171.00)
Elbasan	(10,116,278.00)	(35,133,597.00)	9,238,706.00	(26,818,758.00)
Kuçovë	(18,546,625.00)	(9,924,013.00)	-	(28,633,339.00)
Roskovec	(16,804,847.00)	(18,652,059.00)	846,579.00	(31,284,330.00)
Vau I Dejës	(32,328,924.00)	(5,489,473.00)	-	(37,818,397.00)
Mallakastër	(7,657,011.00)	(31,466,057.00)	-	(39,123,068.00)
Krujë	(19,293,622.00)	(20,315,798.00)	7,813,366.00	(41,006,054.00)
Fier	22,310,413.00	(84,599,223.00)	(242,821.00)	(61,163,890.00)
Shkodër	(37,600,528.00)	(23,017,262.00)	(1,915,656.00)	(62,258,947.00)
Kavajë	(84,631,478.00)	505,154.00	-	(82,499,984.00)
Vorë	(113,899,223.00)	2,367,973.00	-	(111,531,250.00)
Korçë	(76,148,038.00)	(40,329,288.00)	(8,970,569.00)	(116,750,858.00)
Kamëz	(32,638,816.00)	(259,549,080.00)	(607,866.00)	(302,293,357.00)
Durrës	(192,879,954.00)	(96,445,088.00)	(1,800,605.00)	(307,054,896.00)
Lezhë	(367,580,454.00)	(15,891,939.00)	(444,493.00)	(383,481,758.00)
Totali	(782,900,076.00)	(628,742,125.00)	55,717,939.00	(1,367,442,057.00)

APPENDIX

Tabela 6. Differences in absolute value of total local expenditure at the local level (in ALL)

NJQV	Paga dhe sigurime	Operative dhe të tjera	Kapitale	Totali
Rrogozhinë	30,043,356.00	(11,004,082.00)	127,985,272.00	147,024,546.00
Prrenjas	8,733,868.00	24,387,280.00	41,409,048.00	74,530,196.00
Skrapar	(7,081,914.00)	15,292,096.00	57,459,781.00	65,669,963.00
Belsh	30,270,613.00	13,742,702.00	10,152,568.00	54,165,883.00
Pogradec	77,368,405.00	133,911,478.00	(162,087,939.00)	49,191,944.00
Gramsh	7,777,480.00	2,109,268.00	31,440,419.00	41,327,167.00
Kukës	8,034,557.00	(11,822,164.00)	41,464,413.00	37,676,806.00
Ura Vajgurore	20,941,091.00	15,144,571.00	(5,528,952.00)	30,556,710.00
Kolonjë	(10,156,085.00)	18,022,139.00	19,455,487.00	27,321,541.00
Fushë Arrëz	2,240,814.00	4,868,102.00	18,685,332.00	25,794,248.00
Himarë	(909,347.00)	(10,111,796.00)	36,748,772.00	25,727,629.00
Pukë	(276,469.00)	(4,930,024.00)	28,114,350.00	22,907,857.00
Dibër	(21,544,374.00)	13,965,830.00	18,844,943.00	11,266,399.00
Dropulli	7,499,432.00	(4,652,945.00)	6,296,188.00	9,142,675.00
Mirditë	3,511,932.00	27,702,381.00	(23,821,300.00)	7,393,013.00
Konispol	1,591,830.00	7,304,564.00	(2,721,563.00)	6,174,831.00
Përmet	(468,782.00)	2,917,938.00	2,716,665.00	5,165,821.00
Pustec	2,685,665.00	(2,322,765.00)	4,492,553.00	4,855,453.00
Libohovë	2,185,977.00	6,949,219.00	(4,963,775.00)	4,171,421.00
Polican	(9,866,550.00)	9,385,296.00	3,163,881.00	2,682,627.00
Shijak	8,071,837.00	(30,270,179.00)	23,532,307.00	1,333,965.00
Divjakë	2,981,551.00	(27,608,692.00)	25,678,274.00	1,051,133.00
Tepelenë	1,443,252.00	2,424,348.00	(3,339,917.00)	527,683.00
Delvinë	(1,066,232.00)	10,938,771.00	(10,930,703.00)	(1,058,164.00)
Peqin	24,251,721.00	(7,623,270.00)	(21,661,835.00)	(5,033,384.00)
Mat	(3,196,405.00)	11,763,857.00	(14,749,104.00)	(6,181,652.00)
Has	12,789,045.00	(7,845,960.00)	(20,508,047.00)	(15,564,962.00)
Këlcyrë	(1,151,078.00)	(6,308,090.00)	(12,243,693.00)	(19,702,861.00)
Lushnjë	22,480,828.00	(3,966,922.00)	(43,783,223.00)	(25,269,317.00)
Cërrik	(17,709,258.00)	11,982,998.00	(22,562,488.00)	(28,288,747.00)

