



INCEPTION REPORT (MAIN REPORT)



STAR2 – Consolidation of the Territorial and
Administrative Reform

July 2017

Important Disclaimer

STAR2 – Consolidation of the Territorial and Administrative Reform is a project funded by the EU, Sweden, Italy, Switzerland, US(AID), UNDP and the Government of Albania. The direct beneficiary of the project is the Minister of State for Local Issues (MSLI), Albania. The project is being implemented by the United Nations Development Programme (UNDP) Country Office in Albania. Views and comments in this report do not necessarily reflect the views of the abovementioned institutions.

Table of Contents

| | |
|--|--------------------|
| Acronyms | 3 |
| Project Summary | 5 |
| Executive Summary | 7 |
| Introduction | 11 |
| Project Design | 13 |
| Major changes suggested by the Inception Phase | 17 |
| Assumptions and Risks | 19 |
| Communication and Visibility Plan | 22 |
| Monitoring and Evaluation tools | 29 |
| Sustainability | 31 |
| Project progress to date | 33 |
| Administrative/operational tasks | 33 |
| Programmatic progress | 33 |
| Implementation Schedule | 35 |
| Project Budget | 36 |

Acronyms

| | |
|-------|---|
| AAC | Albanian Association of Communes |
| AAM | Albanian Association of Municipalities |
| AITR | Agency for the Implementation of the Territorial Reform |
| ALA | Association of Local Autonomy |
| ASPA | Albanian School of Public Administration |
| CB | Capacity Building |
| CDR | Combined Delivery Report |
| CoE | Council of Europe |
| COFOG | Classification of the functions of government |
| CS | Civil society |
| CSL | Civil Service Law |
| CSO | Civil society organization |
| DLDP | Decentralization and Local Development Program |
| DLG | Decentralization and Local Governance |
| DOPA | Department of Public Administration |
| e-PAV | Electronic Platform of Local Administration |
| FIL | Freedom on Information Law |
| GDA | General Directory of Archives |
| GDT | General Directorate of Taxes |
| GoA | Government of Albania |
| HR | Human resources |
| HRM | Human Resources Management |
| HRMIS | Human Resources Management Information System |
| HRMU | Human Resources Management Unit |
| IPMG | Integrated Policy Management Group |
| LGAP | Law on General Administrative Procedures |
| MoF | Ministry of Finance |
| MSLI | Minister of State for Local Issues |
| MTBP | Medium Term Budget Programme |
| NIM | National Implementation Modality |
| NPD | National Project Director |
| NSDI | National Strategy for Integration and Development |
| OSS | One Stop Shop |
| PAC | Project Appraisal Committee |
| PAR | Public Administration Reform |
| PEFA | Public Expenditure and Financial Accountability |
| PFM | Public Finance Management |

| | |
|------|--|
| PFP | Project Field Presence |
| PLGP | USAID's Planning and Local Governance Project in Albania |
| PM | Project Manager |
| PMT | Project Management Unit |
| PPR | Project progress report |
| PSC | Project Steering Committee |
| RDF | Regional Development Fund |
| SBAA | Standard Basic Assistance Agreement |
| SC | Steering Committee |
| SDG | Sustainable Development Goal |
| SOP | Standard Operating Procedures |
| TA | Technical assistance |
| TAR | Territorial and Administrative Reform |
| TNA | Training Needs Assessment |

Project Summary

| | | |
|------------------------------|--|------------------------------|
| Project Title: | STAR2 – Consolidation of the Territorial and Administrative Reform | |
| UNDP Project ID: | 00097212 | |
| Project Budget: (in US\$) | \$8,168,668 | |
| Contributions: | Original Currency | US\$ Equivalent ¹ |
| European Union | 3,500,000 EUR | 3,904,029 |
| Sweden | 15,000,000 SEK | 1,686,628 |
| Italy | 1,200,000 EUR | 1,334,754 |
| Switzerland | 500,000 CHF | 493,097 |
| USAID | 100,000 USD | 100,000 |
| UNDP | 100,000 USD | 100,000 |
| Government of Albania | 30,000,000 ALL | 255,864 |
| Total Contributions: | | 7,874,371 |
| Agreement Signed on | 14 – July – 2016 | |
| Official Start/End Dates | 15 – July - 2016 | 31 - December - 2019 |
| | Original | Updated |
| Duration: | 41.5months | 41.5 months |

| | |
|-------------------------|--|
| Main direct beneficiary | Minister of State for Local Issues (MSLI) |
| Implementing Agency | United Nations Development Programme in Albania |
| Partners | <p>Albanian Municipalities</p> <p>Association for Local Autonomy</p> <p>Association of Albanian Municipalities</p> <p>Regional and local development stakeholders</p> <p>Central Government institutions and agencies: Agency for the Implementation of Territorial Reform (AITR), ADISA, National Agency for Information Society, INSTAT, General Directorate of Archives, Supreme State Audit, Commissioner for the Right to Information and Protection of Personal Data, Department of Public Administration (DoPA) / Albanian School of Public Administration (ASPA)</p> |

¹ Including installments, converted with the UN exchange rate of the date of receipt plus the receivable balance converted with the latest UN exchange rate of July 2017

| | |
|--|---|
| | Relevant line ministries: Innovation and Public Administration, Finance, Agriculture, Interior, Urban Development, Environment, etc., Local, regional and central civil society organisation |
|--|---|

| | |
|--------------------------------|---|
| Overall Objective | To ensure functionality, recognized by men and women, of the newly established local governments, so that local administration and service delivery outcomes are effective, qualitative, participatory, and inclusive, and correspond to evolving decentralized competencies and responsibilities. |
| Specific objectives (Purposes) | <ol style="list-style-type: none"> 1. To strengthen institutional and administrative capacities of LGUs 2. To increase local service delivery efficiency, quality, coverage, accessibility and inclusiveness for men and women and marginalized groups 3. To enhance local democracy through fostering citizen-oriented governance and participatory decision-making, leveraging the roles of women as actors of change |
| Expected Results | <ul style="list-style-type: none"> • Enhanced administrative management capacities leading to a more professional public administration at local level • Management skills of local senior managers improved • Local public financial and fiscal management capacities enhanced • Improved management and delivery of services • A national benchmarking system for key selected municipal indicators established • A one-stop-shop model is defined and scaled up nationwide • A standard system of local government archives adopted nationwide • Status of local governance mapped in all LGUs • Strengthened local democracy at local government level |
| Target Groups | MSLI, municipalities, LGUs, elected and administrative representatives, local civil society, businesses, community representatives, and others exposed or participating in different activities of the Project. |
| Final Beneficiaries | MSLI, 61 municipalities and their respective administrative units, local communities. |

Executive Summary

The STAR2, Consolidation of the Territorial and Administrative Reform Project, has been developed as a collaborative work and agreement between the Minister of State for Local Issues and project development partners, namely representing the European Union, development cooperation offices of Italy, Sweden, Switzerland, and USAID and UNDP Albania. The project was conceived in the framework of Government of Albania reforms pertaining to local government and decentralization, following the adoption in practice of the Administrative and Territorial Reform in 2015.

The main objective of STAR2 project is to ensure functionality, recognized by men and women, of the newly established local governments, so that local administrative and service delivery outcomes are effective, qualitative, participatory, and inclusive, and correspond to evolving decentralized competencies and responsibilities.

Project activities will engage at a practical level many layers of local government administrations in capacity building activities related to strengthening and improving administrative and operational management, service delivery, as well as improve transparency and accountability towards their constituencies. However, most of activities need to be coordinated among different development stakeholders who work with and provide support to the same local governments through various programmes and projects. Coordination is through the Project Steering Committee, Government-led IPMGs, and donor coordination mechanisms.

Following the signature and launch of STAR2 project in July 2016 and the recruitment of key project staff, the project entered in the inception phase since November 2016. The purpose of the Inception phase was to analyze and assess the project's proposed directions and activities from the substantive, time and cost viewpoints as well as detailing further the content and approach of specific proposed activities in consultation with various relevant stakeholders and based on the context.

This exercise has resulted in the current update of proposed activities and interventions along with better defined partnerships, a detailed project implementation action plan, an updated results framework and risk log, a finalized communication strategy and visibility guidance, and a revision of the financial allocations across budget lines, all of which are part of the present Inception Report and subject to Steering Committee review and approval. The present final draft Inception report reflects in full the feedback and suggestions provided by the project partners and other stakeholders during and after the last Project Steering Committee of 11 May 2017 and the concurrence in principle with the revised project as presented in the project technical meeting of 8 June 2017.

Major updates and changes from the original document

The overall project remains unchanged from the original one, maintaining the same overall objective and the three areas of focus: (1) institutional capacity building, (2) service delivery and (3) local democracy. However, several changes have been suggested and made in some activities as a natural result of inception analysis and findings, following stakeholder consultations as well as further information received from partners and the project surrounding environment.

Moreover, the project now reflects better the recommendations of the Steering Committee members for the project to aim for national coverage and increased impact.

In close cooperation with MSLI and AITR, STAR2 prioritized the most relevant activities, along with an effort to identify tangible results, narrowed down the number of capacity building activities, put an emphasis on service delivery assistance and focused on activities with national coverage

A further detailing of indicators will ensure project activities are operational and conducive to progress monitoring and evaluation. In this respect, several milestones (deliverables) of the project are defined, and indicators of results are set (see Annex 4).

A concise summary of project outputs and activities can be found below, whilst detailed information on each one of them can be found in Annex 3.

