

United Nations Development Programme
Country: ALBANIA
Project Document

Project Title	STAR3 – Sustaining and Advancing Local Governance Reform
Council of Ministers of the Republic of Albania, hereinafter referred to as GoA - UN Programme of Cooperation for Sustainable Development (2017 – 2021) Outcome	Outcome 1. State and civil society organizations perform effectively and with accountability for consolidated democracy in line with international norms and standards.
GoA - UN Programme of Cooperation for Sustainable Development (2017 – 2021) Output	Output 3.1: Local Government Units (LGUs) are able to deliver equitable, quality services and strengthen influence of citizens in decision-making.
Implementing Partner:	Ministry of Interior

Brief Description: Decentralization and local government continue to be an important chapter in Albania's reform agenda. After a deep territorial consolidation in 2014 that materialized in the next local elections of 2015, the first tier of local government in Albania is reorganized in 61 municipalities that administer the entire territory of the country. A new Cross-cutting Strategy on Decentralization and Local Government 2015 – 2020 (NCSDLG) and a Law on Local Self-Government, adopted in 2015, set the vision for furthering reforms, the devolution of additional functions and competencies to local level and the regulation of some important aspects of governance such as the institutionalization of central-local dialogue, transparency, information, and consultation. The completion of the legislative framework with a Law on Local Self-Government Finances, which specifies funding instruments and sources, was of particular importance for local governments. A Mid-Term Review of the NCSDLG, undertaken in 2018, noted the progress made and reconfirmed the relevance of the four strategic objectives of the NCSDLG. It also recommended the extension of the NCSDLG timeline until 2022 and the necessity to update the related Action Plan.

Government efforts have been increasingly supported and encouraged by the international development community through re-orienting their ongoing assistance and then embarking on new initiatives, encompassing in their focus important aspects of local governance, such as institutional and individual capacity building, service delivery, local finance management, good governance and EU integration.

A particular partnership to support the Government in developing and implementing the territorial reform was built jointly by Sweden, Italy, Switzerland, USAID and UNDP under STAR project, which ran from 2013 until 2016. STAR project accompanied the territorial reform from the outset until the first year of the mandate of the newly established municipalities and paved the way for a second phase of joint assistance, under STAR2, enlarged with a substantial participation of the European Union, aiming at supporting the new municipalities to strengthen some internal operational aspects, innovate service delivery, internalize new practices contributing to good governance, transparency and accountability, and overall introducing standardization of processes and systems. STAR2, ending in March 2020, left its mark through the introduction of several new local government standards and practices. Local governments' records management was standardized to comply with the national legislation, a standard transparency programme was adopted as mandatory for local governments, municipal risk management and integrity planning was piloted successfully and created demand for replication in additional local governments, municipal councils' decisions are now published online and a standard one-stop shop system for service delivery has been adopted by 40 municipal central offices.

Nevertheless, it is recognized that many of these achievements are still fragile and require more time to mature, consolidate and become the norm, being part of transformational processes of work culture and mentality. In addition, despite efforts invested by many stakeholders, the Decentralization and Local Governance agenda still faces many strategic, institutional, financial and capacity-related challenges that should be addressed at both central and local level as well as in the interface of cooperation between the two. A recent perception survey on citizens' expectations from local governments, carried out at a national scale in the framework of STAR2, showed persistent concerns regarding local governments' transparency and accountability, service delivery quality and access and the ability to open up to participatory decision-making.

To this end, a subsequent pooled funding assistance, **STAR3 – Sustaining and Advancing Local Governance Reform**, is proposed to align development partners in supporting the further consolidation of the results, especially through building upon STAR2 achievements to date, but also with a view to better respond to the Action Plan of the NCSDLG, in consideration of the current context of development assistance. Thus, STAR3 builds on the good experience and results of its predecessor, STAR2, on the pooled fund institutional arrangements that proved successful in the past, and on the Government renewed commitment, reflected in the updated Action Plan, for advancing the Decentralization and Local Government reform. In line with this rationale, STAR3 support is proposed to contribute along the following four main Outcomes:

1. Local government participatory governance practices are in place and functional and encourage civic engagement
2. Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance
3. Central government institutions responsible for decentralization and local government are capacitated to effectively drive policy development, coordination, and monitoring
4. Local government has capable and sustainable human resources able to effectively perform local government functions

The project implementation foresees three main challenges to which it will adopt: coping with the financial limitations, institutional and stakeholder coordination, tailoring specific responses and solutions in working with 61 municipalities.

Under the constraint of limited resources, the project will adopt a MODULAR APPROACH, keeping into the focus as priority interventions only the key activities to be followed from STAR2, namely, expanding the OSSIS network to administrative units, promoting participatory governance and expanding the adoption of integrity planning, increasing central and local government capacities on standardization and collection of local data through the expansion of IPSIS system at local level to plan and monitor the performance, and collaborating with ASPA for the provision of standard curricula for local government staff. The overall project scope will, however, be maintained and specific activities will be triggered in case of additional resources and partner agreement to engage.

In accordance with its scope, STAR3 will work in partnership and close collaboration with several public offices and agencies. The Ministry of Interior will be the highest-level partnership and project counterpart, as this institution has the overall mandate and oversight role on the strategic, operational, and monitoring frameworks where local governments operate. The collaboration with ADISA on adopting national standards and joint single offices for service delivery will continue in the framework UNDP's CISDA pooled fund, already started in June 2020. Based on specialized skills and unique track record on developing instruments of organizational transparency, integrity and risk assessment, the Institute for Mediation and Democracy (IDM) will be a Responsible Partner in charge of implementation of the municipal integrity plans as author of the Integrity Risk Assessment Methodology and of the piloting process of Integrity Plans. Other prominent public institution partners include NAIS, the Commissioner on Freedom to Information and Data Protection, the Ministry of Justice, ASPA, DoPA and the Commissioner for Oversight of the Law on Civil Service, and National Cadaster Agency. The project will also engage with local civil society organizations in reviewing progress and promoting debate on local governance matters, promoting civic engagement and bottom up demand for responsive local action. The project will ensure that engaged CSOs represent specific target groups, especially women, vulnerable and marginalized ones. The project will make space and invite the engagement of the Local Government Associations, making use of their capacities and networks and aiming to strengthen these capacities further.