Selenicë	1,736,269.00	14,787,457.00	(46,150,824.00)	(29,627,098.00)
Vlorë	69,440,639.00	(77,621,521.00)	(21,709,441.00)	(29,890,323.00)
Kurbin	(1,758,369.00)	18,622,640.00	(47,532,163.00)	(30,667,892.00)
Devoll	14,301,284.00	10,130,447.00	(55,761,368.00)	(31,329,637.00)
Maliq	6,857,557.00	4,944,655.00	(46,168,921.00)	(34,366,709.00)
Memaliaj	2,132,041.00	(2,948,463.00)	(37,975,680.00)	(38,792,102.00)
Sarandë	18,250,111.00	(58,657,018.00)	692,898.00	(39,714,009.00)
Librazhd	(11,913,600.00)	7,520,923.00	(37,153,120.00)	(41,545,797.00)
Roskovec	(2,243,163.00)	(521,700.00)	(42,555,844.00)	(45,320,707.00)
Kucovë	(4,467,101.00)	(7,540,197.00)	(39,243,208.00)	(51,250,506.00)
Klos	(16,305,493.00)	4,233,183.00	(40,023,922.00)	(52,096,232.00)
Finiq	(16,886,143.00)	1,673,921.00	(38,681,261.00)	(53,893,483.00)
Elbasan	8,597,113.00	30,615,665.00	(93,427,907.00)	(54,215,129.00)
Tropojë	957,163.00	(28,361,752.00)	(28,340,430.00)	(55,745,019.00)
Berat	(13,901,318.00)	82,731,461.00	(134,047,812.00)	(65,217,669.00)
Gjirokastër	(13,016,562.00)	(20,843,362.00)	(33,910,828.00)	(67,770,751.00)
Patos	2,678,253.00	(5,492,424.00)	(87,454,615.00)	(90,268,786.00)
Kavajë	(5,088,358.00)	(64,503,827.00)	(21,112,622.00)	(90,704,807.00)
Malësi e Madhe	7,885,929.00	323,024.00	(112,185,348.00)	(103,976,395.00)
Bulqizë	8,991,340.00	(509,351.00)	(119,126,549.00)	(110,644,560.00)
Fier	554,927.00	14,926,505.00	(147,831,321.00)	(132,349,889.00)
Krujë	(6,499,861.00)	(23,029,989.00)	(105,044,195.00)	(134,574,045.00)
Korcë	12,330,962.00	(33,115,766.00)	(189,818,952.00)	(210,603,756.00)
Vau i Dejës	37,591,492.00	1,798,391.00	(281,932,200.00)	(242,542,317.00)
Vorë	1,992,704.00	(71,258,389.00)	(204,913,900.00)	(274,179,585.00)
Mallakastër	(2,612,600.00)	(40,035,642.00)	(267,941,125.00)	(310,589,367.00)
Shkodër	5,512,243.00	(98,758,967.00)	(220,347,872.00)	(313,594,596.00)
Lezhë	(77,797,540.00)	(105,292,779.00)	(147,097,777.00)	(330,188,096.00)
Kamëz	22,396,228.00	(23,479,808.00)	(369,069,137.00)	(370,152,717.00)
Durrës	10,572,881.00	(58,763,837.00)	(410,072,888.00)	(458,263,844.00)
Tiranë	297,046,363.00	197,792,728.00	(1,707,578,398.00)	(1,212,739,308.00)
Totali	558812151.00	(126,287,843.00)	(4,984,779,016.00)	(4,552,254,707.00)