Project outputs and activities

The proposed STAR2 Project outputs are organized around three main components, with clear objectives and anticipated impact to be achieved through tailor made interventions, as follows:

| Component 1 – Strengthen Institutional and Administrative Capacities of Local Administrations | |
|--|--|
| Output 1.1 Enhanced and administrative management capacities leading to a more professional public administration at local level | <ul style="list-style-type: none"> ▪ Activity: Capacity building on Code of Administrative Procedures (CAP) implementation (61 Municipalities) ▪ Capacity building on adopting LG Standard Operating Procedures (SOPs) (61) |
| Output 1.2 Improved leadership behaviour and organizational capabilities of municipal leaders | <ul style="list-style-type: none"> ▪ Develop and deliver training on leadership development (61) |
| Output 1.3 Local public financial and fiscal management capacities enhanced | <ul style="list-style-type: none"> ▪ Support improvement of local level tax collection and enforcement (61) ▪ Develop local revenue management action plans for small and medium municipalities (30) ▪ Capacity building on Asset and Land Management to relevant local government departments (61) ▪ Compliance with the requirements of Supreme State Audit (61) |
| Component 2 – Increase Local Service Delivery, Efficiency, Quality, Coverage, Accessibility and Inclusiveness for Men and Women | |
| Output 2.1 Delivery of services and their management (including new competencies) improved | <ul style="list-style-type: none"> ▪ Improve the way services are planned, organized, managed and delivered (61) ▪ Addressing challenges and capacity building for a full takeover of new delegated functions (61) ▪ Assist in re-organization of selected services in terms of efficiency and standards |
| Output 2.2 A national benchmarking system for key selected municipal indicators established | <ul style="list-style-type: none"> ▪ Establish a national benchmark system on local government administrative and public services (61) |
| Output 2.3 A one-stop-shop model is defined and scaled up nationwide | <ul style="list-style-type: none"> ▪ Develop a one-stop-shop model and scale it up nationwide (49/50) |
| Output 2.4 A system of local government archives adopted nationwide | <ul style="list-style-type: none"> ▪ Develop a unique system of local government archiving and adopt it nationwide (61) |
| Component 3 – Enhanced Local Democracy through Fostering Citizen – Oriented Governance and Participatory Decision – Making, Leveraging the roles of Women as Actors of Change | |
| Output 3.1 Status of local governance mapped in all LGUs | <ul style="list-style-type: none"> ▪ Conduct a Local Governance Mapping (61) |
| Output 3.2 Strengthened local democracy through enhanced participation, transparency and accountability and ethics and integrity in local government Participation | <ul style="list-style-type: none"> ▪ Build institutional capacity for public engagement and consultation, inclusive of vulnerable and marginalized groups, especially women, persons with disabilities, Roma and Egyptian communities (61) |

| | |
|--|--|
| | <ul style="list-style-type: none"> ▪ Introduce practices to strengthen local officials' accountability – promote Programs of Transparency (30) ▪ Support development and application of systems allowing publication of municipal acts and regulations (30) ▪ Develop standard or improve municipal websites (ca. 30 municipalities) ▪ Increase local government public ethics and integrity (61) ▪ Adopt municipal integrity plans (6) |
|--|--|

Along with the Inception phase take off, which implied substantial and intensive consultations with several stakeholders, the project pursued also on the implementation of a few key activities, namely, the conduct of Local Governance Mapping and the preparation for starting the implementation of technical assistance in the areas of local government archives and local one-stop-shop development. At present, the first round of Local Governance Mapping is completed, the tender on Local Government Archives is under evaluation and estimated to be awarded by early August 2017, while the TORs for the local OSSh are being finalized after a thorough technical review on optimal feasibility options.

Lastly, the Inception phase also dealt with the revision of the implementation plan. In line with the updated timeline, the project is set to deliver the following main outputs during the implementation period:

| Time | Completed activities ² | Notes |
|--------------------|---|---|
| By end 2017 | 3.1.1 Conduct a Local Governance Mapping (1 st round) | - LGM completed in July 2017 (1 st round) |
| By end 2018 | 1.1.3 Capacity building on Code of Administrative Procedures (CAP) implementation 1.1.4 Capacity building on adopting local government Standard Operating Procedures (SOPs) 1.2.1 Develop and deliver training on leadership development 1.3.4 Capacity building on asset and land management to relevant local government departments 1.3.5 Compliance with the requirements of SSA 2.1.1 Improve the way services are planned, organized, managed and delivered 2.1.2 Address Challenges and Capacity building for a full takeover of new delegated functions | - TORs on assistance in developing municipal Standard Operating Procedures developed by January 2018 preceded by an assessment of specific needs and level of adoption of the CAP - Activities on leadership starting by October 2017 - TORs on Land and Asset Management developed by October 2017 - Tender on Local Government Archives to be launched in early August 2017 - TORs for Municipal Transparency of Programs ready by October 2017 |

² Numbering of activities remains unchanged from the initial project document.

| | | |
|--------------------|---|--|
| | <p>2.4.1 Develop a system of local government archives and adopt it nationwide</p> <p>3.2.1 Build institutional Capacity for public engagement and consultation</p> <p>3.2.3 Introduce practices to strengthen local officials' accountability – promote Programs of Transparency</p> <p>3.2.6 Develop standard municipal websites</p> <p>3.2.7 Increase local government public ethics and integrity</p> <p>Project Mid-term evaluation</p> | <ul style="list-style-type: none"> - Tender for municipal websites development / improvement to be launched by early August 2017 |
| By end 2019 | <p>3.1.1 Conduct a Local Governance Mapping (2nd round)</p> <p>1.3.1 Support improvement of local level tax collection and enforcement</p> <p>1.3.2 Develop local revenue management action plans for 30 small and medium municipalities</p> <p>2.1.3 Assist in re-organization of selected services in terms of efficiency of standards</p> <p>2.2.1 Establish a national benchmark system on local government administrative and public services</p> <p>2.3.1 Develop a one – stop – shop model and scale it up nationwide</p> <p>3.2.4 Support development and application of systems allowing publication of municipal acts and regulations</p> <p>3.2.8 Adopt Municipal Integrity Plans</p> <p>Project Final Evaluation</p> | <ul style="list-style-type: none"> - An expert on local Finances will be on board by end of September 2017 - TA on assessing the legal framework for local services is mobilized since July 2017 - TA on identifying options for national benchmarking and developing TORs is mobilized since July 2017 - TORs for local OSSH are being finalized, aiming to launch the OSSH tender within August 2017 |

Introduction

The **STAR2 – Consolidation of the Territorial and Administrative Reform Project** has been developed as a collaborative work and agreement between the Minister of State for Local Issues and project development partners representing the European Union, development cooperation offices of Italy, Sweden, Switzerland, and USAID and UNDP Albania. The project was conceived in the framework of Government of Albania reforms pertaining to local government and decentralization, following the adoption in practice of the Administrative and Territorial Reform in 2015. The project is designed to run under a pooled fund modality, with UNDP Albania as the fund manager and implementer under the ownership and leadership of the Minister of State for Local Issues, a similar arrangement with its predecessor, STAR1 project.

Mid-July 2016 marked the start of implementation of STAR2 project, following the signature of the project document between the Minister of State for Local Issues and UNDP Albania. By end December 2016, all partner contribution agreements with UNDP have been concluded, securing upfront about 93% of the project's estimated budget (Government pledged cost-sharing included though still a commitment).

The project document objectives and expected results correspond largely to the strategic goals set out in the Crosscutting Decentralization and Local Governance Strategy 2015-2020, especially those related to:

- Enhance the overall efficiency of local government structures
- Strengthen good governance at the local level

within a framework that calls for more efficiency, transparency and inclusiveness.

The main objective of STAR2 project is to ensure functionality, recognized by men and women, of the newly established local governments, so that local administrative and service delivery outcomes are effective, qualitative, participatory, and inclusive, and correspond to evolving decentralized competencies and responsibilities.

Project activities will engage at a practical level many layers of local government administrations in capacity building activities related to strengthening and improving administrative and operational management, service delivery and greater transparency and accountability towards their constituencies. However, most of activities need to be coordinated among different development stakeholders who work with and provide support to the same local governments through various programmes and projects.

The Project Document defined in some detail the activities the project should carry out in three and a half years in order to achieve the above. The present Inception phase was a further step in detailing specifications of assumptions, deliverables and timing beyond those presented in the approved project document to fine-tune and make operational the project implementation approach. Information has been mainly gathered from consultations with a substantial number of central and local level institutions, development partners, ongoing projects and initiatives, and internal discussions.

The project team has also been intensively engaged in field visits across the country to communicate with municipalities in the framework of project presentation, assessment of the local situation, collection of data in relation to local administrations, monitoring of governance mapping process, etc., often in collaboration with the Agency for the Implementation of the Territorial Reform.

Annex 1 gives more details and summarizes the main stakeholder consultations undertaken during the inception phase, the main subjects discussed and the related findings and conclusions.

The Inception Report describes the outcomes of this process with the following purpose:

- to document any changes to the project plan since the finalization and approval/signature of the project document
- to present a concise description and plan of various activities and actions, timing and outputs of the specific tasks for the project
- to ensure a common understanding and ownership by all project partners

- to invite comments and recommendations from the Project Steering Committee
- to adopt the Report as the operational tool for planning, monitoring and evaluating project progress and quality of implementation.

This exercise has resulted in an update of proposed activities and interventions along with better defined partnerships, a detailed project implementation action plan, an updated results framework and risk log, a finalized communication strategy and visibility guidance and a revision of the financial allocations across budget lines, all of which are part of the present Inception Report and subject to Steering Committee review and approval.

Project Design

Context

The first Monitoring Report³ of the Crosscutting Strategy on Decentralization and Local Governance 2015-2020 indicates a satisfactory progress of the overall implementation of the actions foreseen in the strategy. During the first year, 61% of the activities defined in the strategy have started out of 69% planned. Meanwhile, the rate of completion in the first year is 42%. Among the four strategic goals, the major progress relates to the first one: “Enhance the overall efficiency of local government structures”, while the slowest progress is noted in the implementation of activities related to the goal “Strengthening the local finances”, where only 7 activities out of 26 are implemented.

The Monitoring Report also points out the need to focus efforts in the fulfillment of the specific objective: “Strengthening Local Democracy through increased citizens’ participation and strengthening of community structures at local level”.

The Council of Ministers decided on 21 December 2016 on the establishment of the Consultative Council of the Central Government with the Local Government. This new institution was launched officially in January 2017. It will serve as an institutionalized platform for consultation between central government with local and regional authorities, providing the latter with a forum for advocacy and dialogue with the central counterparts. The decision makes provision for a composition of the Consultative Council including 6 members from the Central Government institutions and 6 others representing the three associations of local government units. The Agency for the implementation of Territorial Reform will play the role of Technical Secretariat for the Council.

Law 68/2017 on Local Finances was approved by the parliament and will enter fully in force on 1 January 2018. This is the culmination of an important Government commitment to address one of the most important and sensitive aspects of local government, equipping fiscal decentralization with the necessary legal framework, though the new law will need to be followed with drafting necessary sub-legal acts.

The Code of Administrative Procedures approved in April 2015 entered in force a year later, is not yet fully implemented because of lack of the secondary laws. A commentary on the Code of Administrative Procedures is in a drafting process with OECD/SIGMA contribution. Parallel to this, there are two CoM Decrees in the drafting process. Nevertheless, an initial informative Training of Trainers is organized by DoPA/ASPA with the participation of central level institutions’ representatives, mainly on the principles of the Code. DoPA/ASPA is targeting for training on CAP around 200 central level officials, however, there are no plans for training public officials at local level.