Coordination with other ongoing development initiatives is of particular importance for maximizing synergies and minimizing overlaps. Although each of the main development initiatives has its own and specific areas of work, all find themselves in some common areas in which they contribute from different perspectives, such as in the field of local finances, in the development of systems of performance indicators, in the commitment and contribution to building local capacities. The need for coordination and synergy in these areas has led to an increase of consultations at the technical level in order to integrate and optimize approaches and interventions at the local level. This practice will be consolidated and used as an instrument for developing optimal solutions as well as for regular exchange of experiences and information.

While the project will interact with all 61 municipalities, success and results will depend greatly on the readiness, capacities, and resources available in each municipality. Solutions will often depend on the municipal context and will require the adoption of two approaches: either providing support to the most needy municipalities and promoting the replication of processes and outcomes in other municipalities, or selecting municipalities with the potential to develop good practices and then promote these practices across municipalities. In all cases there will be a reasoning of the selection criteria, among which, the volunteerism of the municipalities to participate.

The project will be implemented by UNDP Albania under UNDP rules and regulations and within the legal framework of the Standard Basic Agreement between the UNDP and the Government of Albania, of 17 June 1991.

			PHASE 1	TOTAL
Programme Period:	2017-2021	Total resources required	\$4,814,029	\$9,823,069
		Total pledged resources	\$3,863,000	\$3,863,000
Key result area	Democratic Governance and Rule of Law	Government of Albania	-	-
Atlas Award ID:		European Union	\$2,715,000 (€2,500,000)	\$2,715,000 (€2,500,000)
Start date:	1 September 2020	Government of Sweden	\$505,000 (5,000,000 SEK)	\$505,000 (5,000,000 SEK)
End date:	31 August 2023	Government of Italy	-	-
PAC meeting date:	04 Nov 2019	Government of Switzerland	\$543,000 (€500,000)	\$543,000 (€500,000)
Management arrangements	National Implementation Modality	UNDP Albania	\$100,000	\$100,000
		Unfunded amount	\$ 951,029	\$5,960,069

Agreed by Council of Ministers of the Republic of Albania (represented by the Ministry of Interior):

Agreed by UNDP:

ACRONYMS

AAC	Albanian Association of Communes	IPSI	Integrated Planning System Information System
AAM	Albanian Association of Municipalities	LGAP	Law on General Administrative Procedures
administrata.al	Electronic Platform of Public Administration	ISDA	ISDA Support project - Innovation Against Corruption: Building a Citizen Centric Service Delivery Model in Albania
AFMIS	Albanian Financial Management Information System	MoFE	Ministry of Finance and Economy
ALA	Association of Local Autonomy	MSLI	Minister of State for Local Issues
MTBP	Medium Term Budget Programme		
ASPA	Albanian School of Public Administration	NIM	National Implementation Modality
AU	Administrative Unit	NPD	National Project Director
CB	Capacity Building	NSDI	National Strategy for Integration and Development
CDR	Combined Delivery Report	NCSDLG	National Cross-Cutting Strategy of Decentralization and Local Governance
CISDA	Citizen Centric Public Service Delivery Consolidation in Albania	OSS	One Stop Shop
CoE	Council of Europe	OSSIS	One Stop Shop Information System
COFOG	Classification of the Functions of Government	PAC	Project Appraisal Committee
CS	Civil Society	PAR	Public Administration Reform
CSL	Civil Service Law	PEFA	Public Expenditure and Financial Accountability
CSO	Civil Society Organization	PFM	Public Finance Management
DCM	Decision of the Council of Ministers	PFP	Project Field Presence
DLAP	Directorate of Local Affairs and Prefectures	PLGP	Planning and Local Governance Project
Dldp	Decentralization and local development program	PM	Project Manager
DLG	Decentralization and Local Governance	PMT	Project Management Team
DoPA	Department of Public Administration	PPR	Project Progress Report
FIL	Freedom on Information Law	PSC	Project Steering Committee
GDA	General Directorate of Archives	RDF	Regional Development Fund
GDT	General Directorate of Taxes	SBAA	Standard Basic Assistance Agreement
GLTP	General Local Territorial Plan	SC	Steering Committee
GM	Gender Marker	SDG	Sustainable Development Goal
HR	Human Resources	SOP	Standard Operating Procedures
HRM	Human Resources Management	TA	Technical Assistance
HRMU	Human Resources Management Unit	TAR	Territorial and Administrative Reform
IPMG	Integrated Policy Management Group	TNA	Training Needs Assessment

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I. SITUATION ANALYSIS

I.1. The current local government context in Albania

The first mandate of the 61 new municipalities resulting after the implementation of Territorial Administrative Reform (2015 – 2019) has been marked by dynamic developments, opportunities and challenges: within the four-year timeframe, each municipality has had the possibility to acquaint itself with a larger, differently configured territory and constituency, increased number of delegated functions, and several old and new financial constraints. This situation provides both enormous opportunities and challenges.

Last June 2019, new local elections were held for the country's 61 municipalities. Local elections were held independently from their boycott by the opposition parties, and, therefore, resulted in a full win by Socialist Party candidates, except for Shkodra municipality where the winning mayor resulted ineligible and the former is still in power. The new local governments were fully constituted by September 2019, reconfirming the same leadership for 21 municipalities and new mayors for the other 40 municipalities. However, a few months later, the mayor of Durres resigned and that of Vora discharged, and since these municipalities are led by appointed officials, pending the conduct of partial local elections for new mayors.

The total number of female mayors is 8 out of 61 or 13%. In the municipal councils, gender ratios stand at 44% female to 56% male as a national average, where Durres has the highest number of women councilors (49.5%) and Kukës the lowest (29.6%).

In its entirety, although the current political configuration of Albania's local governments was a product of the particular political context in 2019 and the specific action and inaction of major national political players, the resulting outcome is unprecedented and considered a major handicap for the current local government mandate

Along this same five-year period, an updated **strategic and legislative** corpus was developed, along with several operational instruments supported by development assistance capacity building.

- An extensive consultation process led to the finalization and adoption of the National Cross-Cutting Strategy for Decentralization and Local Governance (NCSDLG) 2015-2020 and a new Law "On Local Self Governance".
- The revision of the Law "On the Prefect", adopted in October 2016, intended to strengthen the role of prefects in overseeing the implementation of legislation and delegated functions to local government units. The role of the Prefect has been strengthened, especially towards monitoring the legitimacy of local government operations and authority to establish working groups and task forces with the mandatory participation of central and local government units to follow up national level policy or regional emergencies.
- A new Law on Local Self-Governance Finances, adopted in April 2017, aimed to ensure a more predictable, transparent, and inclusive process for allocating unconditional intergovernmental transfers to local governments.