APPENDIX

Municipalities stock of debt as of December 2020

Stoku i Detyrimeve deri në Dhjetor 2020	Total	Stock of Arrears until December 2020
TOTAL (milion LEK)	6931.3	
Bashkia Tiranë	761.8	<i>Municipality of Tiranë</i>
Bashkia Kavajë	727.8	<i>Municipality of Kavajë</i>
Bashkia Vorë	702.6	<i>Municipality of Vorë</i>
Bashkia Pogradec	338.8	<i>Municipality of Pogradec</i>
Bashkia Lezhë	308.4	<i>Municipality of Lezhë</i>
Bashkia Roskovec	302.3	<i>Municipality of Roskovec</i>
Bashkia Kamëz	265.4	<i>Municipality of Kamëz</i>
Bashkia Vlorë	256.6	<i>Municipality of Vlorë</i>
Bashkia Malësi e Madhe	223.9	<i>Municipality of Malësi e Madhe</i>
Bashkia Durrës	185.5	<i>Municipality of Durrës</i>
Bashkia Dibër	174.8	<i>Municipality of Dibër</i>
Bashkia Kuçove	156.4	<i>Municipality of Kuçove</i>
Bashkia Elbasan	153.8	<i>Municipality of Elbasan</i>
Bashkia Berat	143.4	<i>Municipality of Berat</i>
Bashkia Lushnjë	134.9	<i>Municipality of Lushnjë</i>
Bashkia Divjakë	130.3	<i>Municipality of Divjakë</i>
Bashkia Belsh	128.2	<i>Municipality of Belsh</i>
Bashkia UraVajgurore	124.1	<i>Municipality of UraVajgurore</i>
Bashkia Tropojë	119.3	<i>Municipality of Tropojë</i>
Bashkia Rrogozhinë	113.2	<i>Municipality of Rrogozhinë</i>
Bashkia Cërrik	111.6	<i>Municipality of Cërrik</i>
Bashkia Poliçan	102.7	<i>Municipality of Poliçan</i>
Bashkia Selenicë	99.0	<i>Municipality of Selenicë</i>
Bashkia Fier	88.4	<i>Municipality of Fier</i>
Bashkia Himarë	75.2	<i>Municipality of Himarë</i>
Bashkia Kukës	72.7	<i>Municipality of Kukës</i>
Bashkia Mirditë	67.0	<i>Municipality of Mirditë</i>
Bashkia Pukë	59.3	<i>Municipality of Pukë</i>

Bashkia Klos	58.4	<i>Municipality of Klos</i>
Bashkia Tepelenë	58.1	<i>Municipality of Tepelenë</i>
Bashkia Devoll	57.2	<i>Municipality of Devoll</i>
Bashkia Sarandë	57.2	<i>Municipality of Sarandë</i>
Bashkia Librazhd	55.8	<i>Municipality of Librazhd</i>
Bashkia Korçë	53.3	<i>Municipality of Korçë</i>
Bashkia Delvinë	51.8	<i>Municipality of Delvinë</i>
Bashkia Finiq	50.2	<i>Municipality of Finiq</i>
Bashkia Krujë	50.1	<i>Municipality of Krujë</i>
Bashkia Peqin	32.3	<i>Municipality of Peqin</i>
Bashkia Skrapar	29.6	<i>Municipality of Skrapar</i>
Bashkia Bulqize	28.3	<i>Municipality of Bulqize</i>
Bashkia Has	27.5	<i>Municipality of Has</i>
Bashkia Memaliaj	24.5	<i>Municipality of Memaliaj</i>
Bashkia Mat	19.9	<i>Municipality of Mat</i>
Bashkia Gramsh	19.6	<i>Municipality of Gramsh</i>
Bashkia Prrenjas	16.2	<i>Municipality of Prrenjas</i>
Bashkia Kurbin	15.8	<i>Municipality of Kurbin</i>
Bashkia Maliq	14.2	<i>Municipality of Maliq</i>
Bashkia Konispol	13.6	<i>Municipality of Konispol</i>
Bashkia Kolonjë	12.2	<i>Municipality of Kolonjë</i>
Bashkia Mallakastër	10.5	<i>Municipality of Mallakastër</i>
Bashkia Shijak	9.6	<i>Municipality of Shijak</i>
Bashkia Libohovë	8.0	<i>Municipality of Libohovë</i>
Bashkia Fushë-Arrëz	8.0	<i>Municipality of Fushë-Arrëz</i>
Bashkia Vau-Dejes	7.8	<i>Municipality of Vau-Dejes</i>
Bashkia Përmet	6.2	<i>Municipality of Përmet</i>
Bashkia Gjirokastër	3.3	<i>Municipality of Gjirokastër</i>
Bashkia Shkodër	3.2	<i>Municipality of Shkodër</i>
Bashkia Pustec	1.5	<i>Municipality of Pustec</i>
Bashkia Patos	0	<i>Municipality of Patos</i>
Bashkia Këlcyrë	0	<i>Municipality of Këlcyrë</i>
Bashkia Devoll	0	<i>Municipality of Devoll</i>