Project Objectives

Both, the project overall objective “To ensure functionality, recognized by men and women, of the newly established local governments, so that local administrative and service delivery outcomes are effective, qualitative, participatory, and inclusive, and correspond to evolving decentralized competencies and responsibilities”, as well as the specific objectives:

- To strengthen institutional and administrative capacities of local administrations;
- To increase local service delivery efficiency, quality, coverage, accessibility and inclusiveness for men and women;
- To enhance local democracy through fostering citizen-oriented governance and participatory decision-making, leveraging the roles of women as actors of change

3

http://www.ceshtjetvendore.gov.al/files/pages_files/Raporti_i_Monitorimit_t%C3%AB_Strategjis%C3%AB_p%C3%ABr_Decentralizimin_dhe_Qeverisjen_Vendore_2015-2020_periudha_korrik-gusht_2016.pdf

are still relevant and are confirmed during stakeholders' consultations.

Institutional Setup and Organization

The institutional set-up for project implementation remains unchanged as described in the Project Document:

- The Minister of State for Local (MSLI) issues as main direct beneficiary;
- The European Union Delegation in Albania, development cooperation offices of Sweden, Italy and Switzerland and USAID as project steering members;
- The United Nations Development Programme in Albania, as implementing agency.

The institutional responsibility for leading project implementation rests with the Minister of State for Local Issues, who is also the institution accepting the quality of outputs, while the technical responsibility for implementation rests with UNDP.

The project employs a dual implementation structure, a Project Management Team (PMT) attached or working closely with the MSLI and a Project Coordination Unit established at UNDP and dedicated to support daily the project implementation from the administrative and financial aspects as well as ensuring the role of quality assurance.

Strategy

A few local government units are more advanced than the others in adopting innovative practices and establishing good experiences in various fields of management and service delivery. However most of them need assistance in the three proposed directions of STAR2 project, in understanding, applying and enforcing legislation, improving management of financial resources, modernizing and optimizing service delivery, strengthening compliance with transparency and accountability requirements and improving communication with their communities. Service delivery standards and monitoring are however lacking. Also, municipal level statistics are very poor and/or inaccurate in most cases and there is need to strengthen this aspect as it is directly related to taking informed and appropriate decisions that respond to the real priorities and needs of the community.

The delegation of new functions to municipalities has not been completed and there are still problems of institutional, legal, technical, financial and organizational nature, exacerbated by a lack of adequate human resources. Also, for many of the functions and services for which local governments are mandated, there is need for a better understanding and compliance with national policies, regulations and guidelines.

The Project will mostly work with the supply side, i.e. with local government actors and institutions and provide capacity building to them for improved performance and efficiency. Capacity building activities will be tailored to a great extent to the needs and expectations of beneficiaries. At the same time the project will attempt to institutionalize tools and approaches developed by the project, through their introduction in relevant acts at central or local level, into local public administration unit's internal procedures, adoption of prepared manuals, guidelines, etc.

The project will constantly seek to avoid overlaps, but also look for opportunities to scale up best practices and models developed by other partners so that the positive developed knowledge will benefit larger target groups. It will establish a practice of identifying existing curricula, tools, methodologies, etc., that partners can make available for replication prior to undertake its activities. This information will enable maximizing the experiences to date.

The project will establish a practice whereby it will regularly gather information and feedback from other ongoing projects on needs and issues to address as well as concerns that other projects might identify with local governance processes. A part of the necessary and relevant curricula exists and is up to date with the central institutions, it is, however, necessary to adapt them to specific local target groups; several other curricula need to be developed for more specific topics, building upon local and international experiences.

The project geography is national, covering all 61 municipalities; however, for specific activities the project will select clusters of municipalities. For example, in the case of One Stop Shops, Municipal Websites and Transparency of Municipal Acts, the project will target those Municipalities that do not have the above systems/mechanism, thus closing the gap and ensuring all Municipalities in Albania have full access to and make use of them. On the other hand, in the case of Service Reorganization and Local Revenue Management, due to the innovative approach and/or activity scope, a selection of Municipalities or municipal clusters will apply. Selection criteria will include: municipal sizes, large and small, balancing the geographical location and political affiliation, identifying best practices worth replicating or with a potential for peer support, but also underperforming areas or municipalities that need support, etc.

Project capacity building activities will be organized mostly outside the capital, with a mixed geography. The project will seek to organize a part of its activities in small municipalities in order to avoid the concentration in the same large municipalities where everything happens always and promote the peculiarities of small municipalities.

A key principle of the project is to make local governance work for the poor, women and vulnerable groups and make the latter part of the consultations and decision-making processes. STAR2 will promote gender mainstreaming in all its activities throughout the implementation. The gender perspective will not be limited to gender equality considerations, instead it will also feature in the areas of policy making, participation, capacity building and access to services.

Environmental and social concerns will also be an integral part of design and implementation of capacity building, systems development and scaling up activities, especially when they pertain to environmentally or socially sensitive interventions/recommendations, such as in the case of review of various public utility services, or the design of performance indicators.

The project will support the development of municipal data sets for multiple reasons: as a tool for municipal decision makers to take evidence based decisions, as a necessity for measuring change in implementing some of project activities as well as for integrating requirements for data contributing to NSDI and SDG monitoring.

Monitoring

Monitoring will aim primarily to provide the main stakeholders of the project with early indications of the quality, quantity and timeliness of progress towards delivering intended results. Therefore, all project activities will be subject to continuous monitoring (process and impact monitoring) against the indicators defined in the Project Document and the amendments made later in this report. In accordance with UNDP's Financial Rules and Regulations, UNDP will maintain a direct control and monitoring role over progress, quality and financial aspects of the Project.

The sharing of monitoring results, as well as the coordination with partners and stakeholders will be facilitated through the instruments defined and scheduled in the Project Document (coordination meetings, steering committee meetings, monthly and quarterly project progress reports, annual project progress reports, mid-term reviews, a project final report and a final evaluation mission).

Coordination

A critical determinant for the project success remains however its ability to collaborate with relevant national institutions. On the other hand, several projects and programs are currently involved in local governance support and in the interest of all, many stakeholders agreed to coordinate the initiatives and share the results. Coordination is fundamental when it comes to developing and implementing project activities, to ensure alignment, compliance with national standards and policies, complementarity, scaling up best practices and avoiding waste of resources, duplication and overlapping.

Several findings and recommendations on how to address these challenges are made in the Project Document and further detailed in the present Inception Report. A further articulation in each specific case will take place during the implementation, considering also some of the principles mentioned above.

STAR2 will establish specific relations/agreements or collaboration with specific line ministries and state agencies such as ASPA, ADF, ADISA, SSA, INSTAT, GDA, etc. Cooperation with the General Directorate of Archives (GDA) has started for the local government archives, and with ADISA through MIPA and UNDP's ISDA programme for the local services definition as per ADISA's experience with central institutions' services pool. On the other hand, STAR2 project will cooperate closely with the Commissioner on the Right to Information and Data Protection, when designing and implementing the relevant curricula and other actions related to their fields of work. STAR2 will also take into consideration the engagement of central institutions' staff in delivering specific trainings to strengthen ties and dialogue between central and local levels.

STAR2 also operates in an environment rich of experiences and best practices developed over the years by the technical assistance programs of many partners, also with new developments in recent months after STAR2 approval.

Dldp and PLGP are two key programs in the area of local governance, which have generated a wealth of local experiences and products relevant to STAR2, such as in local service delivery management, different one stop shops approaches, various aspects of capacity building on local finances management, local democracy and citizens' participation, etc.

The other SDC financed project Lëviz Albania, though this is more recent, has already some experience and lessons to share in the area of local democracy and civic participation and is recently engaged in promoting and supporting the creation of community structures; so is OSCE.

There are also some positive experiences in participatory gender budgeting, applied Community Based Scorecards undertaken by UNDP sister agencies UN Women and UNFPA, which STAR2 plans to consider during the implementation.

Swiss Development Cooperation has recently launched a new project, "Strong Municipalities", to strengthen local governments' capacities in delivering their key functions and making their governance systems more efficient, effective, responsive and accountable to citizens. The project will target all 61 Municipalities and is expected to achieve the following three main outcomes: (1) improved municipal data collection and analysis and development of a municipal statistical system in accordance with Eurostat standards, through collaboration between INSTAT and Swiss Federal Statistics Office, (2) support municipal councils to strengthen their representation and oversight function over local administrations and fulfill their role as key institutions of local democracy, and (3) improved municipal services and citizens' participation in public decision making processes for service provision. The new project foresees an eight years' time span, starting from June 2017.

The Swiss Secretariat for Economic Affairs (SECO) and United States Agency for International Development (USAID) have undertaken PEFA (Public Expenditure and Financial Accountability) assessments in five Municipalities, Tirana, Berat, Tropoja, Fier and Kuçova. The objective of conducting for the first time a subnational PEFA was to gain a better understanding of the strengths and weaknesses of PFM at local level in Albania. Main PEFA assessment findings, shared to a wide audience in March 2017, include:

- Credibility and transparency of public budget - due fiscal information to the elected councils and the public
- Ambiguity in the assets inventory, ownership, use and valuation of assets.
- Medium-term budgets are challenged by inadequate revenue collection and uncertainty of central government transfers; municipal councils are given little time to consider the budget and little involvement in investments' decisions.
- Accounting and Reporting - Annual financial reporting is not made on the same basis as the initial budget; detailed financial statements are neither published nor submitted for audit, audit reports are not reviewed by the municipal councils
- Fiscal discipline - There is little effort to improve the revenue systems, collect arrears and inform citizens about their dues, exacerbated by unreliable data and a lack of integration of revenues in the budget planning and execution.
- Service delivery: There is uncertainty on how to execute the new delegated functions and there are no indicators to evaluate municipal services.
- There is no measure yet to address medium-term unpredictability of transfers from the state budget as well as preparing realistic revenue plans and public reporting on municipal budgets' performance.

SECO will follow up with a new project formulation to address some of the identified weaknesses and improve PFM at municipal level.

STAR2 will collaborate with Lëviz Albania and keep itself informed on the initiatives and the geography Lëviz Albania is supporting, however, it should be noted that both projects are complementary, given that Lëviz Albania focuses on the local democracy demand side (civil society) while STAR2 will focus on the supply side (local administrations).