The above key strategic and legislative developments were accompanied by several amendments of various aspects of sector laws and by-laws related to Local Self-Government, that have been approved with the intention to build a more comprehensive framework for decentralized functions, as well as the legal framework on the new delegated functions. In this respect, it is worth to mention:

- The by-laws on immovable property tax collection/ fiscal cadaster, local taxes etc. and a guiding framework on local government budgeting including standard procedures of budget monitoring, standard procedures on mid-term budgeting, and gender mainstreaming in local mid-term budgeting processes.

- Also, complementary regulatory and a guiding framework of the Law no. 107/2014 “On Territorial Planning and Development” was developed, including the Decision of the Council of Ministers (no. 686, dated 2017) on “The Territorial Regulation and Planning” for the regulation and detailing of General Local Territorial Plans’ drafting process at municipal level;
- A midterm review of the National Cross-cutting Strategy of Decentralization and Local Governance 2015-2020 has been carried out in 2018, resulting in the decision to extend the Strategy timeline to 2022 and updating the Action Plan of the Strategy accordingly.

In terms of **institutional set up**, there have been several developments in Central Government Structures related to Decentralization and Local Governance.

- A Consultative Council between Central and Local Government was established in December 2016, as a forum of institutionalized dialogue and communication between central and local government.
- Following the June 2017 general elections, the government structure was reshaped, and local government affairs were transferred, as an area of responsibility, to the Ministry of the Interior. One of the Deputy Ministers of the Ministry of Interior is responsible for local government with subordinate structure, the Directorate for Local Affairs and Prefectures.

The Gender Perspective

Women and girls occupy 13% of mayor positions and 44% of municipal councilors at the national scale. Although these levels are considered as progress, there is still much room for improving gender equality and gender mainstreaming in general in the socio-economic and political framework of local governance.

Engendering policy-making, planning, and implementation, encouraging direct involvement of women and girls in such processes, and developing systems and approaches that systematically use gender disaggregated data for targeted analysis will help to improve overall policy making and its effectiveness. To date, such data and knowledge are scarce and indirect conclusions can be drawn from existing statistics and assessments.

INSTAT data¹ shows that in 2018 Albania had an almost equal population ratio of women (50.1%) and men (49.9%). The same report shows that 86.3% of the households were headed by men, and only 13.7% headed by women. In terms of labor, women in Albania account for 44.4% of the labor force.² Similar figures are noted in relation to unemployment, with 44.0% women unemployed. The Labor Market Survey 2019 notes that labor force participation in the country (15-64 years old) stands at a rate of 69.9%, with a notable difference between women and men, the latter scoring a 16.0 p.p. higher than women. Labor force participation notes regional disparities, with prefectures of Berat and Korce scoring the highest women employment rates, respectively 65.7% and 63.2%, while Lezha marks the lowest employment rate 41.7%. Gender pay gap in the country is estimated at 10.1%, noting significant disparities related to types of economic activities.

With regard to education, among women tertiary students, 44.3% of them study in the fields of education, health and welfare, humanities and arts, while only 21.4% of men tertiary students study in these fields. Men tertiary students lead fields of study such as natural sciences, mathematics, and statistics, information and communication technologies, agriculture, forestry, fisheries and veterinary, engineering, manufacturing and construction, business, administration, and law.

¹ INSTAT, 2019, Women and Men in Albania 2019

² INSTAT, 2020, Labour Force Survey 2019

The recent STAR2 Local Governance Mapping 2020 shows that equality of access to services between women and men is almost 100%. Nevertheless, the report shows that there are regional disparities in access, such as the low level of access of women to health services in rural areas. Furthermore, OSSIS data for the period January 2019 – June 2020 shows that only 28% of applications in the OSSIS were submitted by women.

The challenging future

The 2017 NCSDLG monitoring report indicated that 85% of the activities contained in the Strategy have started and 36% of them were also completed³. The NCSDLG Mid Term Review⁴, undertaken in 2018, assessed the relevance of the NCSDLG itself and came to conclusions that significant progress was made in the framework of decentralization and reconfirmed the relevance of the four strategic objectives of the NCSDLG: (i) Enhance the overall efficiency of local government Structures, (ii) Strengthen local finances and increase fiscal autonomy, (iii) Strengthen Good Governance at local level, and (iv) Foster sustainable local development, and recommended the extension of the NCSDLG timeline until 2022 and the necessity to update the related Action Plan.

Along with the progress made, the Decentralization and Local Governance agenda still faces many strategic, institutional, financial, and capacity challenges that should be addressed at both central and local level as well as in the interface of cooperation between the two.

A higher-level challenge refers to policy gaps as well as weaknesses in linking policy with a well-coordinated support and adequate tools for implementation at the sub-national level. Another key challenge relates to the limited leadership role of the institutions in charge of Decentralization and Local Governance, the Ministry of Interior given the limited resources and capacities at their disposal, and dependence on other ministries for pushing the reform implementation agenda.

The MTR recognized that the governance structures of the NCSDLG play a crucial role in determining the decentralization roadmap and its effective implementation. In this respect, for the Ministry of Interior to provide adequate leadership, oversight and monitoring functions, support is requested and needed to develop sustainable capacities to better address issues of (i) unclear competencies between central and local governments, (ii) engagement of line Ministries, (iii) increasing the local fiscal autonomy with special emphasis on the newly devolved functions, (iv) effective human resource management, (v) articulate the role of Qarks, as well as (vi) ensuring equal municipal administration efficiency across the 61 LGUs.

The MTR also highlighted several other areas that still require attention and support, including the following:

- Sporadic competition between central and local governments is still present due to conflicting and overlapping responsibilities and legal inconsistencies. Despite significant strides, challenges have been articulated in the delivery of public services, especially in the water utility management, planning and delivering large scale investments, solid waste management, pre-university education, environmental protection and other newly delegated functions since 2016. A lack of clear competences in some of the abovementioned sectors erodes the efforts for delivering quality public services.
- The need to further strengthen the autonomy of local governments and financial *management*. Distributing shared taxes at local level, implementation of property taxes based on a value-based system, and a concentrated effort to support municipalities recovering from accumulated arrears were recommended.

³ Second Monitoring Report of Crosscutting Strategy of Decentralisation and Local Governance, (October 2017).

