

# STAR II PROJECT

*Consolidation of Territorial and Administrative Reform*

## STAR 2 Project Steering Committee Meeting #2

14 February 2018

### MINUTES

The STAR 2 Project Steering Committee meeting was held on 14 February 2018 at UNDP premises. The meeting was attended by SC members: Mol, ASLG, EU, SIDA, SDC, USAID, ALAA, AAM, UNDP (Italian Cooperation was absent) and invited observer institutions/projects: NAIS, ADISA, Ministry of Agriculture and UNDP ISDA project. The meeting was honoured by the participation of the Deputy Prime Minister, Ms. Senida Mesi, given the considerable focus of STAR2 project on service delivery.

#### Participants

##### *Government Representatives:*

1. Ms. Senida Mesi, Deputy Prime Minister of Albania
2. Ms. Romina Kuko, Deputy Minister of Interior – Chair of SC
3. Mr. Bekim Murati, Director of the Agency for Support to Local Government
4. Mr. Valmir Progonati, Nation Agency for Information Society (representative)
5. Ms. Albana Mema, Nation Agency for Information Society (representative)
6. Ms. Anisa Gjika, Director of ADISA
7. Ms. Xaira Shurdha, Director of Cabinet, Deputy Prime Minister Office.
8. Mr. Enea Hoti, Advisor to the Minister of Agriculture and Rural Development
9. Mr. Ergys Hitaj, Inspector of the Agency for Support to Local Government

##### *Donors and LGU associations Representatives:*

10. Mr. Stephen Stork, EU Delegation in Albania, Head of Operations Section I – Governance and Rule of Law
11. Mr. Orlando Fusco, EU Delegation in Albania, Programme Manager for Good Governance
12. Ms. Birgitta Jansson, SIDA, Head of Development Cooperation
13. Ms. Linda Gjermani, SIDA, Programme Officer
14. Ms. Debora Kern, Swiss Embassy, Head of Governance and Health Sector
15. Ms. Elda Bagaviki, Swiss Embassy, Programme Officer
16. Mr. Denis Wesner, USAID Albania, General Development Officer
17. Ms. Suzana Cullufi, USAID Albania, Programme Officer



18. Ms. Adelina Farrici, Association for Local Autonomy, Executive Director
19. Ms. Xhesi Demishaga, Albanian Association of Municipalities (representative)

*UNDP Albania Representatives:*

20. Mr. Brian Williams, UNDP Resident Representatives
21. Ms. Limya Eltayeb, UNDP Country Director
22. Mr. Vladimir Malkaj, UNDP Programme Officer
23. Ms. Xhesi Mane, UNDP Programme Associate

*STAR 2 Project Representatives:*

24. Ms. Edlira Muhedini, STAR2 National Project Manager
25. Ms. Rudina Mullahi, ISDA National Project Manager
26. Ms. Erisa Lame, STAR2 Project Specialist
27. Mr. Diamant Fiku, STAR2 Component Team Leader
28. Ms. Elida Fara, STAR2 Public Finances Expert
29. Ms. Elda Kapllani, STAR2 Government Data Analyst
30. Ms. Anila Shehu, STAR2 Head Support Unit
31. Ms. Vasilika Tuni, STAR2 Finance Assistant

*Secretariat*

32. Mr. Indrit Demiraj, STAR2 Project Assistant
33. Ms. Romina Kacorri, STAR2 Project Assistant

## Agenda

- ✓ Opening Remarks
- ✓ Presentation of Project Progress 2016-2017 and Work Plan 2018
- ✓ Discussion and Q&A
- ✓ Conclusions and decisions for moving forward

### *I - Welcome and Opening Remarks*

Ms. Romina Kuko congratulated STAR 2 on the very good work done and results achieved so far. Ms. Kuko raised the concern of effective communication of results as sometimes a lot of activities do not reach the target groups and get lost as website notifications. She encouraged the development of a public communication strategy as well as regular dissemination of information on progress and achievements. Ms. Kuko suggested that communication should target also the general public, so that citizens become aware of the changes taking place in their area.