LOCAL INSTITUTIONS												
Liabilities stock until December 2020	Court Decisions	Services	Maintenance	Investments	VAT reimbursement	Goods	Other	Social insurance	Health insurance	Personal Income	Other Taxes	Total
TOTAL (ALL million)	814.3	718.6	247.3	3,770.0	1.8	246.7	1,197.6	31.1	2.8	20.5	8.4	7,058.9
Tiranë	41.5	29.9	4.0	418.5	-	80.7	187.1	-	-	-	0.1	761.8
Kavajë	63.3	42.1	-	114.5	-	-	507.9	-	-	-	-	727.8
Vorë	7.5	-	108.0	587.1	-	-	-	-	-	-	-	702.6
Pogradec	118.9	95.8	1.8	82.0	-	12.5	18.7	7.6	1.1	0.4	-	338.7
Lezhë	2.3	57.1	0.0	113.8	-	7.4	127.8	-	-	-	-	308.4
Roskovec	0.5	8.9	4.3	283.6	-	4.8	0.2	-	-	-	-	302.2
Kamëz	2.0	55.3	-	208.1	-	-	-	-	-	-	-	265.4
Vlorë	-	14.5	59.1	53.0	-	13.2	116.8	-	-	-	-	256.6
Malësi e Madhe	16.5	-	-	207.4	-	-	-	-	-	-	-	223.9
Durrës	137.3	-	-	48.2	-	-	-	-	-	-	-	185.4
Dibër	108.1	9.9	0.1	37.4	-	9.7	0.8	1.8	0.3	6.7	0.0	174.6
Kuçovë	0.5	16.2	-	126.5	-	0.3	12.9	-	-	-	-	156.3

Elbasan	1.6	47.3	4.9	78.2	-	21.1	0.7	-	-	-	-	153.9
Berat	9.7	22.7	-	82.9	-	5.5	22.6	-	-	-	-	143.3
Lushnjë	1.0	11.6	11.4	104.1	-	5.7	1.1	-	-	-	-	134.8
Divjakë	2.5	4.7	1.0	87.1	-	25.7	9.3	-	-	-	-	130.2
Belsh	-	10.0	-	117.8	-	0.4	0.0	-	-	-	-	128.2
Ura Vajgurore	16.9	4.6	6.7	69.6	-	-	26.3	-	-	-	-	124.1
Tropojë	11.1	1.2	13.2	93.7	-	0.1	-	-	-	-	-	119.3
Rrogozhinë	-	24.3	-	88.4	-	-	0.5	-	-	-	-	113.2
Cërrik	1.4	4.1	3.8	86.2	-	7.3	8.8	-	-	-	-	111.8
Poliçan	8.2	18.9	-	54.3	-	-	21.3	-	-	-	-	102.7
Selenicë	20.2	7.3	-	58.3	-	3.5	8.7	0.4	-	-	0.6	99.0
Fier	0.0	10.0	0.2	68.6	-	-	9.6	-	-	-	-	88.5
Himarë	0.1	4.1	-	61.3	-	0.8	8.9	-	-	-	-	75.2
Kukës	3.1	5.1	0.0	13.0	-	0.2	9.6	20.4	1.4	13.2	6.7	72.7
Mirditë	-	22.2	0.0	34.1	-	2.8	7.9	-	-	-	-	66.9
Qarku Durrës	63.1	-	-	-	-	-	-	-	-	-	-	63.1
Pukë	10.1	5.7	-	43.5	-	-	-	-	-	-	-	59.3
Klos	2.5	3.2	1.1	47.0	-	1.4	3.2	-	-	-	-	58.4
Tepelenë	5.7	7.0	5.1	11.5	-	15.3	13.5	-	-	-	-	58.1