⁴ Report of Mid-Term Review of National Cross-Cutting Strategy for Decentralization and Local Governance (2015 - 2020):

http://www.km.dldp.al/wp-multimedia/decentralization_strategy/raporti_i_strategjise_2018_english.pdf

- The transfer of property from central to local governments remains a highly debated issue, with an acute need for intervention. In this area there is still a lack of accurate inventory, uncompleted transfer process of public property/assets to municipalities and very limited registration resulting in conflicting issues on overlapping property rights hence inhibiting development; and preventing the use of such assets to the best of public interest, despite the provision of guiding instruments and capacity building to local government officials responsible for asset management. Additional efforts are recommended to ensure harmonization and completion of the legal and regulatory frameworks, accompanied by increased transparency and accountability of LGUs.
- Weaknesses in municipal management due to lack of human resource capacities, high rate of personnel turnover, and lack of professional qualification to match the functions and competencies that come with the position, which are exacerbated by the differentiated salary structures per municipal categories that make it impossible for small municipalities to attract and retain qualified staff;
- As to the increased quality of administrative service delivery at local level, significant progress has been noted with the establishments of one-stop-shops. As such, for a steady progress in further increasing the quality of such services as well as facilitate access to services across the territory, the continuation of one-stop-shops remains crucial.

Accordingly, the MTR process brought to focus the above challenges and provided a series of specific recommendations, including: (i) The need to re-evaluate and clarify the assignment of authorities in a number of sectors; (ii) An inventory of legal acts that need to be amended/completed and agreed on, setting definite timelines and responsibilities for revision; (iii) Consistent and robust engagement of line/ sector ministries; (iv) Preservation of the increase rate of local resources at comparable levels with the state budget and GDP; as well as (v) Predictability and stability of municipal investment funds: so as to reduce municipal dependency on central government for capital expenditure, etc.

Key priority actions to be further deepened, expanded and consolidated aim to: (i) improve the administrative service delivery through application Information Technology; (ii) enhance dialogue between Central and Local Government through better functioning of consultation instruments; (iii) improve local democracy through enhanced transparency, accountability and participatory decision making, enabling meaningful and equal participation of women and men in local communities; (iv) enhance institutional and administrative capacities of local government officials for efficient implementation of decentralized functions; (v) improve monitoring capacities related to decentralization at central and local level; (vi) advance fiscal decentralization; (vii) harmonization of legal sector framework with the Law on Local Self Government; as well as (viii) clarification of the share of competencies related to regional and local development.

Along the same period, various aspects of local governance have been in the focus of various technical assistance assessments, including the UNDP 1st and 2nd Local Governance Mapping in 2017 and 2020, the first and second editions of the EU Municipalities Report in the EU Integration Process of Albania in 2018 and 2019, the PEFA assessment of five selected municipalities supported by SDC, USAID and WB in 2018, the periodic Co-Plan reports on local government finances' performance based on the dynamic dataset of the financatvendore.al, and the recent Ministry of Finance Compliance Performance Monitoring Report at municipal Level.

Nevertheless, no comprehensive assessment has been attempted to evaluate the efficiency, effectiveness and the attainment of the objectives set forth by the TAR undertakings to date. This might be attributed to several reasons, including: (i) the four-year period of change is still relatively short and the transition period may have specificities that can mislead the assessment; (ii) the implementation of TAR coincides with several other changes in the framework of the decentralization agenda, which make it difficult to "isolate" the direct effects of TAR; (iii) any assessment will need to rely on available and solid local data and indicators, an aspect which is still weak at local level, though it has recently been brought to the focus and seen efforts by a few development actors, including UNDP.

Decentralization and Local Governance are viewed with particular consideration when examining the progress of

Albania toward meeting key priorities of integration. The EU Albania 2019 Report 2019⁵, highlights several key recommendations, including:

- “the necessity to further consolidate ATR as part of the wider decentralization agenda ... necessary to guarantee local fiscal autonomy, ensure capacity building for staff, and empower municipalities to provide standard quality public services”.
- The adequacy of financial resources available to local government units (LGUs) and LGUs’ fiscal autonomy is considered at risk. 73% of the LGUs’ budget comes from national transfers. The central budget allocates about 1% of GDP to LGUs, the lowest in the Western Balkans. In most municipalities, LGUs are not effective at collecting revenues. As a result, the overall ability of local institutions to deliver quality public services remains limited.
- Appointments not fully in line with all the principles of the civil service law have continued, hindering the establishment of a fully merit-based civil service.
- The government needs to step up efforts to establish a coordination mechanism on human resource management between central and local level. These efforts should include extension of the Human Resources Information Management System and systematic oversight at the local level.

The Matrix of Competencies of Local Self Government⁶, prepared in 2019 with EU assistance, constitutes a key instrument in identifying the legal gaps, overlaps and inconsistencies in the legal framework regulating the share of responsibilities for the implementation of decentralized functions. This document paves the way for an informed review of the legal framework affecting local government operations.

Eventually, the Ministry of Interior, as the responsible institution for the advancement of local governance agenda, has recently addressed the abovementioned issues in the new NCSDLG Action Plan⁷, which represents the work program to be undertaken in the next three years 2020-2022 by the Government of Albania.

I.2. International partners ongoing and planned support to local governance

The support to local governments and local governance has been at high levels since the beginning of the territorial and administrative reform. Local governments have received direct and strong support from many international development partners through several ongoing projects assisting in part or in full the Albanian municipalities in strengthening various strategic, institutional, and operational aspects of municipal activities. Primarily, the European Union, USAID, the Council of Europe and the governments of Switzerland, Sweden, Italy, through specific projects or jointly through UNDP, were instrumental in strengthening local institutional and administrative capacities, contributing to innovating or improving public service delivery, promoting local democracy through engaging both local governments and civil society and creating several replicable practices and standards.

UNDP’s STAR2 Project was a particular initiative, coming as a joint effort of five donors including EU, Governments of Sweden, Italy, Switzerland as well as USAID and UNDP, in support to Administrative Territorial Consolidation and advancement of Decentralization Reform. The project, running until March 2020, has supported the government’s efforts to ensure the functioning of TAR and the efficient operationalization of the newly elected municipalities. The scope of STAR2 included all 61 municipalities, concentrated primarily on service delivery improvement and

⁵ <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-albania-report.pdf>

⁶ Matrix of Competencies of Local Self Government: <http://www.bpe.al/sites/default/files/publications/Matrix-of-Competencies.pdf>

⁷ Revised Action Plan and Indicators of the Cross-cutting Strategy of Decentralisation and Local Governance: <https://konsultimipublik.gov.al/Konsultime/Detaje/175>

modernization; institutional and capacity development for municipal administrations; standardization of processes and systems; and promoting local democracy. The distinctive feature of STAR2 was the promotion and adoption of similar standards and approaches for similar local matters⁸.