The EU Delegation to Albania launched a new initiative supporting local governments to get acquainted with the EU and the EU integration process: Municipalities for Europe. Municipalities for Europe aims to strengthen the municipalities' EU related governance capacities and reach out to Albanian citizens and local administrations with information about the EU, its policies and programs by assisting the establishment of an effective interface between the EU and Albania ("EU desks") in all Albanian Municipalities. The main activities will be organized and implemented under four main clusters: 1) trainings, 2) e-communication and 3) info materials dissemination and 4) public events to increase public awareness on EU related issues. The project will have a time-frame of 18 months (with a possible extension), tentatively commencing in June 2017. Albanian government authorities are already aware and engaged to cooperate and a Memorandum of Understanding is signed by the Minister of State for Local Issues, Minister for EU Integration, and the chairpersons of the Association for Local Autonomy and the Association of Municipalities.

With the recent launch of project Regional Local Democracy Programme (ReLOaD) in the Western Balkans, funded by European Union and implemented by UNDP country offices, STAR2 is a member of the ReLOAD Board of Partners in Albania. Ongoing communication between the two projects is established.

USAID's PLGP has developed a wealth of good practices related to tax, finance and service management systems, ICT based platforms for transparency on budget and expenditures, establishment and functioning of Consultative Commissions of Citizens, local systems of one stop shops for municipal service delivery, and many others. There will be no immediate follow up to PLGP, the likely next USAID assistance to local governance will be part of the new country programme under formulation.

OSCE, in partnership with the Council of Europe, is engaged in supporting the functioning of the National Consultative Council; an interactive web page is already designed to serve as an e-platform for consultations among central and local stakeholders. The NCC will be supported until June 2017 and there is no indication on follow up plans. OSCE is also piloting models for the organization and functioning of Community Structures in four 4 municipalities: Gjirokaster, Fier, Malesi e Madhe and Vau i Dejes. Draft regulations are available for replication. In addition, OSCE provides assistance in addressing systemic issues related to the processes of property transfer and management at local level.

Major changes suggested by the Inception Phase

Major changes suggested from the inception phase relate to project activities. Among those changes, the following are worth to mention:

- Removal of some initial activities – extensive consultations, developments with regard to new programs/project of assistance, and the overall advice to strengthen the project focus on local services and tangible/immediate results with a coverage benefiting preferably all 61 municipalities, led to an overall review of the project's set of activities.

A process of consultations on labor division took place aiming to avoid overlapping with other development programs. Considering that some of the activities foreseen by STAR2 project in the formulation and approval phase, mainly those related to awareness about Law 68/2017 on Local Finances and a few areas pertaining to PFM at the local level, are strongly featuring in the implementation plans of other development partners (dlldp, plgp, Strong Municipalities, Municipalities for Europe, etc.), it was deemed more appropriate, in agreement with MSLI and the project partners, to remove such activities from STAR2 plans.

The following is the list of removed activities, which in most part are covered by partners' upcoming assistance:

- 1.1.1 Capacity building of CSL implementation to Mayors and councilors
- 1.1.2 Support further capacity building on CSL and Labor Code implementation
- 1.2.3. Revise local governments' organizational chart as per typology, context, and capacities
- 1.2.4. Capacity building and tools for compliance with the Local Government Organic Law
- 1.3.1. Capacity building on MTB process and resource allocation at the local level
- 1.3.2. Provide training to 61 municipalities on the requirements of the Local Finance Law
- 1.3.5. Expand the implementation of the tax management software
- 1.3.6. Enable CSOs and interested citizens to be effective in participatory budgeting processes
- 2.1.4. General training on project preparation and project implementation
- 3.2.2. Pilot virtual participation in council meetings for the public

- Introduction of new activities - The new activities introduced during the Inception period are Activity 1.3.4 on Capacity building on asset and land management and Activity 1.3.5 on Strengthening municipal capacities to meet requirements of Supreme State Audit.
- Redefining several activities – Some of the activities have been redefined in terms of approach, targeted groups and their numbers.

Activity 1.2.1 Improved leadership behavior and organizational capabilities of municipal leaders has a more unconventional approach given the specifics of the target group – the mayors. The activity is no longer a series of classic training events, instead it is a sequence of activities that promotes interaction among Albanian mayors, attempts to identify and disseminate best local experiences as well as another set of activities that exposes Albanian mayors to international experiences.

Activity 1.3.2 on Local revenue management action plans (the number of targeted municipalities was reduced from 42 to 30 municipalities) for feasibility and budgetary reasons.

Activity 2.1.3 on the re-organization of services (number of targeted services was reduced from 6 to 3 services to be re-organized) for feasibility and budgetary reasons.

Activity 2.3.1 on the establishment of One Stop Shops has been extensively reviewed as part of an assessment and consultation process with all stakeholders led by an International Expert. The process led towards a solution for a centralized hardware vs. separate data center installation per LGU and is close to finalization. This novelty is estimated to also have a budgetary impact at around \$400-500,000 as the cost of the centralized hardware were not foreseen in the original approach. These costs could be absorbed by the project, provided project partners agree as well as project budget savings are made, including the removal of activities above.

Activity 2.4.1 establishing a system of digitalization of local government archives has been substantially revised by emphasizing a more intensive coaching to all municipal archive and protocol staff of in the center and the respective administrative units to internalize physical archiving standards, familiarization and create conditions for the utilization of the document management software. A context change in this activity is that while originally, the project was set to develop “the document management software and the technical assistance to rollout and operationalize the system for each municipality”, based on the pilot model developed during STAR1, in reality the DMS software has been finalized with state support and installed in the archiving hardware the government procured at the end of 2016 and already distributed to all 61 municipalities already.

- Monitoring framework - Further detailing of indicators took place to make the project work more operational and conducive to progress monitoring and evaluation. In this respect, several milestones (deliverables) of the project are defined, and indicators of results are set. The updated set of indicators is presented in the Monitoring and Evaluation Table, Annex 4.

Revised set of project outputs and activities

The proposed STAR2 Project outputs are organized around three main components, with clear objectives and anticipated impact to be achieved through tailor made interventions, as follows:

Component 1 – Strengthened Institutional and Administrative Capacities of Local Administrations

- **Build Capacities for Administrative Management**
 - Capacity building on Code of Administrative Procedures (CAP) implementation (61 municipalities)
 - Capacity building on adopting LG Standard Operating Procedures (SOPs) (61)
- **Improve leadership behavior of municipal leaders**
 - Develop and deliver training on leadership development
- **Assist municipalities in improving local revenues and assets management**
 - Support improvement of local level tax collection and enforcement (61)
 - Develop local revenue management action plans for small and medium municipalities (30)
 - Capacity building on asset and land management to relevant local government departments (61)
 - Compliance with requirements of Supreme State Audit (SSA) (61)

Component 2 - Increased local service delivery efficiency, quality, coverage, accessibility and inclusiveness

- **Implement activities to increase the capacities of Municipal Service Providers to:** (61)
 - Improve the way services are planned, organized, managed and delivered
 - Address challenges and capacity building for a full takeover of new delegated functions
 - Assist in re-organization of selected services in terms of efficiency and standards (to be further developed and articulated)
- **Establish a national benchmarking system** on local administrative and public services as a tool to enable comparison and informed decision making (61)
- **Develop a one-stop – shop and scale it up nationwide** (49/50)
- **Develop a unique system of local government archiving and adopt it nationwide** (61)

Component 3 - Enhanced local democracy through fostering citizen-oriented governance and participatory decision-making, leveraging the roles of women as actors of change

- **Assess Local Governance in 61 LGUs from citizens’ perspective**
 - Conduct a Local Governance Mapping (61)
- **Strengthen local democracy**
 - Build institutional capacity for public engagement and consultation, inclusive of vulnerable and marginalized groups, especially women, persons with disabilities, Roma and Egyptian communities (61)
 - Introduce practices to strengthen local officials’ accountability – promote Programs of Transparency (30)
 - Support development and application of systems allowing publication of municipal acts and regulations (30)
 - Develop standard municipal websites or improve them and increase capacities of PR staff (ca. 30)
- **Increase Municipal Ethics and Integrity**
 - Increase local government public ethics and integrity (61)
 - Adopt municipal integrity plans (6)

Assumptions and Risks

Risks related to the project implementation remain overall valid as presented in the project document. During the inception period, most of the risks have been reviewed for their validity. The main risks and mitigation measures at present are updated as follows:

Lack of institutional and technical capacities at central level to support LG empowerment and coordinate project implementation – still a valid assumption. The project, as per design, provides support for management and coordination capacities to the MSLI. The PMT is set up and involved, inter-alia, in information and data collection on various municipal metrics as well as in summarizing information on developments affecting local government and governance. This task should be further consolidated and structured, especially where project activities entail generation or collection of data, statistics as well as specific assessments.

Lack of national and sub-national government ownership for effective results – still a valid assumption. This is an aspect that requires constant attention and response. The risk is valid and remains in the focus. To date, though no major and substantial project activities have taken place, efforts have been made to establish and keep communication with all municipalities through project staff based in Tirana and the regional coordinators. The Local Government Mapping exercise has been the first national undertaking whereby all municipalities have been involved from the outset to validation of findings. All municipalities have been introduced to the purpose and methodology and the benefits and outcomes of the exercise as well as the requirements for collaboration. This practice will be put in place for all future project activities to strengthen collaboration, trigger demand and tailor responses.

Other donor organizations'/ government initiatives in the same area overlap or contradict with the project - still a valid and critical assumption. The PSC remains the highest-level donor coordination instrument overseeing the project plans and progress. This is the first level for addressing coordination issues. The project inception phase has faced this reality and has attempted to define in detail project areas of intervention and activities, especially for those areas receiving multiple assistance. As part of the inception phase, an improved division of labor among various active actors has resulted and reflected in the inception report. The project staff went through an extensive phase of consultations with relevant government and development agencies, programs and projects with the objective to avoid overlapping and create synergy. As a general approach, STAR2 acknowledges and will build upon the existing best practices in several areas of intervention, but also identifies its own areas of contribution. The project proposes a number of measures to prevent duplication, including regular technical meetings among development partners, which should be activated once project activities start, participating in other coordination meetings or groups (such as the envisaged working group on local finance assistance to be instituted by the Ministry of Finance, make use of best practices, curricula, methodologies developed by other partners/programmes, etc.) The project will attempt to constantly seek for information and evidence on parallel initiatives and activities, even though the effort requires an improved collaboration from all development partners. Also, MSLI is showing an increased interest on inter-institutional coordination and a sensitivity on duplication in communicating with partners and various state institutions and agencies, aiming to improve the complementarity and efficiency of all efforts. This is to be praised but also a challenge that requires the genuine engagement of all actors.

Institutional rigidity and resistance to inter-institutional collaboration - This risk has not yet manifested to date but is still a potential risk. However, it should be noted that STAR2 is treated, as per design, as a national government project, whereby MSLI institutional leverage is critical. The project itself has made some progress in seeking various institutional commitments and is guided by MSLI to seek for further integration and inclusiveness.