Devoll	4.9	30.1	-	6.9	-	-	14.4	0.1	-	0.1	0.7	57.3
Sarandë	8.5	46.2	-	0.9	-	1.6	-	-	-	-	-	57.2
Librazhd	1.9	0.3	0.1	53.5	-	-	-	-	-	-	-	55.8
Korçë	4.8	17.3	13.6	12.2	-	5.4	-	-	-	-	-	53.3
Delvinë	2.4	8.4	-	39.9	-	1.1	-	-	-	-	-	51.8
Finiq	0.1	0.1	-	25.1	1.8	2.5	20.6	-	-	-	-	50.1
Krujë	9.4	1.4	0.0	36.2	-	-	3.1	-	-	-	-	50.0
Qarku Berat	41.3	0.0	-	0.7	-	-	0.1	-	-	-	-	42.2
Peqin	9.9	3.4	0.7	12.6	-	1.3	4.4	-	-	-	-	32.3
Skrapar	8.5	0.5	4.7	3.6	-	0.1	12.2	-	-	-	-	29.6
Bulqize	-	-	0.5	27.8	-	-	-	-	-	-	-	28.3
Has0.4	-	-	25.4	-	1.7	-	-	-	-	-	27.5	
Memaliaj	0.2	13.8	1.5	1.2	-	1.8	6.0	-	-	-	-	24.3
Mat3.8	9.9	-	-	-	5.3	0.3	0.4	0.1	-	0.1	19.9	
Gramsh	8.0	4.5	-	5.5	-	1.6	-	-	-	-	-	19.7
Qarku Gjirokaster	16.5	-	-	-	-	1.0	1.3	-	-	-	-	18.7
Prrerjas	3.2	12.9	0.0	0.1	-	-	-	-	-	-	-	16.2
Kurbin	8.0	2.0	-	5.8	-	-	-	-	-	-	-	15.8
Maliq	2.5	8.6	-	1.6	-	1.5	-	-	-	-	-	14.1

APPENDIX

Table 8. The number of LGU employees for the period 2019-2020

No.	Designation	2019	2020	Difference in value	Difference in percentage (%)
1	Bashkia Pogradec	682	812	130	19%
2	Bashkia Dropull	112	132	20	18%
3	Bashkia Devoll	262	298	36	14%
4	Bashkia Peqin	253	286	33	13%
5	Bashkia Mat	377	423	46	12%
6	Bashkia Vau-Dejës	316	354	38	12%
7	Bashkia Pustec	69	77	8	12%
8	Bashkia Përmet	283	311	28	10%
9	Bashkia Rrogozhinë	266	292	26	10%
10	Bashkia Ura Vajgurore	256	281	25	10%
11	Bashkia Mallakastër	374	406	32	9%
12	Bashkia Klos	214	231	17	8%
13	Bashkia Kurbin	372	401	29	8%
14	Bashkia Tirana	6,728	7216	488	7%
15	Bashkia Shijak	261	276	15	6%
16	Bashkia Durrës	1571	1652	81	5%
17	Bashkia Kukës	669	703	34	5%
18	Bashkia Malësi e Madhe	354	370	16	5%
19	Bashkia Tropojë	295	306	11	4%
20	Bashkia Shkodër	918	951	33	4%
21	Bashkia Divjakë	431	446	15	3%
22	Bashkia Maliq	538	554	16	3%
23	Bashkia Vlorë	1,002	1031	29	3%
24	Bashkia Lushnjë	874	897	23	3%
25	Bashkia Belsh	197	202	5	3%
26	Bashkia Prenjas	294	301	7	2%
27	Bashkia Pukë	272	278	6	2%
28	Bashkia Gjirokastrë	592	602	10	2%
29	Bashkia Has	241	245	4	2%

