

The Administrative-Territorial Reform in Albania

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Abstract

This paper aims to bring a short introduction to the new administrative-territorial reform in Albania. This new reform was considered extremely relevant by the government, as it would contribute to the implementation of new reforms addressed by the European Union.

Decentralization is considered one of the main components of good governance. It provides better services at the local level, more transparency in decision making, accountability, efficiency and also tends to produce policies in accordance with the needs of communities, by avoiding a gap in representation.

Decentralization of functions and competences is considered to be very important also for the management of projects and funds. Because of it, development projects are more efficient due to the inclusion of local people on their designation, implementation and supervision.

As cited in the European Charter of Local Self-Government, "*the principle of local self-government shall be recognized in domestic legislation and, where practicable, in the constitution*"¹.

The paper will focus on the changes that the reform brought, and on its negative and positive aspects, especially seen under the monitoring of European Union, as one of the recommendation for the European Integration.

Keywords: Territorial-administrative reform, decentralization, local governance, municipalities, Albania.

Introduction

The former territorial division consisted on 12 districts, 65 municipalities and 308 communes². This division was mainly referring to the 1992 reform, which divided the territory based on the communist regime system, by keeping the district organization and transforming the agricultural cooperatives in communes. This reform was focused only on the decentralization of functions and competences, and did not consider the size of the units or their capacities on carrying out these functions³.

Studies conducted after 2000 indicated that a considerable number of local government units were sparsely populated and with low resources and capacities⁴. Over 75% of the previous local government units had less than 5000 inhabitants which resulted on quite high costs of offered public services. Human capacities in several units were considered low and insufficient, thus generating gaps in the exercising of functions.

Districts had an unclear role in coordinating and supporting these units in exercising

¹ European Charter of Local Self-Government. Available on: <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/122> (Last visited on 24.1.2019).

² Article 1 of Law no 8653, dated 31.7.2000, "Përndarjen administrative-territoriale të njësitëve qeverisës vendore në Republikën e Shqipërisë".

³ http://www.parlament.al/Files/ProjektLigje/relacion_projektligji_ndarja_administrativo_territoriale_23_7_2014_18487_1.pdf pg. 4 (last revised on 22.1.2019).

⁴ http://www.parlament.al/Files/ProjektLigje/relacion_projektligji_ndarja_administrativo_territoriale_23_7_2014_18487_1.pdf pg. 4 (last revised on 22.1.2019).

their functions. And last, as a country looking towards the European Integration, it is considered necessary multi-level governance, central, local and regional, and the development of the regional cooperation, compliant with the EU integration requirements⁵.

The new reform

European experience

Studies conducted on the new law indicated that several European countries have been decreasing the number of local government units. More concretely:

- Ireland has decreased by 65 % the number of local government units and by 45% the number of local advisors;
- Sweden decreased the number of local government units by 85 %;
- Denmark changed the administrative division from 250 local government units to 98⁶.

The new reform in Albania

The new Administrative-Territorial Reform in Albania was legitimated with the adoption of the Law no 115/2014 "On the administrative-territorial division of local government units in the Republic of Albania". It has 3 main objectives:

- *To improve the services offered at citizens at the local levels:* The main reason for this new reform was to enhance professionalism and produce efficient services by the local government units.
- *Maximizing efficiency and good governance:* The reform aims at improving governance at the local level; better administration of finances and tax collection in order to incite economic development.
- *Empowering local and regional governments, citizens and communities:* The decentralization of functions will lead to greater development through better coordination of both levels of governance, and allow municipalities to be part of international projects, collect more funds from the European Union and other donors⁷.

For a better coordination between central and local government is established a central public institution, initially called the Agency for Implementation of Territorial Reform⁸. Later, this institution was transformed in the Agency for Local Self Government Support. It is dependent on the Ministry of Interior and has the mission of providing assistance to ensure the continuity of public functions and services, at the local level, in the framework of implementing administrative-territorial reform⁹. It aims at enabling the implementation of the administrative-territorial reform through

⁵ http://www.parlament.al/Files/ProjektLigje/relacion_projektligji_ndarja_administrativo_territori_ale_23_7_2014_18487_1.pdfpg. 12 (last revised on 23.1.2019).

⁶ The Relation of the draft-law "On the administrative-territorial division of local government units in the Republic of Albania", pg. 24-25.

⁷ <http://www.reformaterritoriale.al> (last visited on 24.1.2019).

⁸ Decision of the Council of Ministers No. 83, dated 28.1.2015, "On the establishment and functioning of the Agency for the Implementation of Territorial Reform", Paragraph 1.

⁹ Further information can be found at the official website of the Agency for Local Self Government Support: <http://azrt.gov.al/>

the co-ordination of all the measures, processes and administrative support until the full functionality of the 61 new municipalities¹⁰.

The role of the Agency for Local Self Government Support

The Agency for Local Self Government Support has the following duties:

- a) Supports the Ministry of Interior in coordination between state institutions and local government bodies in the implementation of thereform.
- b) Supports and guides the administrative work of state institutions and local government bodies to implement the legislation in force in the framework of the administrative-territorial reform.
- c) Provides services to local government units in the framework of the implementation of administrative-territorial reform.
- d) Coordinates with international organizations and partners who support the administrative-territorial reform.
- e) Undertakes and / or implements projects in support of local government units to ensure administrative and infrastructural functionality, in the context of administrative-territorial reform.
- f) Assists in drafting changes and improving the legal framework for the implementation of the reform.
- g) Periodically informs public institutions and interest groups on the progress of implementation of administrative-territorial reform¹¹.