ISDA Support project - Innovation Against Corruption: Building a Citizen Centric Service Delivery Model in Albania (2014-2020) – a UNDP pooled fund project (supported by Governments of Italy and Austria) providing support to public service reform design, implementation, public outreach and monitoring. The project partners with and supports ADISA to diversify and innovate service delivery channels, expand ADISA presence at municipal level and dissemination ADISA standards to municipalities for adoption.

CISDA - Citizen Centric Public Service Delivery Consolidation in Albania (2020 - 2023) - builds on the results reached to date by ISDA Support and responds to GoA further assistance request to assist in strengthening access to public services and the quality and efficiency in their delivery in Albania through innovation. It will continue to support the progress of the public service delivery reform in Albania, with special reference to: i) policy oversight and monitoring, ii) expansion of impact in the territory, iii) customer care standard development, implementation and monitoring, iv) institutional consolidation and v) service delivery digital agenda promotion.

European Union is both a direct implementer and a co-financier of several projects in the area of decentralization, local governance and local development; it directly implements the project *Municipalities for Europe* and recently launched a call for a new project *Europe for Municipalities*, while it co-finances UNDP projects *STAR2* and *ReLOaD*, UN Women, and various cross border cooperation projects to name a few.

Municipalities for Europe is an initiative of the European Union, aiming at strengthening the governing capacities of municipalities on EU-related themes, as well as informing Albanian citizens and local administrations in Albania regarding EU, its policies and programs. The project is supporting all 61 Albanian municipalities to increase knowledge and awareness of local government administrations in Albania about the European Integration process and its political, economic and social criteria as well as informing and capacitating local government administrations about EU's present and future funding programs and opportunities.

ReLOaD - Regional Local Democracy Programme in the Western Balkans, implemented by UNDP, is co-financed by the European Union and includes five Western Balkan countries. The project aims to strengthen partnerships between local governments and civil society in the region by scaling-up successful models of transparent and project-based CSO funding for greater civic engagement in decision-making and improvement of local service delivery. The initiative will seek to help establish and institutionalize a transparent, development-oriented and project-based approach to funding of CSOs by municipal budgets that contributes to realization of legitimate local priorities in line with local development strategies.

UN Women₂ with funds granted from the European Union, supports (i) vocational training for central and local level civil servants on gender mainstreaming across sector policies; (ii) feed the Government policy planning process with an effective gender perspective; (iii) increase the gender approach in the service delivery at municipal level.

Switzerland provides its support through Swiss Development Cooperation (SDC). SDC is a key development stakeholder with a large portfolio of projects in the area of decentralization and local governance. SDC has co-financed UNDP's STAR1 & STAR2 and has an extensive partnership with other development partners and civil society in project implementation.

dldp - decentralization and local development programme came to an end in mid-2019. The project has worked at both the local and national level to ensure inclusive quality service delivery to citizens improved by strengthening the capacities of local governments in Northern Albania, by anchoring dldp's products at the national level and by contributing to a conducive legal framework.

⁸ A mid-term external evaluation on STAR2 was conducted during May-June 2019. The assignment also included drawing lessons learnt and identifying best practices.

Strengthening Local Government Structures in Albania, implemented by the Council of Europe, works with all Albanian municipalities to strengthen the local government structures through standard setting and capacitated administration on good governance principles. As a result of the intervention, modern HRM procedures and practices will be institutionalized and sustained in local government units through the establishment of an interoperable public administration portal. This assistance will contribute to better coordinate and manage key HRM processes at the local level for recruitment, training management, and performance appraisal cycle. The project concluded by end 2019.

LëvizAlbania, implemented by Open Society Foundation for Albania, Partners Albania and Co-Plan, works to enhance local democracy by supporting locally rooted and demand-driven civil society organizations and individuals with grants and fellowships, across the country, to sustain a culture of inclusive, transparent and accountable local governance. The project also undertakes national-level advocacy and strategic projects to influence local priorities and public services, decision making and oversight. The second phase of the project LëvizAlbania started in July 2019.

Regional Development Program Albania III (RDPA III), (2017-2023), is a joint effort to support the regional development reform in Albania, co-funded by the Swiss Agency for Development and Cooperation (SDC) and the **Austrian Development Agency (ADA)**, implemented in partnership with the Government of Albania. The main purpose of the RDPA programme is to reduce disparities in Albania by supporting the development of strong regions, so they can advance their potentials and provide better social and economic conditions for their citizens. The Programme also aims to increase regional cohesion, reduce inequalities in resource utilization, productivity and social/environmental standards. This will increase management effectiveness and create an inclusive society with higher skills and better jobs for women and men.⁹

Strong Municipalities (2017 – 2022) is a successor project, expanding on dldp work and aiming to improve municipal governance and service delivery through strengthening resources and capacities in the newly created municipalities. Key specific objectives of the project include: i) Key statistical data and indicators for municipalities and regions including elements for a harmonized register-based system of population/ household and building/dwelling statistics and specific support to INSTAT related to organisational structure and tools supporting effectively the nationwide statistical system; ii) Improvement of waste management in a sustainable way according to a new national standard, the definition of a model of pre-school education management at municipal level, and training of municipalities to monitor their own performance; iii) Support to the Municipal Councillors to fulfil their mandate including strengthening of councils' secretariats and establishment of communication channels between councillors and citizens, and iv) Comprehensive capacity building and support to the office of the Prefect at qark level.

Swiss SECO supports the initiative Strengthening Subnational Public Financial Management in Albania - SSFM (2018 – 2023), implemented by GFA Consulting Group, that aims at contributing to the improvement of the subnational public financial management (PFM) in Albania to enable financial discipline, efficient use of public resources and improved service delivery. To this end, the project is supporting all 61 municipalities in Albania and the Ministry of Finance and Economy (MoFE) to develop and apply key PFM processes for more effective and efficient revenue collection, budget formulation, execution and monitoring, as well as internal control and audit.

