**PROJECT LESSONS-LEARNED REPORT**

*Total length of report: 2-3 pages.*

*Please refer to the Deliverable Description for more information on the purpose and use of this report*

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>“Support to Territorial and Administrative Reform” (STAR)</th>
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<tbody>
<tr>
<td>Country:</td>
<td>Albania</td>
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<tr>
<td>Related CPAP Outcome</td>
<td>4.2 Government of Albania implements policies that advance democratic, equitable and sustainable regional and local development</td>
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**Project Description and Key Lessons-Learned**

**Brief description of context**

The division with 12 regions, 65 municipalities and 308 communes determined by the DCM of 1992 was mainly based on the territorial organisation inheritance from the former communist system, transforming the former agricultural cooperatives into local units called communes, and the cities into municipalities. The same as in 1992, even in 2000 the administrative-territorial division was not based on thorough studies or analyses of the capacity and ability of government units to perform their functions and competencies in a decentralised manner.

The great decentralisation reform carried out in 2000 was based on the concept of symmetrical decentralisation of functions and competencies, thus making no distinction between the size of LGUs or their capacities to perform these functions.

Most studies and analyses on local government in Albania after 2000, revealed the great fragmentation of the territory and the large number of LGUs with a very small population and very low resources and capacities. The territory fragmentation, and the small LGUs constitute the main reasons behind the high inefficiency in the performance of public services at local level and the failure to reach the objectives of the decentralisation reform by most of the LGUs in Albania.

Based also on the reports and studies as above, the entire political factor in the country had recognised the need for an administrative and territorial reorganization of the country. Furthermore, the main international partners of Albania have recommended the conduction of the administrative-territorial reform.

In this context, the governing majority determined the implementation of the administrative-territorial reform as one of the key priorities of its program, aiming to increase efficiency of local public services and to empower the local government units. Moreover, the government program defined that the timeframe for the approval of the reform was before the 2015 local elections. The implementation of this priority was assigned to the Minister of State for Local Issues.

**Brief description of project**

Considering the strong Government commitment, several donor organizations answered positively to the invitation for funding. USAID immediately participated, followed by the Swedish Government channeled through SIDA, the Swiss Government through the Swiss Development Cooperation office in Albania (SDC), Italian Cooperation, and UNDP. A pool of funds was established under the UNDP management and a new project was born called “Support to Territorial and Administrative Reform – STAR”.

The overall objective of the project was to **provide coherent support to MoSLI for an effective implementation of the territorial and administrative reform process.** STAR project activities and inputs complemented in a large part the Government own efforts, resources and activities as well as enabled the environment for an all-inclusive and participatory reform process. The immediate objectives of the project were to:

1. develop the technical and institutional capacity of MoSLI to design and implement TAR;
2. facilitate public information and consensus building;
3. secure timely logistical inputs in all stages of the process;
4. provide transition support for TAR implementation; and
5. ensure integrated and quality financial management and coordination.
### Key project successes

(1) Technical and Institutional capacity of the MoSLI to design and implement TAR are strengthened through the establishment of institutional structures, hiring of expertise and introducing of best international practices relevant to TAR.

(2) Consultations conducted and awareness raised among different stakeholders and the public at large on the importance of the territorial and administrative reform, considering the clear requirement by both the national legislation and European Charter of Local Government, resulting to changes and adaptation of initial scenarios/alternatives.

(3) Timely and quality logistical and operational support is provided at all the stages of the project implementation covering for expendable expenditures, transport costs, maintenance and running costs.

(4) Appropriate support is provided to MSLI in preparing for the transition period and to the newly established municipalities during the merging process. Smooth transition and amalgamation process took place covering all the aspects of LGU, including human resources, financial and operational aspects.

### Project shortcomings and solutions

A number of risks and assumptions were stated in the project document. They were political and organizational risks, related to the difficulty with reaching a political consensus about TAR, resistance to reforms, and the potential difficulty in establishing an effective coordination of a large number of actors and activities. Other challenges were encountered on the way, which required specific attention and recalibrating of actions.

**Risk 1:** Difficulty to reach political consensus about the reform was a main risk recognized since the project formulation phase. Being a political categorized risk, which went beyond the scope of the project, its affect was weighted as high on the overall reform implementation.

**Countermeasures:** Although the political consensus at national level was not reached, due to flexibility and counter measures taken by the project team and implementing partner, the identified risk had inconsiderable impact on pace and the content of the reform.

- Changing of the quorum of the parliamentary commission membership was an efficient approach proposed by the implementing partner to open up the situation created from the dysfunction of the be-partisan commission.

- In September 2014, the Democratic Party submitted a request for suspension to the Constitutional Court of the new law on territorial division. In order to avoid delays and confusion related with the upcoming implementation stages, the project management decided to pilot designing of the amalgamation model. In this way, the action was adopted, time was taken best advantage of and the output quality was preserved.

At local level the project managed to reach the consensus. During the implementation of the STAR attention was paid to invite and all the mayors, head of communes and specialists aligned with the political opposition in the consultative meetings and forums. They have actively participated and provided valuable opinions and comments on TAR, most of which were largely considered by the group of experts in charge of the TAR design. In addition, they formally responded to MoSLI by presenting their comments on TAR.