Ms. Senida Mesj highlighted the necessary synergy in place between STAR 2 and ADISA, especially with reference to One Stop Shops (OSS). She mentioned the colocation of OSS for central and local administrative services as the best solution and added that many central government services could be transferred at local level, starting with some municipalities as a pilot initiative. She expressed her belief that STAR 2 will be as successful as STAR 1 was.



ASLG Director Mr. Bekim Murati, introduced the new objectives and the re-defined role of the Agency. ASLG's main focus will be to assess the implementation progress of the strategy of decentralization, level of implementation of the legal framework and the progress on standardization of public services. ASLG will work in full cooperation with all donors in supporting local governments issues.

Head of Research and Development Directory at NAIS, Mr. Valmir Progonati, expressed NAIS's readiness to cooperate with all projects and provide support through comments and suggestions. He noted the ongoing cooperation with STAR 2 on the OSS and on the municipal webpages activities and the status of such cooperation to date.

ADISA Director, Ms. Anisa Gjika discussed about the potential synergy between STAR 2 and ISDA project in aligning activities and using common resources, especially along the following two components 1) Standardization, and 2) Front Office/ Back Office Separation. She explained that ISDA and STAR 2 could cooperate on the standardization component, based on the needs and specifications coming from the local governments.

UNDP Country Director Ms. Limya Eltayeb thanked all participants for their attendance and highlighted the excellent cooperation with the Ministry of Interior. Ms. Eltayeb noted that with regard to the implementation of the OSS activity, in the course of two years, the service provider will work based on a detailed program, specifying how the OSS will roll out and make as much progress as possible before the upcoming elections. She pointed out the uniqueness of STAR2 as a joint funding mechanism with 6 partners and donors, in support of the local governance agenda, but also with contribution in anti-corruption, EU accession process, etc. She expressed her belief that a transition plan is needed following the STAR 2 project to ensure its gains become sustainable. Ms. Eltayeb informed that the pace of the project will increase in 2018.

Advisor to the Minister of Agriculture and Rural Development (MoARD), Mr. Enea Hoti stated that MoARD shall support municipalities to steer development in their rural areas. He mentioned the challenges municipalities face to provide services to their remote areas and highlighted that OSS are an answer to these challenges. Mr. Hoti referred to the '100 villages' project as a platform for rural development and expressed his wish to cooperate with STAR2 on this initiative. Further, he spoke about the challenge of registering agricultural land and inquired the ASLG, MoARD and STAR2 to work together and support municipalities to complete this task until the end of 2018.

## *II - Presentation of STAR2 implementation progress*

UNDP Programme Officer, Mr. Vladimir Malkaj presented the STAR2 Progress for the period June 2016-December 2017 and the Work Plan for 2018. His presentation was built upon five main pillars: 1) project fast facts, 2) an update on the implementation status per each activity 3) current challenges (i.e.: local government unit readiness for OSS adoption, local finances support, municipality benchmarking, and possible harmonization of central and local government service delivery (ADISA and municipal OSS), 4) the 2018 implementation plan and 5) financial report.



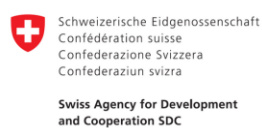
### III – Discussions and recommendations

Ms. Kuko highlighted two key challenges. First, the need for OSS hardware for LGUs, for which MoI will try to find a fast and effective solution. She informed participants that MoI is made aware of the situation and will be engaged to review options to secure funds that will support municipalities meet their hardware needs. With respect to the second challenge on benchmarking, she emphasized the need for a unified benchmarking system under ASGL that would allow for the evaluation of the performance of municipalities and enable MoI to take an informed approach towards LGUs.

Head of Operations Section I – Governance and Rule of Law at EU Delegation in Albania, Mr. Stephen Stork informed participants about the ongoing Result Oriented Monitoring (ROM) of STAR 2, which aims to take stock on the progress so far and to provide a view on how the project is making impact. Mr. Stork mentioned that efficient implementation of local OSS is of high importance to the EU and noted that this objective is critical for the project. The emphasis was that the project should focus first and ensure the realization of its own objective for the full implementation of the local OSS as per the plan, while efforts of possible integration between local and central services should be judiciously made to avoid potential delays on achieving the initial objective. Moreover, he touched upon the MoFE request to STAR2 on providing assistance to municipalities in the area of local finances stating that EUD is hesitant to extend the project scope further. Additionally, he highlighted the need for coordination and synergy to avoid overlapping of activities on the ground. In this regard, the first exercise that is being run by Municipalities for Europe project will test the benchmarking idea, and the way the data can be translated into EU related assistance. Mr. Stork expressed the importance of this exercise and the need for synergy between donors and municipalities.