Further changes in the local government organizational structures, such as the removal of the legal limitations to maintain the current setup of local administrative units from 2018 onwards – although possible, such changes are not expected to be sizeable and immediate. This risk remains of a low probability.

Performance assessments of LGUs are not conducted in a neutral and objective manner or used politically, thus distorting the purpose – this assumption is considered to be kept to a low probability by ensuring participation and involvement of municipal stakeholders, making use of professional and experienced teams, adopting a strict quality control for the process and the outcomes and anticipate the effects of project results. The first illustration to this effect is the undertaking of the Local Governance Mapping, which was preceded by the development of a unique and consensual technical framework, the introduction of the purpose and description of the process in each municipality, the involvement of local stakeholders, the validation of results in each municipality through low profile events before general elections and the plan to publish detailed and aggregate results only after the elections.

Local communities are not sufficiently encouraged by direct benefits and thus reluctant to adopt behavioral changes needed to achieve goals in the long-term - During the inception phase, STAR2 organized consultation meetings with all 61 Municipalities. In the end, 61 MoU are signed with each Municipality, the MSLI and STAR2 project. However,

resistance or low/delayed response is expected to manifest in some cases as, in reality the level of understanding and importance attached to “soft” topics is uneven and depends on specific working culture and context of each municipality. The project will have to invest in timely planning, introduction and tailored awareness relevant to specific activities and anticipate resistance. Part of the awareness will be the highlight of good performers/best examples and the constant comparison across municipalities

Adequate technical and operational resources mobilized for a timely implementation of activities – this assumption materialized and caused a general delay of the original project plan. The recruitment of the project personnel coincided with the summer period and the introduction for the first time of e-recruitment system in UNDP. As a result, most of the core PMT staff was on board only in late 2016, with some remaining key positions filled in only during January and February 2017. This has contributed to delays in concluding the present Inception Report as originally planned. Nevertheless, the workplan presented in the current Report has still room for flexibility and the realization of the activities within the overall project lifetime is still largely feasible if the plan is followed with diligence.

Timely and sufficient resource mobilization – this assumption is still strongly valid. Indeed, by end 2016, all stated pledges, except Government financial cost-sharing, have been converted into binding contribution agreements, securing about 93% of the total project budget. However, a gap has been created by the unfavorable exchange rates vs. US currency resulting in less US dollars received to date compared to June 2016 estimations.

Gender perspectives are not taken into consideration by local stakeholders - To mitigate this risk, the project has defined a strong focus on gender mainstreaming. Training on gender mainstreaming will be integral part of the capacity building provided to local officials. Data collection and analysis will be sex-disaggregated. Project assessments, findings and recommendations will include the gender perspective and an emphasis to highlight the difference of views and status of women and men and whenever applicable indicate actions to address issues.

The fiscal reform may stall or be delayed for various internal and external factors - This assumption has some truth in it, as initially a new legislation on local finances was planned for approval in 2016. The Law underwent lengthier consultations and was adopted by the parliament on April 24th 2017. The Law enters fully in force on January 1st, 2018. On the positive side, preparatory work and assistance can already start in 2017. The Law should be understood and internalized by local administrations along with its principles and requirements. A local PEFA assessment undertaken in five representative municipalities in the recent months has also highlighted areas of focus for strengthening local finances management. In this framework, in consideration of labor division and complementarity, STAR2 will mainly focus on the following PFM areas: budget and fiscal transparency, revenue and tax management, asset management and audit preparedness through assisting all municipalities. Other partners are set to cover areas of budget planning, execution and reporting preliminarily focusing on a limited number of local governments. These measures, attempted to start as soon as possible, are expected to prepare LGUs to improve their local PFM and compliance with the legislation.

Delays in solving institutional problems for a full transfer of delegated competencies - The issues among central institutions and the LGUs with regard to the new transferred competencies is still valid. Whilst MSLI and the AITR is considering existing institutional bottlenecks, delays create confusion and uncertainty of who does what and in a final account the citizens are not adequately served. The project will focus in assisting LGUs to take over and manage the already transferred new competencies through adoption of good management practices, advising on how such competencies may be reorganized and administered in the territory and build the knowledge and capacity for translating such competencies in efficient and responsive services for the citizens.

LGUs’ views and needs are not considered - For a fact, attention was paid during the design phase to develop a proposal that responds to aggregate priorities of most LGUs in the post-territorial reform stage, in full consideration of the existing strategic, legal and institutional framework, the development context and the information about the local situation through field level contacts. This has resulted in the identification and agreement on a set of capacity building and intervention activities along three main project objectives. It is understood that what the project will offer is a rich, yet a confined list of activities. There are many other areas where LGUs needs support, which the present project will not support. On the other hand, a first activity of the Project was the undertaking of the Governance Mapping, which results are now available. The preliminary findings confirm already many local governance issues, part of which STAR2 project is set to address. For more details, the project will maintain a flexibility in choosing areas, services, and themes and has the institutional instrument, the PSC, to decide and endorse changes.

Communication and Visibility Plan

Objectives

The purpose of the Communication and Visibility Plan is to outline communications goals and approach, so as to ensure effective and efficient communication about the results and objectives of the Consolidation of Territorial and Administrative Reform – STAR 2 (hereafter referred to as the Project) to all target groups, including beneficiaries, partners and key national stakeholders and the general public in Albania as well as key international development partners. The present Communication and Visibility Plan is also fully in line with the EU-UNDP agreed Communication and Visibility Plan Guidelines.

The main objective of the Communication and Visibility Plan is to contribute to the efficient implementation of the Project by ensuring that information and any communications activities and products, its objectives, results and achievements are executed and produced with highest quality and distributed in a timely manner to target groups.

Specific Communication objectives are:

- To inform local and national stakeholders as well as the international donor community of the progress and impact of STAR2 project and encourage the applicable scaling-up of utilized approaches;
- To increase visibility of the progress and achievements made by the Local Government Units in Albania in relation to the focus areas of STAR2 project;
- To enable civil society's role in local governance support through promoting visibility of CSOs participating in the Project;
- Increase visibility of the Government of Albania international donors' partnership, through awareness on the pooled fund arrangement, where the Minister of State for Local Issues is the implementing partner of the Project;
- To increase visibility of the links of the project to other donor's projects and initiatives, linked to strengthening and consolidation of local governance, and
- Raise awareness and increase visibility of the Sustainable Development Goals (SDGs) and the contribution of the project towards the SDGs.

Target Groups of the Communication and Visibility Plan are Local Communities, Municipalities and Administrative Units, Ministries and National Agencies, Development Partners, CSOs and Media.

Specific objectives for each target group are:

Communities / Citizens - Emphasize the important role of this group in strengthening the local democracy through fostering citizen-oriented governance and participatory decision-making, leveraging the role of women as actors of change.

Mayors and Local Government Units - Are aware of the importance and become committed and active to strengthening institutional and administrative capacities of local administrations, for improved local service delivery, efficiency, quality, accountability and inclusiveness for men and women.



Central Government - Highlight achievements and raise awareness on challenges and coordination necessity for a more sustainable functionality of local administrations and improved local capacities for managing effectively and efficiently their mandate in compliance with the European Charter of Local Autonomy.

International development partners - Highlight the progress made with due recognition of the contribution of international partners who have joined forces in addressing local governance and public administration reforms at local level.

National and local civil society organizations (CSOs) - Are aware about the project and their cooperation with the project and local government units is strengthened and promoted for the benefit of concerned communities.

Media, international, national and local - Raise awareness about the project, its purpose and results and the role of international partners.

Communication approach

Coherent and coordinated communication at local and national level will be ensured by continuous coordination of all communications and advocacy component activities among all partner organizations. In order to target different audience profiles, STAR 2 has adopted a combination of several communication channels and tools listed further below:

New Media

- Webpage administered by STAR2 Project – These pages are inherited from STAR Project and offer a wealth of information relating to the TAR. (www.reformaterritoriale.al)
- YouTube of territorial reform for the distribution of different spots and events – Another already established tool that offers an inexpensive alternative to buying ad time for various video products of the project
- Twitter updates on daily events and the publication of interesting facts about the reform
- Opening an account in Instagram – as this platform has gained a larger audience and has become a tool used by public relations specialist
- Distribution of a newsletter via email and list servers – An extensive list of contacts is already available.
- Facebook account
- FB LIVE to broadcast live important events or meetings.

Print media

- Newsletter– STAR2 will publish a quarterly newsletter with 8 pages in two languages. The newsletter will be a common effort of the staff. The newsletter will maintain the current layout established during STAR1 Project.
- Articles in major newspapers – through promoting close ties with journalists of major newspapers to highlight various elements of and inform the public on various developments of project progress.
- Advertising in various newspapers information relating to the developments of the reform that have a significant impact on the public at large and that are relevant to the proper functioning of a more participatory local government in Albania.
- Interviews with the Minister of State on Local Issues – STAR2 will serve as a nexus to connect journalists interested in the reform with the office of the Minister of State in order to promote a better understanding of local governance achievements.

TV and Radio

- Spots
- Documentaries

- Interviews

STAR2 Press Kit

- Highlighting changes and status of local governance backed up by statistics and indicators
- Flyers highlighting legislative changes and new developments brought forth by the reform
- A short description of the project
- Newsletters, etc.

New Media Guidelines (Online platforms / email / social media)

STAR2 Project inherits a wealth of previously developed content and platforms. These include a website, a Facebook account with almost 6,000 followers, and a Twitter account. An Instagram account will be added to offer a more visual and direct communication option.

Website (reformaterritoriale.al) - This site constitutes a basic infrastructure online platform of the Communication Strategy for STAR2 and a primary information distribution tool of every aspect of STAR2 for broadcast, print and social media. STAR2 activities will be reflected in full text, video and pictures for every activity at national or local level, in addition to various statements to the press, interviews, editorials, etc. The information will be provided in both Albanian and English.

Facebook account (<https://sq-al.facebook.com/reformaterritoriale/>) - This is a primary source of information for all those who closely follow project related information

Twitter Account - The twitter account will be updated live during the events and will also be used to serve as a reminder of the various activities of the project.

Instagram Account - Similar to the Twitter account, STAR2 Instagram account will be updated live with pictures.

Print Media Guidelines

Newsletter - The newsletter allows for an in-depth treatment of specific issues and offers an opportunity to dwell deeper into the inner workings of the reform and the project. The newsletter will be a quarterly publication and keep the current layout. All decision-making relating to the content of the newsletter will be taken by an editorial board that will include the team leaders of the various components of the project, the PR coordinator and the Knowledge Management.