Estimated effects of the new reform

The legislators evaluated that the merging of local government units will lead to optimization of administrative and operational expenses¹². The profits will be direct or expanded in time, as follows:

- rationalization of human and financial resources in order to increase the quality of governance at local level and the reduction or misuse of resources and assets;
- increase of public offer and quality of very important services such as water supply and sewerage, road infrastructure, public transport, integrated waste management;
- increasing the efficiency of the use of public funds as a result of the possibility to plan new development areas where there is potential;
- the opportunity to create economical schemes for small and medium enterprises development;
- local economic planning opportunities in larger territories by providing specific economic zones, with the infrastructure needed to attract investments;
- the possibility of redesigning the local public offer by reducing the inequalities created by communities in rural areas, in spite of the urban development;
- predictability and fiscal and financial sustainability of local budgets, which affects the reduction of the financial risk of the public budget;

¹⁰Paragraph 2 of the Decision of the Council of Ministers No. 83, dated 28.1.2015, "On the establishment and functioning of the Agency for the Implementation of Territorial Reform".

¹¹Decision of the Council of Ministers No. 83, dated 28.1.2015, "On the establishment and functioning of the Agency for the Implementation of Territorial Reform", as amended.

¹²The Relation of the draft-law "On the administrative-territorial division of local government units in the Republic of Albania", pg. 57.

- opportunities for better absorption of funding from foreign project funds and IPA funds;
- increase from 10% to 20% of local expenditures as a result of rationalization of costs and good administration of budget¹³.

Overall, from the application of the above measures and from the optimization of administrative and operational costs, the experts evaluated a positive financial effect in the medium-term in the amount of 3 billion to 6 billion Lek per year in the local budget¹⁴.

Implementation of the reform from the EU point of view

According to the Annual Report 2018 of the European Commission the municipalities created by the reform have started to consolidate, both administratively and financially. In 2017, along with the new reform, was adapted the Law on Local Self-Governance Finances, which focuses on the independence of local government units, to manage their finances and to guarantee a transparent process in fund allocations and revenues collecting. Other laws were also implemented in order to better define the roles of the Prefectures and Districts in the new administrative-territorial division. These laws were revised so the delegation of competences would be more clarified. The European Commission evaluates as positive the progress made in the frame of public information and transparency. Several municipalities have appointed a coordinator for the right to information¹⁵.

Municipalities are working in the field of urban development and territorial planning. Along with the General National Plan, LGUs are drafting their local plans.

European Commission considers the progress made in the area of access to information¹⁶. Thanks to the coordinators for the right to information, appointed by a considerable number of municipalities; citizens have more access to the work done by local institutions. Anyway, despite the establishment of these bodies, the public participation in governance and decision-making is still low. It needs to be increased, especially in sensitive areas and budget planning.

Each municipality is appointing a unit that will be in charge for the relations between EU and local governance. These bodies are expected to coordinate with the EU regarding different policies, programs, funds and projects and will be operating as a network¹⁷.

However, the Law on Civil Servants has not been fully implemented at a local level. In the annual report on Albania for 2018, the European Commission has mentioned

¹³The Relation of the draft-law "On the administrative-territorial division of local government units in the Republic of Albania", pg. 57-58.

¹⁴ This assessment was made by the experts that worked on the drafting of the administrative-territorial reform.

¹⁵Commission Staff Working Document, Albania 2018 Report: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-albania-report.pdf>pg11. (Last reviewed on January 25 2019).

¹⁶Commission Staff Working Document, Albania 2018 Report: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-albania-report.pdf> (last reviewed on 28.1.2019).

¹⁷Commission Staff Working Document, Albania 2018 Report: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-albania-report.pdf> pg11. (Last reviewed on January 21 2019).

that appointments made by violating the civil servants law are problematic for the public administration of LGUs¹⁸.

Municipalities need additional training for their personnel, in order to handle their new duties and responsibilities that the reform brought and also need to improve in the terms of better management of their funds and finances.

Conclusions

The new reform decreased the number of local government units. This was considered as a positive outcome, because the previous division of 65 municipalities and 308 communes seemed not to be efficient. Most of these units had low number of population and did not justify their existence, also in the frame of low resources, both human and financial.

Also in the current situation there are municipalities that cannot justify their separation. Anyway, in a general overview we consider that the reform at least in the 2 years of its implementation, had managed to decrease specific costs, such as the decrease in number of human resources¹⁹, although without taking into account the social aspect of the jobs lost during the merger of these units.

Strengthening the local government units with the new territorial-administrative division will set the basic premise to deepen and expand the further decentralization of governance as well as the expansion of fiscal autonomy of local government units. However, the real effects of the reform are to be seen in the upcoming years, as it would take time to fully implement. Municipalities are still in transition process, waiting to consolidate their new functions, finances and administration.

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¹⁸Commission Staff Working Document, Albania 2018 Report:<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-albania-report.pdf>.

¹⁹Ndreu, A. Implementation of the Administrative-Territorial Reform for a sustainable development of the economy in Albania. Social and Natural Sciences Journal, Volume 10, Issue 1, 2016.

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