Italy's support is channeled through the Italian Agency for Development Cooperation (IADC). IADC, in addition to be a substantial contributor to UNDP's STAR1 & STAR2 pooled fund, has made available an innovative financing instrument on capacity building and actions towards improvements in the social sectors within the framework of a Debt Swap Agreement. The programme invites central and local government entities to apply in accordance with agreed competition rules and encourages implementation partnerships with international organizations and Italian local governments or non-governmental organizations for implementation support as well as exchanging experience, knowledge, and best practices.

Sweden, through its Swedish International Development Agency (SIDA), is a key supporter to both UNDP's STAR1 &

⁹ www.rdpa.al

STAR2 projects. It has consistently supported the consolidation of the Albanian Association of Communes for ensuring its membership capacities for effective and structured representation. However, in anticipation of new developments that led to the administrative and territorial reform, SIDA, in the framework of its assistance to the AAC, commissioned in 2012 to SKLI International a first comprehensive study on the necessity and variants of local administrative reorganization in Albania. This analysis was embedded in the rationale for launching the TAR in late 2013. SIDA was the first partner to contribute financially to STAR project in 2013, in a swift response to the Government commitment for reform, which enabled STAR support to kick off within that year.

Pro-Tax Albania: Implementation of Property Tax based on the market value (April 2018 – December 2021) is another important support of Swedish Government for the Albanian municipalities. The objective of the project is to contribute at strengthening Albanian Municipalities by significantly increasing their own revenues through the implementation of immovable property taxation based on the market value of the buildings and units subject to taxation. As result of the project support the regulations related to property tax will improve, tax payors will be informed and prepared, a comprehensive register of property will be available to municipalities while a centralized IT system and business processes are implemented.

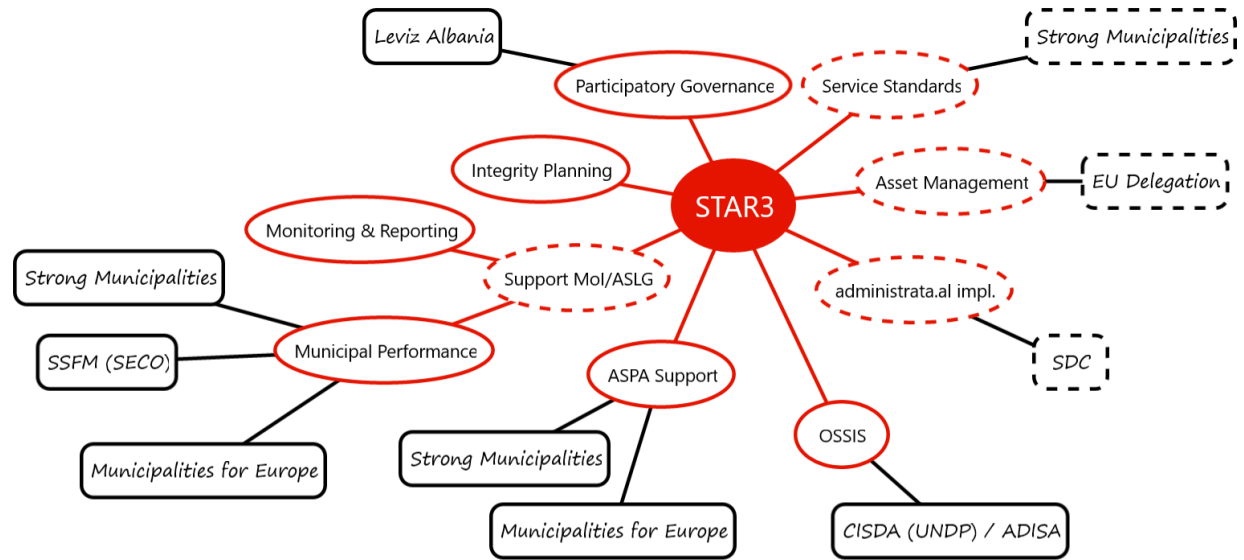
USAID was a key contributor to the decentralization agenda through Planning and Local Governance Project (PLGP) 2012– 2019 and to STAR project. PLGP supported the Government of Albania and local governments to successfully implement decentralization legislation, policies, and reforms, providing assistance in four areas: effective government decentralization policies and legislation, improvement of the efficiency, transparency, and accountability of local government operations, improvement of local government management and oversight roles regarding selected public utilities, and strengthening the capabilities of the central and local governments to plan and manage urban and regional growth. Currently USAID is phased out from its support to Decentralization and Local Governance in Albania.

World Bank – through the Urban Partnership Program III, the World Bank have engaged with numerous municipalities in Albania in aspects of municipal financial management, urban auditing, institutional integrity, transparency and integrity. Further, the Integrated Urban and Tourism Development Project for Albania (2016-2022) was introduced to improve urban infrastructure, enhance tourism assets, and strengthen institutional capacity to support tourism-related local economic development in selected areas in the south of Albania. WB also contributed with a study on financial difficulties of local governments.

OSCE – the Presence in Albania, contributes to the area of local governance and decentralization with assistance mainly focused on local revenues from mining rent and extractive industries. OSCE is also substantially engaged in supporting the participation of women in Albania’s political life, working towards the re-establishment, and strengthening of gender mechanisms at national and local levels. A Local Governance Knowledge sharing platform, established in 2019, will continue to be fed with best practices, knowledge, and relevant info for municipalities, providing also networking opportunities among municipalities.

I.3. Coordination, Synergy, and Complementarity

It is evident from the above that initiatives in support to local governments are not lacking and in spite of their different scopes, some of them contribute to the same areas from different perspectives and targeting specific matters. Nevertheless, this proximity of activities makes coordination particularly important for maximizing synergies and minimizing overlaps and this is fully relevant for STAR3. In view of the ongoing programmes and their content, the following is a visual presentation of the potential coordination areas for STAR3, distinguishing between immediate coordination areas (Phase 1, full black outlines) and future ones (beyond Phase 1, dotted outlines).



The need for coordination and synergy in these areas has already led to an increase of consultations at the technical level in order to integrate and optimize approaches and interventions.

On municipal performance, a large technical group including Strong Municipalities, Municipalities for Europe, SSFM and STAR as well as perspectives from the Ministry of Interior and the Ministry of Finance is already established. The joint review of different perspectives of approaching the theme of municipal performance has produced a calendar of activities and intermediary actions, on which every participating team report, and the progress advances to the next step. The consultation continued online during the pandemic lockdown period. There is already agreement to unify data definition and data passport, which will be unified in accordance with IPSIS standards and procedures to be followed for monitoring and performance for local government units that will be led by the Prime Minister Office / Responsible Department and the Ministry of Interior, and in the near future shape jointly the support for the establishment of municipal performance units.