Communication principles

The following is a set of core principles to be adhered to in the planning, implementation, monitoring and reporting of the Visibility and Communication Plan:

- *Beneficiary-tailored and people-centred communication:* The overall communication approach will pay high attention to the specific target groups, to tailor the overall information sharing (including channels and tools used) to their specific needs.
- *Emphasizing the importance of the subject from the perspective of present and future, as well as “before” and “after”:* The project objectives and result will be promoted by continuously displaying human stories, through narrative or video and positive experiences from target groups, with focus on achieved change and transformation in terms of “today” and “tomorrow”, as well as comparative outlook in terms of “before” and “after” the assistance of the Project.
- *Coordinated information flow:* The overall communication approach, as well as the day-to-day management and monitoring of the visibility, publicity and feedback, will be organized in such a way to ensure “healthy” and clear communication function. A regular internal information flow will be ensured within the project team and the PR Communications Specialist, so as to make sure communication with the external audience

and target groups consistent, accurate and based on actual results, achievements, and innovative solutions realized within the project.

- *Review and adapt to maximize communication results:* The Communication and Visibility Plan will be reviewed on annual basis (or more frequently if required) to ensure maximal efficiency and effectiveness of communication, especially if specific circumstances would demand such change. Moreover, the M&E and annual plans adoption will ensure that communication efforts and actions meet the needs of partners and achieve communication goals.
- *Prevent/reply to disinformation:* To avoid and reduce potential disinformation and misunderstandings, the project will deploy a two-fold approach: on one hand, regular, up-to-date, accurate and measurable information will be shared with a wider audience as well as with specific stakeholders; on the other hand – if disinformation occurs, the project will undertake swift response and provide necessary clarifications and corrections, as necessary.

Completion of communications objectives

Monitoring and evaluation processes are the key instruments for successful implementation of the Communication and Visibility Plan and therefore, the Project will use specific measures for different communications tools proposed. In order to successfully implement all proposed activities, it is essential to ensure continuous monitoring of the impact of the communications activities within the scope of the project. In addition, the project regular reporting to the donors will include detailed information on the implementation of the Communication and Visibility Plan and as much as possible illustrate them with press clips and audio-visual transcripts.

In order to monitor the impacts of the communications activities, the project will:

- Keep track of journalists' lists and contacts during media events;
- Compile an archive of press clippings, including radio and TV programmes, and screenshots of websites that mention the Project and present them with reports to the pool of donors;
- Set up a library/archive with project's publications and keep track of who received the project's publications (distribution lists) and the number of publications disseminated; and
- Use infographics to illustrate project results through key facts and figures that can be used on social media, website, posters, and in publications.

Expected Communication Results

| Expected communications results | | |
|---------------------------------|--|--|
| Output level | <ul style="list-style-type: none"> Project related messages disseminated via different forms and channels of communications Media published/broadcasted stories about the Project Stakeholders took part in events Stakeholders received communications messages Stakeholders understand communications messages | <ul style="list-style-type: none"> Raised awareness and understanding about the Project among targeted audiences Development and maintaining of mutually beneficial, dialogic, two-way communications with targeted publics and project stakeholders Communication used as a tool for better understanding of project related issues Communication used as a tool for solving (communications related) project's challenges and problems Communication used as a tool for empowering project's stakeholders to make informed decisions Communication used as a tool for engaging local communities Communication used as a tool for influencing behaviours of decision makers in local communities Increased participatory communication and interactivity among project's stakeholders Increased media understanding of project's issues |
| | Success Indicators | |
| | <ul style="list-style-type: none"> Number of disseminated messages (media advisories, press releases, e-newsletter, interviews, news and features stories submitted to media, posts on social media –Facebook, YouTube, Twitter) Number of published, broadcasted, narrowcasting messages in print, broadcasting and online media Project's key messages presented by media Number of participants in PR events Number of people in target groups who received our messages | <ul style="list-style-type: none"> Number of people in target groups who understand the Project's messages Number of people in target groups who positively (re)act and start with actions based on Project's messages which influenced their behaviours Prominent, affirmative presentation of donors and partners in media Number of likes, comments, shares in social media Measurement of quality of relationships with project's stakeholder based on focus groups / expert discussions. |
| Means of Verification | | |
| | | Outcome level |

| | |
|--|--|
| <ul style="list-style-type: none"> Media monitoring, press clipping Content analysis of media coverage, Feedback from participants in events Social media measurement tools (such as Facebook insight, Google analytics) | <ul style="list-style-type: none"> Qualitative assessment of media coverage Media content analysis |
|--|--|

Branding and feasibility guidelines

The Project has defined its own logos that identify it and recognize the contribution of all development partners. The following logos are standards that will be used in official letterheading as well as written communications, events, banners, etc.

Project logo



Footer 1



Footer 2



Footer 3



All STAR2 printed materials, except for invitations, must include Footer 1 or 2.

Promotional Materials to be developed under STAR2 include, not exhaustively:

- Car branding
- Notebooks
- Folders
- Pens
- PowerPoint presentations
- Banners
- Roll-ups

All branded materials follow the color scheme of the project. All promotional materials, space permitting, will include the logos of the donors of the project.

Human and financial resources

Human resources

Communication and visibility actions are, at different extents, part of job description of a number of project personnel, especially including:

- Public Relations & Communication Specialist (100%)
- Knowledge Management and Coordination Specialist (50%)
- Monitoring and Reporting Specialist (30%)

In addition, UNDP's Country Office management involvement in project activities / events will directly contribute to the communication and visibility dimensions:

- UNDP Resident Representative / Country Director participation in high level events
- UNDP Communication Officer ensuring implementation of the Communication and Visibility Plan and alignment and integration with the CO Communication strategy and tools

Financial resources

In addition to specific personnel and tasks assigned to various project personnel positions, the project has an earmarked budget of \$200,000 to finance diverse visibility and communication activities.

In consideration of the above, overall, the resources that can be attributed to communication and visibility actions amount to about \$295,000 representing 3.6% of the total project budget.

Monitoring and Evaluation tools

The Project Document has defined a set of adequate tools for M&E, which can be summarized as follows:

Steering Committee meetings

A Steering Committee is established on purpose, chaired by MSLI and composed by representatives of EUD, Sweden, Italy, Switzerland, USAID, Association of Albanian Municipalities, Association for Local Autonomy and UNDP. The Steering Committee, representing key stakeholders, strategically steers and oversees project progress. If and when needed, the Steering Committee would invite additional representatives from other relevant institutions.

The Steering Committee (SC) will meet regularly at least every semester and *ad hoc* as required, in order to review project progress; discuss and resolve co-ordination issues; discuss the work and financial plan for the forthcoming period; take key strategic decisions related to the project implementation and facilitate any remedial action needed at operational level. In particular, the SC should:

- Propose activities to be implemented for solving any particular difficulty that might stem during project development or take decisions and provide indications to the project management;
- Convey agreements/suggestions to the relevant institutions where final decisions have to be made or regulations have to be designed;
- Respond to questions and demands on technical matters;
- Assist concerned Institutions to work out measures capable to accelerate the development of the sectors targeted by this project; and
- Discuss all working plans, reports and strategies prepared by the project.

STAR2 Project Management Team will provide the secretariat for the Steering Committee and the Project Manager will formally report to the Steering Committee and explain the results of activities implemented to date, the activities planned until next scheduled meeting, eventual recommendations and issues for consideration by the Steering Committee.

UNDP is in charge of monitoring implementation and providing quality control and compliance with current project management rules and procedures in place. For this purpose, UNDP has designated a Programme Officer to ensure that project implementation fulfils standards of project management according to UNDP rules and procedures. The Programme Officer will work closely with and assist the Project Manager, at the same time being responsible for quality assurance of products delivered by the Project Management Team, including compliance with project records standards and reporting schedule.

Progress Reports

Monthly Progress Report - This is a light reporting format agreed upon since February 2017. The monthly report will provide a short summary of main developments in the area of local governance during the reporting period, the project events and achievements taking place during the same period as well as the short-term future plans.

Quarterly Progress Report - Quarterly Progress Reports will be provided on quarterly basis, starting from December 2016. They will be shared with the Steering Committee and key stakeholders and provide an overview of work progress and related financials. QPR will be obligatory prior to a Steering Committee meeting. A report format for M&E indicators is laid down in the present Inception Report.

Annual Progress Report - The Annual Progress Report will resume the achievements over one calendar year time span, providing a comparison between objectives and actual state of implementation (indicators) including the budget forecast.

Interim Progress report - Interim reports will reflect the Project's substantial and financial progress and will be submitted as required to secure financial liquidity.

Final Report - A Draft Final Report will be produced two months prior to the end of the implementation period, and submitted to the Steering Committee and other stakeholders, whose remarks will be incorporated in the final version of the report.

Final Evaluation Mission - The Final Evaluation Mission will include an evaluation of the overall effectiveness and impact of the project.

Other monitoring tools applied (field visits, joint missions, etc.) - The Project Team will hold monthly coordination meetings to plan the upcoming work in detail and to monitor the quality of delivered outputs and progress made in accordance with the annual work plan. In accordance with UNDP's Financial Rules and Regulations, UNDP will maintain a direct control and monitoring role over progress, quality and financial aspects of the Project. In applying UNDP's project monitoring standards, at the outset of the project implementation, the Project Manager will be requested to develop an Annual Work Plan, which provides the basis for progress assessment.

Other monitoring elements will be established and updated throughout the project life (e.g. field trips and visits to the area of intervention with representatives of donors and stakeholders).

Sustainability

The Project is in line with the Government of Albania policies to reform and modernize its public administration, further decentralization and empower local governance. STAR2 will support the practical implementation of such policies at local level. The project will attempt to ensure sustainability at three levels: individual, institutional and system level, as follows:

Sustainability at individual level

The project envisages to interact with and provide capacity building support to a high number of local stakeholders, estimated at around 4000 people involved in about 190 training settings. These activities will aim to enhance local governments' personnel management, administrative and technical capacities to perform functions effectively, efficiently and sustainably, along three main lines: 1) to properly implement and address challenges deriving from the Law on Local – Self-governance such as the Code on Administrative Procedures and Standard Operating Procedures 2) to take initiatives on enhancing the efficiency and effectiveness of service delivery, related to citizen engagement (public information, consultation, participatory decision making), accountability and 3) to improve the efficiency in revenue, land, asset management etc.