30	Bashkia Gramsh	312	317	5	2%
31	Bashkia Sarandë	382	388	6	2%
32	Bashkia Kavaja	566	574	8	1%
33	Bashkia Korçë	1,008	1,022	14	1%
34	Bashkia Libohovë	87	88	1	1%
35	Bashkia Himarë	175	177	2	1%
36	Bashkia Memaliaj	185	187	2	1%
37	Bashkia Fushë-Arrëz	214	216	2	1%
38	Bashkia Patos	354	357	3	1%
39	Bashkia Delvinë	179	180	1	1%
40	Bashkia Këlcyrë	186	187	1	1%
41	Bashkia Kucovë	371	371	0	0.00%
42	Bashkia Librazhd	397	397	0	0.00%
43	Bashkia Fier	1311	1307	-4	-0.31%
44	Bashkia Elbasan	1,374	1369	-5	-0.36%
45	Bashkia Selenicë	232	231	-1	-0.43%
46	Bashkia Konispol	123	122	-1	-1%
47	Bashkia Bulqizë	378	371	-7	-2%
48	Bashkia Finiq	195	191	-4	-2%
49	Bashkia Mirditë	382	371	-11	-3%
50	Bashkia Berat	711	687	-24	-3%
51	Bashkia Krujë	539	518	-21	-4%
52	Bashkia Tepelenë	235	225	-10	-4%
53	Bashkia Roskovec	337	321	-16	-5%
54	Bashkia Vorë	416	393	-23	-6%
55	Bashkia Lezhë	779	727	-52	-7%
56	Bashkia Skrapar	379	352	-27	-7%
57	Bashkia Kolonjë	278	257	-21	-8%
58	Bashkia Dibër	804	741	-63	-8%
59	Bashkia Kamëz	643	590	-53	-8%
60	Bashkia Cërrik	293	263	-30	-10%
61	Bashkia Polican	248	216	-32	-13%
	TOTALI	33,146	34,047	901	

Annex 1

OSCE Annual Report 2019¹

For the first time in 20 years, the opposition boycotted the June 30 local elections, helping the ruling Socialist Party also take control of all municipalities. In the second half of 2019, the opposition, which had boycotted parliament, made several attempts to delegitimize the local elections and ask the resignation of the government, citing the EU Council Decision of October 2019 to postpone Albania's accession negotiations. On June 30 2019, the local elections took place in a divisive and tense political climate. Earlier, on June 8, President Ilir Meta announced his decision to cancel the June 30 elections in order to protect the country from threats to national stability and to allow a moment of reflection for the government and the opposition. He Then, he decreed October 13, 2019 as the new local election day, a date which the government refused to take into consideration. Prior to the elections, the international community had warned that violence during the election process would be unacceptable. After the elections, the Final Report of the OSCE/ODIHR Election Observation Mission noted that although the

¹ The EU, OSCE, U.S., and several bilateral embassies in Tirana.

https://www.facebook.com/osce.Albania/posts/880299475657234?_tn_=-R;

<https://www.facebook.com/usembassytirana/posts/10156471993735838>

https://eeas.europa.eu/headquarters/headquarters-homepage/6471/statement-european-union-delegationalbania_en

<https://twitter.com/UKinAlbania/status/1144600216018071553/photo>

<https://www.facebook.com/AmbasadaGjermaneTirana/photos/a.10150847782613553/10156036546701353/?type=e=3&theatre>

<https://www.facebook.com/SwedeninAL/photos/a.525744017455655/2836935406336493/?type=3%theater>

elections were conducted without major problems, they did not take into account the interests of the voters; the voters had not had the possibility of an alternative political choice because of the boycott of the opposition parties.

EU Progress Report 2019

On local government, the territorial administrative reform (TAR) needs to be further consolidated as part of the wider decentralisation agenda. The government undertook a midterm review of the 2015-2020 national cross-cutting strategy for decentralisation and local governance. The Supreme State Audit Institution also carried out an assessment of the TAR and issued a report on it, in October 2018. The new legislation affecting local government is not yet fully harmonised and implemented. Most notably, while municipalities have been attributed larger powers, the adequacy of financial resources available to local government units (LGUs) is at risk. LGUs' fiscal autonomy is also at risk. 73% of the LGUs' budget comes from national transfers. The central budget allocates about 1% of GDP to LGUs, the lowest in the Western Balkans. In most municipalities, LGUs are not effective at collecting revenues. As a result, the overall ability of local institutions to deliver quality public services remains limited. Appointments not fully in line with all the principles of the civil service law have continued, hindering the establishment of a fully merit-based civil service.

<https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/20190529-albania-report.pdf>

EU Progress Report 2020

On 30 June 2019, Albania held local elections in a strongly polarised political environment. Following its en bloc relinquishing

of parliamentary mandates in February 2019 and months of street protests, the opposition decided to boycott the elections. On 8 June, on the grounds of security threats, the President decreed the cancellation of his previous decree setting the election date and announced 13 October as the new date. The President's decree was ignored by the ruling majority and the election administration bodies. As the extra-parliamentary opposition sought to delegitimise the elections, the international community warned that violence during the electoral process would be considered unacceptable. Mayoral candidates from the ruling Socialist Party (SP) ran unopposed in 31 of the 61 municipalities, of which the SP won 60 (the remaining one was won by an SP-backed smaller party). Following the election, the Parliament initiated an impeachment procedure against the President on the grounds of the unconstitutionality of his decision to cancel the date of the elections. The ad hoc inquiry committee of the Parliament concluded that while the President had overstepped his constitutional competencies, the violation did not provide enough grounds for the President's impeachment. The Parliament endorsed the ad hoc inquiry committee's finding on 27 July 2020.