This practice will be consolidated also in the case of cooperation with ASPA in order to ensure that the products intended to be delivered by STAR3 reflect the inputs and curricula previously developed by the partners. Furthermore, STAR3 suggests convening regular meeting at the technical level for regular exchange of experiences and information on ongoing projects and the specific challenges at local level.

I.4. Lessons learned from STAR2 implementation

UNDP Albania has an impressive track record in support of local government and decentralization since 2003-2004, but of specific importance is its experience in supporting this sector since 2013, when the territorial reform began through its specific initiatives STAR1 and STAR2.

While STAR1 supported the design and completion of the territorial reform, STAR2 focused on the consolidation of the new local government units coming out of the local elections of 2015, as per the new territorial organization. STAR2 implementation took place along with the first mandate of the new local government setup: the four-year mandate of the 61 mayors being from September 2015 to September 2019 and STAR2 implementation period from mid-2016 to end of March 2020.

STAR2 was instrumental in instigating local government development in many ways. Besides provision of tailored and specific technical training for many hundreds of municipal staff, it enabled the introduction of several standard procedures and systems with the potential of being embraced and replicated across municipalities:

- A standard methodology for local archiving was introduced and provided to all municipalities
- A standard municipal Transparency Program was developed and later adopted as an official template by the Freedom to information and Data Protection Commissioner
- A guide on effectively planning, running and reporting consultation processes and a self-assessment tool for municipalities to gauge the level of compliance with seven key minimal standards set by the legal framework on public consultation were introduced to all municipalities.
- Standard operating procedures were developed with selected municipalities and disseminated for replication to the remaining ones
- Likewise, standard risk assessment and integrity plans are introduced and piloted in six municipalities for further replication
- The project closed the gap for those municipalities still not meeting the requirement for publishing municipal council decisions online and ensuring the existence of dedicated municipal web pages for sharing information on municipal activities
- Standard and tailored plans for managing local revenues were developed for 29 LGUs
- The adoption by municipalities of a one-stop-shop system for the delivery of administrative services in the country expanded from 11 LGUs in 2017 (the pre-STAR2 situation) to 51 LGUs by end of March 2020, where STAR2 contributed to through the deployment of a standardized system to 40 municipalities.

Along with the results achieved during this period, UNDP has also learned key lessons from its work with local and central public institutions. These lessons are organized below into four categories:

Coordination

Consensus building
Cooperation & Synergy
Joint Reviews

Operations

Organization
Approaches

Measuring change

Data and indicators
Assessments
Evidence-based changes

Ownership & Sustainability

Institutional Capacity
Stakeholder Participation
Allocating time for transformation
Exit strategy

Coordination

- Although STAR2 was cautious to take into consideration, during its design, the complementarity with other assistance programs under implementation or development so as to avoid overlapping and duplication, the original project underwent a lengthy and intensive period of consultations with partners and reduced its focus to areas not supported by other programs. Therefore, the mobilization and then the length of the inception phase further reduced the time for implementation, and thus, the implementation period for STAR2 was basically from late 2017 to March 2020 or approximately 30 months. This makes the dialogue and preliminary consensus with partners on STAR3 important and critical.
- During its implementation, STAR2 Steering Committee also played a forum for discussion and coordination, in addition to the regular donor coordination meetings. STAR2 has, in many cases, presented and discussed approaches and Terms of References for specific activities with partners, prior to engage in these activities, such as the proposed approach for the OSS, the options for the municipal benchmarking, the ToRs for the Local Governance Mapping, etc. Nevertheless, this dialogue needs to become regular and the need has arisen to extend consultations to the technical level.
- With regard to municipal benchmarking, STAR2 attempted to propose a system of indicators tailored to the needs of the Ministry of Interior. However, the scope of work became more complex as there are several systems being developed at the same time, responding to the needs of different institutions or goals. The efforts are recently directed towards the gaps to be filled from the perspective of the Ministry of Interior and

to a more integrated system that makes the work for all more effective. This consultation is being conducted at the technical level and progressing well.

- A better linkage and reference of the technical assistance to the Action Plan Decentralization and Local Government would greatly facilitate the monitoring of the implementation of this Plan and orient the coordination and contributions towards the gaps.

Operations

- STAR2 evolved and advanced amidst changes and challenges. The project implementation had to cope with several institutional changes: four counterpart ministers, one government restructuring and two elections, the most recent one being the local elections of June 2019 that directly affected the institution targeted by STAR2 assistance and thus, the project pace of progress. The project was, however, able to adapt and go through such transitions by identifying areas of continuity, focusing at times on technical matters and working with the most committed stakeholders, and responding to changing priorities and demands. This agility and flexibility, along with anticipated forecast of risks and the undertaking of corresponding mitigation actions, remains a prerequisite also for the future.
- During the implementation of STAR2 project, new central institutions of relevance for local government and decentralization were considered necessary to be included in the Project Steering Committee and various discussion forums on project progress, results, and implementation challenges. This practice was primarily aimed to tackle transparency and institutional co-operation to achieve optimal results and strengthen ownership. This extension proved to be useful and this practice should continue in the future with relevant central institutions, including the full membership of ASPA and the DoPA as well as other institutions for more specific activities.
- Willingness, vision, and leadership of mayors and senior management at LGUs were essential prerequisites for the full execution and functioning of standards and systems delivered by STAR2. However, even though mayors and municipal staff have well received and appreciated STAR2 technical assistance, it was very important to manage their expectations by continuing to communicate the project contribution, expected results and the municipal role in different stages of the project. It was often not easy to trigger a positive response and satisfactory engagement from beneficiaries when needed and this required iterative communication and case building from the central project team as well as from the network of project coordinators resident in the project areas, the latter being a useful extension of the project implementation structure.
- The major output on one-stop-shops implementation assumed that municipalities had *an acceptable level* of technological infrastructure in place or *able to assume responsibility* for securing it. The field assessment carried out at the beginning of OSSIS implementation proved the situation was much worse and led to calling in central government for support. That pledged support did not materialize and one-stop-shop implementation, despite visible progress in the field within a limited implementation time, got stuck and could not advance at its full potential. Nevertheless, it has to be mentioned that the assumption proved right for 33 municipalities which mobilized internal resources, while 7 other municipalities benefitted from external support for equipment. Yet, several Albanian municipalities are still unable to adopt an even simplified one-stop-shop system, while, across the country, the administrative units are lacking basic infrastructure and will not be able to plug into the one-stop-shop network without extra efforts and support. It is necessary to also mention that even the achieved results are partly due to the awareness and persuasive work conducted by STAR2 with each municipality individually, which underlines the need for a general awareness that should precede the further expansion of the OSS network.