Mr. Stork said he sees an added value in the assistance the project is providing to the Deputy Minister of Local Government and ASLG. He agreed with Ms. Kuko's reflection that the project's visibility on the ground is not where it should be. He suggested that civil society on the ground should have a bigger role and undertaking exercises like holding a virtual municipal council meeting or revising codes and regulations, which could show citizens how to engage at local level. He was unable to make comments on the project report considering the short time of its submission but expressed his eagerness to review the progress.

SIDA Head of Development Cooperation, Ms. Birgitta Jansson thanked STAR2 and UNDP for the organization of the steering committee in an excellent way, while highlighting the need to have more of the regular steering committee or technical level meetings. She noted that the report was comprehensive, but it would have been appreciated had it been sent earlier. Ms. Jansson noted that a lesson learnt from 2017 was that activities take longer than expected, and the programme needs to maintain its focus. She noted that it is currently difficult to look at new avenues for local finances, and that the project should balance needs in favour of priorities. She emphasised that benchmarking and OSS are the absolute priority for STAR2. Ms. Jansson informed participants that SIDA is assessing the MoFE proposal on the property tax system, which will contribute to additional income to municipalities. She emphasized the importance of ensuring harmony between programmes.



SIDA Programme Officer, Ms. Linda Gjermani expressed her appreciation on the project progress. She acknowledged the political alterations, changing priorities and the shifting of international assistance landscape as main challenges faced by STAR2. She noted the difficulty for synergy and coordination in practice and advised STAR2 to remain practical, respect the work of other related assistance programmes, and stick to what has already been agreed to. Ms. Gjermani noted that municipalities should have a stronger voice, individually and through their associations. Finally, she asked about when the contribution of the Albanian Government will be disbursed to the project.

Head of Governance and Health Sector at Swiss Embassy, Ms. Deborah Kern appreciated the quality of the report but noted that it should have been sent earlier. She also informed that minutes from the last meeting have not been shared. Ms. Kern stated that the project is ambitious, has a large spread and it could focus more. She indicated that project results were few and most activities were initiated rather late (September to December 2017). She agreed with Ms. Mesi and Ms. Kuko that STAR2 needs to be a sustainable project. She expressed her concern that the project is not driving towards sustainability, and one example is that trainings are delivered by STAR2 itself or through NGOs. In this view, Ms. Kern spoke about the importance of collaborating with ASPA because of its quality standards but also agreed on working with specialized agencies for example on issues of standard operations and procedures. Further, she spoke about the lack of standardized data, and noted that starting a benchmarking system might be premature for the coming two years. She called for a joint work on a stable system which can be utilized by municipalities and the central level. She proposed to convene a coordinating meeting to take place between all projects with a local level data management component, as well as with the participation of MoI and INSTAT. The main discussion point will be to define a system for the country and to avoid overwhelming municipalities with multiple data requests. Further, she informed that dldp has helped develop new tools on local financial planning, which are beginning to be introduced to municipalities. She noted that all municipalities will benefit from ASPA trainings, however on the job coaching is essential. She spoke about the work of MoFE in the upcoming months to enable municipalities to understand the new tool and help them implement the new law on local finances.

General Development Officer at USAID Albania, Mr. Denis Wesner said he was happy to see NAIS, MoARD and ADISA as part of the meeting. He noted that by bringing in other partners into activities could help to achieve additional sustainability.

Executive Director of the Association for Local Autonomy Ms. Adelina Farrici noted that members of ALA think the project is moving slowly. Ms. Farrici noted that the capacity building component is important to municipalities because they lack human resources. She highlighted OSS as the most important component but asked that ALA should be more involved at every stage of the project, and not just at the SC level.