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/albania_report_2020.pdf

Congress of Local and Regional Authorities of the Council of Europe ends high-level mission to Albania

President of the Chamber of Regions at Congress Gunn-Marit Helgesen added that “regrettably the 2019 local elections were not conducive to the strengthening of local democracy in Albania but have led to less pluralism in the municipalities and to further erosion of the trust of citizens in the institutions of this country,” declared Gunn Marit Helgesen, President of the Chamber of Regions at Congress. “Both the government and the opposition must not remain indifferent to such a situation and they must act responsibly,

according to their specific roles in the democratic process, in order to secure elections that provide a pluralistic choice for voters, both nationally and locally,” emphasized Helgesen.

<https://www.coe.int/en/web/congress/-/congress-concludes-highlevel-mission-in-albania>

Annex 2

Letter from the Constitutional Court saying the Court will examine the Association's request to declare the June 30th local elections unconstitutional at a preliminary session of the Meeting of Judges as soon as it will have the needed quorum.


REPUBLIKA E SHQIPËRIË
GJYKATA KUSHTETUSE
Drejtoria Gjyqësore dhe e Dokumentacionit

Nr. S-7 i Aktit Tiranë, më 23.01.2020

Lënda: Informacion mbi lirinë e kërkesës drejtuar Gjykatës Kushtetuese

SHOQATËS SË BASHKËVE TË SHQIPËRIË
Rruga "Skënderbeut Lingonit", Ndërtesa nr.3, Ap.8

TIRANË

Ju njoftojmë se në shqyrtimin paraprak të kërkesës suaj, me objekt: *"1. Kushtetueshmëria antikonstitutive të zgjedhjeve të përgjithshme/parave të zgjedhjeve të zhvilluar në 30 qershor 2019, për zgjedhje të organeve të qeverisë vendore të këtyre bashkëveve dhe institucioneve të këtyre bashkëveve, dhe si rimbetje konstitutive antikonstitutive të zgjedhjeve të antarëve të këtyre organeve, të kushtetueshmërisë në nenin 1, 2, 3, 4, 5, 6, 7, 11, 15, 17, 18, 22, 42, 43, 45, 48, 65, 92, 93, 109, 116, 122 dhe 143 paragrafi 1, 2, 3, 4, 5, 6, 7, 131 paragrafi 1, e nenit 131 të Kushtetutit të Republikës së Shqipërisë. 2. Vazhdimshmëria e funksionimit të parlamentit të përbërë nga Detyruesit të lartë me rang të barabartë dhe të gjatë të zgjedhur të datës 30 qershor 2019 në përputhje me paragrafin 1 të nenit 131 të Kushtetutit të Republikës së Shqipërisë",* Kolegji i Gjykatës Kushtetuese, me datë 24.12.2019, ka vendosur kalimin e çështjes për shqyrtim paraprak Mbledhjes së Gjyqësorës,

Ju bëjmë me dije, gjithashtu, se shqyrtimi paraprak i kësaj kërkesë nga Mbledhja e Gjyqësorëve do të bëhet sapo Gjykata Kushtetuese të ketë kuorumin e nevojshëm për shqyrtimin e saj, sipas parashikimeve të nenit 11/2, pika 1 të ligjit nr.3577, datë 10.02.2000 "Për organizimin dhe funksionimin e Gjykatës Kushtetuese", të ndryshuar.

Duke ju falënderuar për mirëkuptimin!