These activities will target managerial and technical staff at every municipality, namely mayors & vice-mayors, directors of main departments, municipal enterprises' managers, municipal general secretaries, local administrators, Human Resource personnel, Finance officers, Local Administrators, Councilors etc.

A Training of Trainer's pool will be established covering issues which are relevant to a wider target group, aiming to create a pool of knowledge, which can then further spread the information and knowledge to other and / new municipal staff.

An electronic resource package including manuals, "how to" toolkits, Q&A documents etc., covering all topics under the technical assistance approach will become available to and a property of each LGU thus enabling the LGU staff to continue its endeavors in deepening their knowledge and building their personal skills to perform their daily functions.

At project completion, the capacities built and the sustainability will remain with local government units contributing to sustainability of local administrations. The training curricula and list of trainers will be delivered to MSLI / AITR, ASPA and other institutions relevant to specific training themes. STAR2 acknowledges the need to closely cooperate with both Associations of Municipalities in exploring ways to ensure ownership from their side and ultimately sustainability of the action.

Sustainability at Institutional level

The project will engage in the development of several methods and working documents (such as the One Stop Shops service delivery model, the service performance based metrics, the standard operating procedures, code of conduct, municipal integrity plans, civic engagement guidelines, classification and codification of local administrative services, service costing guidelines, etc.). Capacity development at central level will be enhanced as well (the national benchmarking system, training on Code of Administrative Procedures to the local level, etc.) All results related to the development of institutional and organizational frameworks, development of appropriate procedures, development of specific services, etc. are going to be institutionalized through their introduction in relevant acts at a central or local level, their introduction in regular tasks of local public administration units, adoption of prepared manuals, guidelines, etc.

STAR2 is designed to improve service delivery and make it more accessible, implicitly addressing optimization and rationalization (hence the sustainability) of local public administration functions. Support for improved and citizen-oriented services responds to public expectations and an increased demand on their side and thus more likely to foster local ownership and sustainability of the upgraded status quo.

It is expected that after project completion, several systems and tools are put in place and function at both central and local levels, but also a new set of demands is triggered and municipalities are prepared to seek opportunities to follow up.

Sustainability at system level

Sustainability at system level will be enhanced by linking the project to other initiatives targeting local governments and local governance, implemented by other organizations working in the area decentralization and local governance, human rights and social inclusion, regional development, and civic engagement.

The project will also work with civil society organizations, contribute to an enabling environment regarding an increased good governance demand and promote collaboration between local governments and civil society for delivering services, assessing public performance and mobilizing public support.

The project stakeholders, especially those at the decision-making level, inclusive of MSLI in the leadership, will remain sensitive to local expectations and demands and try to understand, identify and address issues through broad consultations and in full collaboration with all the spectrum of local governments, beyond political differences, guided by the objective of strengthening the efficiency of the local administration institution as an integral part of public administration.

Nevertheless, the political context is paramount for the successful implementation and sustainability of the project. The Government should pursue with commitment and coherently its local governance support agenda and ensure its strategic objectives are addressed with due coordination, resources and professionalism. The success of the project will also depend on a large degree on the willingness of the LGUs and local communities to engage learn and commit to change on a difficult path requiring more dedication, transparency, communication and accountability for results. Finally, sustainability will depend on the actual progress made in the fiscal decentralization direction, accompanied with due financial management and transparency necessary to build public trust and sustain efforts for change and development.

Project progress to date

The implementation took off by firstly identifying and mobilizing the key staff in accordance with UNDP's internal recruitment procedures, launching of a Local Governance Mapping assessment in all Albanian municipalities and undertaking an overall update and activity planning which is the scope of the present inception phase.

Administrative/operational tasks

In the Project Inception Phase the following administrative and operational tasks have been completed:

- Project Steering Committee established
- Project Management functions secured: Project Management/Support Team (PMT) at both MSLI and UNDP operational,
- UNDP internal management and control procedures and processes applied
- Project office established and operational: vehicles, furniture, basic IT equipment, stationery, rental agreement;
- PR materials (project logo, files, notebooks, pens, bags, branded templates, etc.) produced.

Programmatic progress

Local Government Mapping - The Local Governance Mapping started in October 2016 and is progressing towards its completion. Since mid-March 2017, the three implementing organizations organized local concluding/validation workshops in each of 61 Municipalities and presented the findings of the Local Governance Mapping. Municipal reports are finalized and will be disseminated in July 2017.

Inception- As the present Inception Report describes, various aspects of the project document have been further detailed and clarified through meetings with stakeholders, representatives of local and central government institutions as well as representatives of other projects focusing on local governance to fine tune interventions and identify synergies. The Inception Report is finalized by end April 2017.

OSSh Terms of References - Respective TORs for the local OSSh have been developed in early 2017 and shared with project partners. The related bid documentation was finalized by UNDP during Feb-Mar 2017, in consultation with UNDP's Regional Procurement Support Unit in Copenhagen. However, the bid was not launched as the new Minister of State for Local Issues asked for further review of the possible options, including variants of centralizing the system (cloud platform) or applying it asymmetrically based on municipal size and other parameters. Such consultations were supported by an International Expert, who during May – June 2017 engaged in:

- Making a situational review of One Stop Shop developments in different Local Government Units seen from the perspective of the central policy making and standard setting institutions as well as from the perspective of international and local actors active in this field.
- Reviewing the functionality of existing OSS models and consulting with users and beneficiaries at local levels (Municipality of Shkodra, Lezha and Korca), including front office and back office, as well as citizens
- Presenting the main conclusions and recommendations to the Minister of Local Issues, AITR and UNDP as well as STAR2 project partners, get the final feedback and fine tune the TORs as per the assignment.

The ToRs are still under discussion at institutional level among the MSLI and other central Government Agencies. As already mentioned above, few technical and political issues need to be addressed and upon final response from the MSLI, the ToRs will be launched.

Capacity building for local governments' archiving - During January 2017, the project approached the 61 municipalities, updating the information on the archives volume needed to be classified as well as on the existing archives' and protocol' employees in each municipality and the respective administrative units. The Request for

Proposals on “Capacity building for local governments’ archiving” was announced on May 31, 2017 and the deadline was June 23, 2017. A pre-bid meeting was held on June 12, 2017 and a comprehensive list with Questions & Answers was published in the UNDP official website. Due to a request from interested companies, the deadline of RfP was extended to June 27, 2017. Since the application closing date, the bid is under evaluation and with the aim of concluding a contract with the most responsive bidder within July 2017.

National benchmark system on local government administrative and public services - To support the project in identifying and proposing an optimal benchmarking model to be adopted by municipalities in Albania, an International Expert is on board. During his field visits (July – August 2017) he will review the existing local data collection practices in the country and of the successful international/European local benchmarking systems; propose a set of initial indicators and the methodology on designing and deploying a benchmarking system at municipality level, and finalize ToR on implementation of the proposed benchmarking system. Upon consent on the ToRs, STAR2 project will launch the tendering procedure, inviting companies / organizations to develop and deploy the benchmarking system as per the proposed methodology.

Service Re-organization at local level - In preparing for this activity, the project has engaged a short-term International Expert, who will consider the legal and institutional frameworks and the specifics of regarding possibilities for the reorganization of public services. The International Expert is on board for the period July- December 2017.

Preparation for M&E (data collection) - During the Inception period, achievement indicators have been identified and detailed in order to form the basis for progress measurements. Formats and tools have been set up to enable M&E functions. Also, a detailed M&E plan/template has been developed and presented in this report in Annex 4.

Other activities (networking, events) - In the week of March 6, a STAR2 introductory event with media representatives was organized by the Minister of State for Local Issues with the participation of the Agency for the Implementation of the Territorial Reform. The event invited 19 well known journalists from main TV stations, daily newspapers and online media in Albania and aimed to build media awareness on local governance issues as well as introduce STAR2 as national effort in supporting LGUs to improve their performance and response to citizens.

Implementation Schedule

[illegible]

Project Budget

| EXPENDITURES | UNITS | # of UNITS | UNIT VALUE (in USD) | TOTAL COST (in USD) |
|---|-----------|------------|---------------------|---------------------|
| Project Management | | | | |
| 1 Human Resources | | | | |
| 1.1 Technical personnel | | | | |
| Project Manager | Per month | 38 | 2,660 | 101,080 |
| Senior Team Leader Capacity Development | Per month | 36 | 2,400 | 86,400 |
| Senior Team Leader Public Service Delivery | Per month | 32 | 2,400 | 76,800 |
| Senior Team Leader Local Democracy & Good Governance | Per month | 32 | 2,400 | 76,800 |
| Local Government Policy Expert | Per day | 400 | 175 | 70,000 |
| Knowledge Management and Coordination Specialist | Per month | 29 | 1,460 | 42,340 |
| Field Presence Coordinator | Per month | 29 | 1,660 | 48,140 |
| Local Government Data Analyst | Per month | 29 | 1,660 | 48,140 |
| Public Relations & Communication | Per month | 35 | 1,460 | 51,100 |
| IT Specialist | Per day | 420 | 85 | 35,821 |
| PFP staff (6 locations x 2 people x 24 months) | Per month | 264 | 800 | 211,200 |
| Gender and Social Inclusion Specialist | Per day | 290 | 100 | 29,000 |
| Environmental Specialist | Per day | 330 | 160 | 52,800 |
| Legal expert | Per day | 240 | 175 | 42,000 |
| ST Consultants | Per day | 870 | 175 | 152,250 |
| 1.2 Administrative personnel | | | | |
| Project Assistant x2 | Per month | 63 | 960 | 60,480 |
| Driver 1 | Per month | 35 | 960 | 33,600 |
| Driver 2 | Per month | 35 | 960 | 33,600 |
| UNDP Project Coordination | | | | |
| 1.1 Technical personnel | | | | |
| CO Policy Advisory and Implementation Support Services (direct costs) | lump | 1 | 41,255 | 41,255 |
| Project Coordinator (UNDP) | Per month | 41 | 2,400 | 98,400 |
| Project Specialist (UNDP) | Per month | 37 | 1,920 | 71,040 |
| 1.2 Administrative personnel | | | | |
| Senior Finance/Admin Assistant | Per month | 41 | 1,690 | 69,290 |
| Finance Clerk | Per month | 27 | 1,000 | 27,000 |
| Admin Assistant | Per month | 41 | 1,250 | 51,250 |
| Subtotal Human Resources | | | | 1,609,786 |
| 2. Per diems for missions/travel | | | | |
| Local missions | Per diem | 1200 | 30 | 36,000 |
| Subtotal per diems | | | | 36,000 |
| 3. Equipment and supplies | | | | |
| Purchase of vehicle (PMT) | piece | 2 | 30,500 | 61,000 |
| Computer equipment (PMT) | piece | 15 | 1,100 | 16,500 |