Mr. Bekim Murati added that the ASLG will engage on donor coordination and serve as an advocate for municipalities vis a vis the central government. He guaranteed that the Government, through the Agency, will disburse the pledged funds to STAR2 within 2018. Mr. Murati noted that the Agency has started meetings with main actors on LG issues to develop a coordination process. Further, he touched upon the need to build a horizontal and vertical matrix with all data, which will enable ASLG to analyse the current



actors landscape and identify opportunities for complementarity. Finally, he noted that the Consultative Council should be reactivated and called upon collaboration with all partners.

Programme Manager for Good Governance at EU Delegation in Albania Mr. Orlando Fusco focused his discussion on the benchmarking system, a process with contribution from the Municipalities for Europe project, considering it as a first step with the perspective of becoming an information nucleus for the future. The results will be soon public and available for everyone to use if find useful. He also noted that the collected data are far from perfect and everyone is encouraged to ask questions and contribute. He also mentioned the recent effort and collaboration with the Ministry, ASLG and NAIS about the local government Intranet, although it is an expert matter, the efforts to make it functional. Finally, Mr. Fusco informed that the Municipalities for Europe is working to establish EU information offices in every municipality. They are currently working with Mol and ASLG to define the legal base to include these offices into municipal structures and appoint full time coordinators. These offices are not only meant to be EU units, the idea is to make it useful, to facilitate interaction with donors on local data and any other support. Mr. Fusco invited all partners to share their views and comments on this.

Programme Officer at USAID Albania Ms. Suzana Cullufi noted that the project needs to be focused since there is little time left for implementation. She referred to the idea of transferring additional administrative services to local government, as a process that might bring delays and require changes that would be difficult to achieve within the framework of the project. She cautioned to manage staff and resources well to achieve the project goals on time.

Ms. Limya Eltayeb apologized for the delay in sharing the report, a delay that was caused as the date of the meeting was moved ahead from the 25<sup>th</sup> to 14<sup>th</sup> February. She noted that among reasons for the delays in starting project activities it is worth mentioning that: the funding for the project did not come immediately after the agreements were signed in June 2016; the political leadership change of Ministers prior to the elections and the election period followed by longer than anticipated post-election government restructuring. However, STAR2 continued to work on the inception report and revised plans three times in response to the changing environment, which also caused part of the delay. Considering that STAR2 objectives and activities are agreed as early as June 2016 and then June 2017, she invited all new starting projects to coordinate with STAR2 team and acknowledge the agreed scope of STAR2 and the immense efforts made by the team to reach out at this level. Ms. Eltayeb expressed appreciation that Mol and Deputy Prime Minister were present to show the government's commitment, and thanked Mr. Murati for confirming that the GoA contribution for STAR2 will come from 2018 budget.

Ms. Eltayeb addressed the request to increase the role of municipal associations and invited both associations to organize a meeting with STAR2 project staff to further discuss collaboration possibilities.

Mr. Vladimir Malkaj re-iterated that according to the revised implementation plan, all project activities will be completed by December 2019, though singling out the OSS implementation as the most difficult and tight one to be completed within the available time.



#### *IV - Adoption of progress report and 2018 Work Plan*

Ms. Limya Eltayeb asked that everyone read the workplan and send around comments within one week. If there would be no comments within a week, the project will consider the workplan approved. She thanked all colleagues for their participation and collaboration and noted that the next SC meeting will be held in the next quarter.

#### Conclusions and action points

- Project should remain focused considering the short time available and its complexity
- MoI will seek to find a solution on procuring the municipal hardware for OSS
- MoI and ASLG will disburse the GoA financial contribution to STAR2 within 2018 budget
- MoFE's and dldp's request on STAR2 assistance in PFM is not approved by SC members
- A technical meeting among partners will lead the project follow up on benchmarking
- Project will closely cooperate with ADISA on provision of administrative services through OSS at the local level using the same quality standards applied at the central level
- Involvement of Municipalities associations in the project implementation should be explored
- STAR 2 Implementation plan is considered approved a week after the meeting subject of members feedback
- Steering Committee meeting will be organized every 3 months, the next one is in the next quarter