DREJTORI
Brunilda BARA
TIRANË
GJYKATA KUSHTETUSE

[01234567] - [01234567] - [01234567] - [01234567] - [01234567] - [01234567] - [01234567] - [01234567]

APPENDIX

Forecast of general unlimited transfers for the municipalities and regions for the period 2021-2023 ¹

(In thousands of ALL)

Municipality	2020*	2021 (P)	2022 (P)	2023 (P)
Belsh	119,458	124,629	132,252	140,516
Berat	293,099	306,884	326,291	347,328
Bulqize	261,586	272,105	288,961	307,233
Cerrik	140,804	147,169	156,132	165,846
Delvine	65,565	68,322	72,561	77,156
Devoll	189,509	197,411	209,557	222,723
Diber	409,240	426,257	452,377	480,692
Divjake	210,800	219,688	232,788	246,988
Dropull	80,991	84,176	89,439	95,143
Durres	842,614	885,003	944,677	1,009,364
Elbasan	675,697	706,929	750,897	798,559
Fier	594,627	622,593	661,965	704,644
Finiq	118,538	123,229	130,778	138,960
Fushe Arrez	77,686	80,723	85,723	91,143
Gjirokaster	210,664	219,706	233,600	248,661
Gramsh	212,298	220,783	234,391	249,141
Has	141,374	147,060	156,165	166,035
Himare	118,403	123,122	130,907	139,347
Kamez	504,614	526,871	558,205	592,172
Kavaje	214,912	225,020	239,250	254,676
Këlcyrë	60,191	62,602	66,471	70,666
Klos	137,653	143,136	151,927	161,457
Kolonjë	120,195	124,887	132,622	141,006
Konispol	59,580	78,022	82,823	88,028

* It does not include addition of the Unconditional Transfer by the Assembly.

Source Ministry of Finance

Korçë	449,034	469,158	498,827	530,988
Krujë	283,848	296,757	314,931	334,632
Kuçovë	161,955	169,292	179,621	190,818
Kukës	318,971	332,307	352,764	374,940
Kurbin	228,683	239,287	254,215	270,397
Lezhë	325,524	340,834	362,388	385,752
Libohovë	41,356	42,996	45,699	48,629
Librazhd	273,492	284,413	301,924	320,906
Lushnjë	400,677	419,320	445,566	474,016
Malësi e Madhe	290,957	302,632	321,374	341,689
Maliq	293,303	305,458	324,138	344,387
Mallakastër	158,882	165,765	175,911	186,909
Mat	187,686	195,483	207,457	220,436
Memaliaj	103,316	107,434	114,045	121,211
Mirditë	201,236	209,298	222,239	236,267
Patos	126,611	132,144	139,935	148,380
Peqin	128,273	134,036	142,148	150,942
Përmet	118,211	122,856	130,513	138,812
Pogradec	356,705	372,291	395,256	420,151
Poliçan	99,488	103,400	109,680	116,488
Prrenjas	170,645	177,698	188,523	200,257
Pukë	111,972	116,353	123,568	131,388
Pustec	34,566	35,901	38,105	40,494
Roskovec	109,778	114,597	121,381	128,736
Rrogozhinë	142,093	148,225	157,265	167,065
Sarandë	129,131	135,465	144,383	154,049
Selenicë	167,390	174,037	184,711	196,281
Shijak	134,908	141,254	150,186	159,869
Shkodër	648,181	678,468	721,106	767,326
Skrapar	122,367	127,247	135,284	143,997
Tepelenë	82,198	100,963	107,348	114,269

Tirane	2,424,942	2,548,703	2,722,936	2,911,802
Tropoje	206,870	214,974	228,306	242,757
Ura Vajgurore	136,631	142,637	151,094	160,261
Vau i Dejes	220,570	229,810	244,017	259,417
Vlore	543,546	569,110	605,100	644,113
Vore	118,949	124,543	132,419	141,106
Total	15,913,043	16,661,473	17,715,121	18,857,421

Qarqet	2020	2021	2022	2023
Berat Region	33,686	36,782	39,847	41,073
Dibër Region	37,003	40,416	43,784	45,131
Durrës Region	35,723	38,927	42,171	43,468
Elbasan Region	58,786	64,185	69,534	71,674
Fier Region	39,851	43,479	47,102	48,552
Gjirokaštër Region	36,952	40,432	43,801	45,149
Korçë Region	57,758	63,124	68,385	70,489
Kukës Region	36,192	39,380	42,662	43,974
Lezhë Region	32,593	35,520	38,480	39,664
Shkodër Region	56,661	61,708	66,851	68,908
Tiranë Region	80,861	88,055	95,393	98,328
Vlorë Region	43,933	47,992	51,991	53,591
Total	550,000	600,000	650,000	670,000