**Risk 2:** The reform was expected to encounter resistance from those negatively affected and losing power from fear of change of status quo and different arrangements for receiving services.

**Countermeasures:** The project team considered this risk right at the begging and carried out measures which resulted effective and supported a smooth and matured reform implementation process. Special attention was paid to formulation of clear communication of reform objectives and outcomes. An inviting language was used and a sincere dialogue was established with the ex-mayors, public administration and citizens, all affected in a way or another by the reform. The organization of numerous consultations, various forums, and the use of variety of public information means.
enabled creation of a supportive, inclusive, and not discriminating environment.

**Risk 3:** The Territorial and Administrative Reform was a complex technical process which required coordination and commitment along a tight deadline of a variety of actors from political forces, central and local government, the community and civil society and relevant international partners.

**Countermeasures:** Several mitigation measures have been taken to address the challenge. The establishment of the Technical Secretariat within the MLI responsible to coordinate the process and resources, and hiring of a dedicated staff, facilitated a good coordination among the number of structures established to enforce strictly the implementation of the action plan, numerous experts involved to contribute to different fields related to the process of amalgamation, and various projects working in the same field. TS/AT has initiated experts’ groups meetings and focus group discussions with participation of other stakeholders, projects, experts, where reform relevant issues such as criteria, scenarios, amalgamation roadmap were consulted. In addition, contacts have been established with other line ministries in order to ensure complimentary and collaborative support. The Steering Committee also played an instrumental role, not only in providing guidance to the project, deciding for changes and revisions, but also in sharing of information and coordination among the donors of STAR project.

**Risk 4:** Timely and satisfactory funding of planned activities was another risk identified at the project design phase. Due to top prioritization of the reform by the elected government, and urgency to finalize it before the local elections of 2015, the project started implementing with limited resources. Therefore, the risk of inability to generate sufficient resources to cover the planned activities, might compromise the quality and results of the process.

**Countermeasures:** The Minister of State for Local issues, who performed the leading role for the TAR design and implementation, organized several preparatory and principle discussions with relevant donors and partners, which resulted very fruitful. SIDA, SDC, Italian Cooperation, USAID and UNDP expressed immediate interest and responded to the governments call for support. These efforts were complimented with accurate and timely reporting to the project donors, and swiftly replying to their requirements.

**Risk 5:** The replacement of some of the already trained local working groups’ members after the elections was a serious risk hampering the timely provision of data necessary for accomplishment of the due diligence process.

**Countermeasure:** The measures taken to offset this issue included the utilization of the help–desk to efficiently respond to questions raised by the newcomers thus addressing their lack of information. In addition, on-the-job training and coaching was provided by the project contracted experts.

### Lessons learned

The STAR project ran smoothly and responded timely to all exigencies and requirements. One of the strong reasons that enabled effective implementation, given the complexity of the reform process, was the commitment of the Albanian government to TAR. Aligning of the project objectives with those of the government was essential to ensure institutional support and duly project implementation.

The territorial and administrative reform was implemented in the country for the first time. As such, not all the technical issues related to the TAR design were clear right at the beginning, nor was the amalgamation process and the steps it has to pass through. STAR project, complementing the government efforts in designing and implementing the reform, had to revisit the action plan and adjust it according to the beneficiary’s needs; as a result the project document was revised to reflect the occurred changes. The flexibility in decision making and keeping the project open to recalibration were a big learning on how a project can be tailored according to the local needs.

STAR project focused on the territorial reform at the first level of local government, and this reform was successfully finalized. However, the second part of the reform related with consolidation of LGUs just started. Issues such as new delegated functions, HR management capacities, fiscal decentralization need to be tackled in order to improve streamline public sector service delivery and strengthen local autonomy. The project demonstrated that a multi-dimensional process such as that of territorial and administrative reform, cannot be addressed by fragmentary interventions, but require
consistent and cohesive interventions, coupled with multi-stakeholder partnership.

STAR was not able to properly involve in its actions either the newly established Agency for TAR implementation or the two Associations of Municipalities. It is fundamental to consider the Agency as an implementing or complementing partner considering the functions for which this Agency was established by the Government. In addition, the role of the two Associations is crucial to achieve the missing consensus.

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<th>Follow-up Actions</th>
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<tr>
<td>Develop a STAR 2 project as continuation of support provided to MoSLI for TAR reform implementation</td>
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<td>Replicate pooled funding mechanism of STAR for broader range of partners contribution including Government and EU, towards shared goals</td>
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<td>Service quality and capacities of LG to deal with new responsibilities are integrated in S Engage in renewed dialogue with partners on the bases of ISD program experience, expertise from the region. TAR 2 project</td>
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<tr>
<td>Design an extended donor mapping with a focus on LG and make it part of STAR 2 project proposal; Support establishment of coordination structures</td>
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### Project Information

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| Partners: | Minister of State for Local issues, SIDA, SDC, Italian Cooperation, USAID, Decentralised Local Development Programme, PLGP |
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| Date: | 22 July 2016 |