| EXPENDITURES | UNITS | # of UNITS | UNIT VALUE (in USD) | TOTAL COST (in USD) |
|---|-----------|------------|---------------------|---------------------|
| Purchase of office furniture PMT | lump | 1 | 8,000 | 8,000 |
| Vehicle Maintenance | Per month | 41 | 1,000 | 41,000 |
| Vehicle fuel | Per month | 70 | 900 | 63,000 |
| Office rent PCT/UNDP | Per month | 41 | 900 | 36,900 |
| Office rent PMT/MOLI | Per month | 37 | 900 | 33,300 |
| Consumables - office supplies | Per month | 40 | 300 | 12,000 |
| Other services (tel/fax, electricity/heating, maintenance) | Per month | 40 | 400 | 16,000 |
| Subtotal equipment and supplies | | | | 287,700 |
| 4. Publications, visibility and other services | | | | |
| Publications | piece | 5000 | 7 | 35,000 |
| Expenditure verification/Audit | lump | 1 | 20,000 | 20,000 |
| Evaluation costs | lump | 2 | 15,000 | 30,000 |
| Translation, interpreters | lump | 1 | 20,000 | 20,000 |
| Financial services (bank guarantee costs etc.) | Per month | 41 | 1,500 | 61,500 |
| Costs of conferences/seminars | piece | 10 | 3,500 | 35,000 |
| Visibility actions | lump | 1 | 200,000 | 200,000 |
| Study tour | lump | 1 | 25,000 | 25,000 |
| Subtotal Publications, visibility and other services | | | | 426,500 |
| Subtotal Management, Operation and Visibility costs | | | | 2,359,986 |

| | | | | |
|---|-----------------|-----|--------|----------------|
| Activity 1.1.1 & 1.1.2 - Capacity Building on Code of Administrative Procedures (CAP) & Standard Operating Procedures (SOPs) | | | | |
| 1.1.1 & 1.1.2 Capacity building on CAP implementation & adopting SOPs | | | | |
| Local experts on CAP & SOPs | Per day | 130 | 160 | 20,800 |
| Per diem trainees CAP & SOPs | Per diem | 420 | 20 | 8,400 |
| Training costs CAP & SOPs | Per training | 21 | 740 | 15,540 |
| Subtotal Activity 1.1.1 & 1.1.2 | | | | 44,740 |
| Activity 1.2.1 - Develop and deliver training on leadership development | | | | |
| Local expert for identification of best practices among Albanian municipalities | Per day | 30 | 160 | 4,800 |
| Meetings clusters of Mayors to introduce and seek commitment to STAR2 | Per meeting | 6 | 2,000 | 12,000 |
| Peer to peer meetings costs | Per meeting | 3 | 2,400 | 7,200 |
| International exchange meetings costs | Per meeting | 3 | 3,100 | 9,300 |
| Per diem international participants | Per day | 12 | 1,000 | 12,000 |
| Study visits | Per study visit | 2 | 39,000 | 78,000 |
| Subtotal Activity 1.2.1 | | | | 123,300 |
| Activity 1.3.1 Improvement of local level tax collection and enforcement | | | | |
| International expert tax collection | Per day | 20 | 900 | 18,000 |
| Local expert tax collection | Per day | 185 | 160 | 29,600 |
| Per diem trainees tax collection | Per diem | 162 | 20 | 3,240 |

| EXPENDITURES | UNITS | # of UNITS | UNIT VALUE (in USD) | TOTAL COST (in USD) |
|---|--------------|------------|---------------------|---------------------|
| Training costs tax collection | Per training | 9 | 2,350 | 21,150 |
| Subtotal Activity 1.3.1 | | | | 71,990 |
| Activity 1.3.2 Local revenue management action plans | | | | |
| International expert revenue management plans | Per day | 30 | 900 | 27,000 |
| Local expert revenue management plans | Per day | 150 | 160 | 24,000 |
| Per diem trainees revenue management plans | Per diem | 81 | 20 | 1,620 |
| Training costs revenue management plans | Per training | 6 | 1,400 | 8,400 |
| Subtotal Activity 1.3.2 | | | | 61,020 |
| Activity 1.3.3 Capacity building on asset and land management | | | | |
| Local expert asset and land management | Per day | 90 | 160 | 14,400 |
| Per diem trainees assets and land management | Per diem | 270 | 20 | 5,400 |
| Training costs assets and land management | Per training | 15 | 1,200 | 18,000 |
| Subtotal Activity 1.3.3 | | | | 37,800 |
| Activity 1.3.4 Strengthen municipal capacities to meet requirements of Supreme State Audit | | | | |
| Local expert State Audit | Per day | 130 | 160 | 20,800 |
| Per diem trainees State Audit | Per diem | 162 | 20 | 3,240 |
| Training costs State Audit | Per training | 9 | 1,600 | 14,400 |
| Subtotal Activity 1.3.4 | | | | 38,440 |
| Subtotal COMPONENT 1 | | | | 377,290 |

| | | | | |
|--|--------------|-----|---------|----------------|
| 2.1.1 Capacity building for local service providers to efficiently deliver local services | | | | |
| Local expert local service delivery | Per day | 135 | 160 | 21,600 |
| Per diem trainees local service delivery | Per diem | 270 | 20 | 5,400 |
| Training costs local service delivery | Per training | 15 | 1,570 | 23,550 |
| Subtotal Activity 2.1.1 | | | | 50,550 |
| 2.1.2 Capacity building for a full takeover of new delegated functions | | | | |
| Local expert on new competencies | Per day | 300 | 160 | 48,000 |
| Per diem trainees on new competencies | Per diem | 270 | 20 | 5,400 |
| Training costs on new competencies | Per training | 15 | 1,570 | 23,550 |
| Subtotal Activity 2.1.2 | | | | 76,950 |
| 2.1.3 Piloting service reorganization | | | | |
| International expert for local services | lumpsum | 1 | 35,000 | 35,000 |
| Local expert for local services | Per day | 100 | 160 | 16,000 |
| Contract company | lumpsum | 3 | 130,000 | 390,000 |
| Subtotal Activity 2.1.3 | | | | 441,000 |
| 2.2.1 Development of a national benchmark system for local governments | | | | |
| International expert on Benchmarking | Lump sum | 1 | 40,000 | 40,000 |
| Contract company | lumpsum | 1 | 300,000 | 300,000 |
| Subtotal Activity 2.2.1 | | | | 340,000 |
| 2.3.1 A one-stop-shop model is defined and scaled up nationwide | | | | |

| EXPENDITURES | UNITS | # of UNITS | UNIT VALUE (in USD) | TOTAL COST (in USD) |
|--|--------------|------------|---------------------|---------------------|
| International expertise | lumpsum | 1 | 45,000 | 45,000 |
| Local expertise | lumpsum | 1 | 10,000 | 10,000 |
| Provision of centralized hardware | lumpsum | 1 | 400,000 | 400,000 |
| Contract company for implementation | lumpsum | 1 | 2,000,000 | 2,000,000 |
| Subtotal Activity 2.3.1 | | | | 2,455,000 |
| 2.4.1 A system of digitalization of local government archives adopted nationwide | | | | |
| Archiving coordinator | Per month | 24 | 1,450 | 34,800 |
| Archiving specialist | Per month | 24 | 1,230 | 29,520 |
| Contracted company | lumpsum | 1 | 460,000 | 460,000 |
| Subtotal Activity 2.4.1 | | | | 524,320 |
| Subtotal COMPONENT 2 | | | | 3,887,820 |
| | | | | |
| 3.1.1 Conduct Local Governance Mapping | | | | |
| International expert Local Governance Mapping | lumpsum | 1 | 20,000 | 20,000 |
| Contract company | lumpsum | 1 | 440,000 | 440,000 |
| Subtotal Activity 3.1.1 | | | | 460,000 |
| 3.2.1 Build institutional capacity for public engagement and consultation | | | | |
| Local expert public engagement and consultation | Per day | 170 | 160 | 27,200 |
| Per diem trainees on public engagement and consultation | Per diem | 648 | 20 | 12,960 |
| Training costs public engagement and consultation | Per training | 30 | 860 | 25,800 |
| Subtotal Activity 3.2.1 | | | | 65,960 |
| 3.2.2 Introduce practices to strengthen local officials' accountability towards citizens | | | | |
| Local expert on accountability | Per day | 140 | 160 | 22,400 |
| Per diem trainees on public officials' accountability | Per diem | 270 | 20 | 5,400 |
| Training costs on public officials' accountability | Per training | 13 | 1,500 | 19,500 |
| Subtotal Activity 3.2.2 | | | | 47,300 |
| 3.2.3 Support development and application of systems allowing publication of municipal acts and regulations and consultation mechanisms | | | | |
| Local expert/contract company on publication of municipal acts | lumpsum | 1 | 150,000 | 150,000 |
| Subtotal Activity 3.2.3 | | | | 150,000 |
| 3.2.4 Develop standard websites for new municipalities | | | | |
| Contract company for assessment | lumpsum | 1 | 9,600 | 9,600 |
| Contract company for implementation | lumpsum | 1 | 91,200 | 91,200 |
| Subtotal Activity 3.2.4 | | | | 100,800 |
| 3.2.5 Increased local government public ethics and integrity | | | | |
| Local expert public ethics and integrity | Per day | 270 | 160 | 43,200 |
| Per diem trainees on public ethics and integrity | Per diem | 648 | 20 | 12,960 |
| Training costs public ethics and integrity | Per training | 30 | 1,200 | 36,000 |
| Subtotal Activity 3.2.5 | | | | 92,160 |

| EXPENDITURES | UNITS | # of UNITS | UNIT VALUE (in USD) | TOTAL COST (in USD) |
|--|----------|---------------|------------------------|------------------------|
| 3.2.6 Pilot municipal integrity plans | | | | |
| Local expert municipal integrity plans | Per day | 260 | 160 | 41,600 |
| International expert municipal integrity plans | Per day | 30 | 900 | 27,000 |
| Per diem trainees on municipal integrity plans | Per diem | 90 | 20 | 1,800 |
| Training costs municipal integrity plan | Per diem | 5 | 815 | 4,075 |
| Subtotal Activity 3.2.6 | | | | 74,475 |
| Subtotal COMPONENT 3 | | | | 990,695 |
| | | | | |
| Total Program Costs | | | | 7,615,791 |
| | | | | |
| UNDP Corporate Management Fee | | | | 552,877 |
| | | | | |
| Total Project Costs | | | | 8,168,668 |