Measuring change

- Besides, having by now several instruments and standards in place, it is critical to come back, understand and assess how they are used and what is the quality of outputs, and the capacity of respective responsible institutions to monitor their fulfillment. This would call for liaising with the General Directorate of Archives

for the local archiving aspects, with the Freedom to Information and Data Protection Commissioner for the municipal Transparency Programs, with INFOCIP for the publication of the municipal councils' decisions, etc.

- The lack of data and quantitative and qualitative evidence and monitoring systems still inhibits informed and objective analysis and decision making. Performance analysis is also invaluable for setting local and national standards of services and performance. Despite efforts made to date by different development partners, including STAR2 efforts, the products so far are fragmentary or under development and are not being fully utilized. The need to integrate different approaches, simplify information requests to municipalities and institutionalize the use of evidence-based decisions, based on accurate data, is a need of many public offices, including the Ministry of Interior.
- Beyond data, real progress lies on the impact of undertaken actions, that is the way change is seen and felt by the citizens. STAR2 conducted during its lifetime two major perception surveys, the Local Governance Mapping, in 2017 and 2020. The overall citizens' perception on local governance improvement is positive, yet very incremental and with several caveats. Large municipalities are perceived as more efficient and effective though access to services is more valued for small municipalities. Small municipalities result more accountable and transparent to their citizens and respond better to citizens' concerns and complaints. Nevertheless, citizens find the opportunities to participate in decision-making less attractive and remain less involved in general. These findings cannot lead to authoritative conclusions, in absence of a more comprehensive assessment, however, they reveal a possible correlation between municipal size and citizens sense of proximity and interaction with the local government.
- A recent study on Albanian municipalities¹⁰, regarding the municipal capacity to drive local development also refers to the municipal size effect: "it seems as if the benefits expected from the intensification of decentralization have not been uniformly translated to all municipalities, ... The lack of authority to introduce and implement effective local fiscal policies, especially in smaller municipalities, often leads to the phenomenon of unfunded local mandates with consequences for local economic development."
- The above findings on the quality of local governance and democracy signal that all municipalities need to improve in all aspects, but greater support should be given to large municipalities to address issues of participation and interaction with the citizens.

Ownership & Sustainability

- While STAR2 has mainly focused on the municipalities, for more sustained results and ownership, the future focus should be also put on building capacities and transferring know-how to central level institutions responsible for decentralization and local government, namely the Ministry of Interior, so that it is capacitated to monitor the progress of decentralization and local government reform and lead informed changes from their end.
- Partnering with specific central institutions for specific outputs was truly beneficial. The example of partnering with the General Directorate of Archives, NAIS, the Freedom to Information and Data Protection Commissioner, the State Supreme Audit, proved to be successful endeavors. More should have been done to partner with ASPA, DoPA and the Ministry of Finance for instance.
- Engaging both municipal associations in the Project Steering Committee and implementation activities was a successful practice. Both associations worked together for the first time, under one contract, and highly valued this trust. They demanded to be engaged even more together in the future in different areas of assistance and not simply remain representatives of discussion forums on local issues and decentralization.
- For decentralization processes to yield effective results, it is not enough to simply empower the supply side. Effective local governance requires responsive and accountable local governments that have in place strong

¹⁰ Annual Review of Territorial Governance in the Western Balkans, I, 2019, 53-68, Journal of the Western Balkan Network on Territorial Governance, Print ISSN 2706-6371, <https://doi.org/10.32034/CP-TGWBAR-I01-05>

institutional systems to engage citizens in local affairs. This aspect of local governance is still underdeveloped in both institutional setup as well as the insufficient level of civic engagement.

- Capacity development approaches need to be comprehensive, addressing the need not only for individual skills-building but also the strengthening of systems to enable institutions at all administrative levels to perform their mandated roles. However, as conditions, resources, capacities, and needs are diverse across LGUs, realistic and practical actions need to be adapted.
- The approach of developing, in consultation with local stakeholders, various standards and instruments applicable to all municipalities ensured a stronger buy-in as well as was instrumental in facilitating and legitimating their adoption by all municipalities. Nevertheless, it is felt that adopting such standards requires more time and closer coaching of municipal staff to ensure that they internalize the provided tools and understand their features.
- Almost all STAR2 results are still young and some of them not sufficiently completed, tested, tuned and internalized. While there are many reasons of operational nature that have impeded more timely and complete results, most of these instruments, practices and systems need more time to be fully functional, effective and sustainable, as they address change processes that must take a firm place in the dynamic local government ecosystem.
- Another element that further fuels the sustainability of the project is related to the noticed behavioral changes among project beneficiaries. Although at first resistant to change, local government counterparts, exhibit behavioral changes not only towards accepting and internalizing new tools on the personal and institutional level, but also by seeing service provision through new lenses.
- A major contribution to sustainability relates to a proper channeling of capacity development instruments to and through ASPA. STAR2 used to seek ASPA endorsement of the project developed capacity-building tools; in the future, the approach would be to develop together with ASPA structured and standard tools for capacity development.
- The Government cost-sharing materialization was lengthy and painful and affected the overall project planning. To avoid such hanging situations in the future, the pressure for government cost-sharing to STAR3 has already started before the project start. The cost-sharing approach may be also considered as an option in the expansion of the OSSIS, as a sign of commitment and ownership.
- As STAR3 is considered as the final round in the sequence of STAR programmes, it is important to carefully elaborate exit strategies anchored to the responsible institutions made capable of ensuring continuation by themselves.

II. PROJECT RATIONALE AND RELEVANCE

II.1. Project Rationale

Four years after the Territorial and Administrative Reform, the Decentralization and Local Government agenda is still packed with ambitious goals and daunting challenges that engage central and local governments. Many of the achievements need to be fully adopted and consolidated, other elements to be developed and embraced, additional institutional capacities need to be set up at central and local levels, and further clarifications of complementary governance roles need to be made for coordinated, sustainable and effective development.

The revision of the Decentralization and Local Governance framework has identified future directions for assistance embodied in the Action Plan 2020-2022. Development partners have been part of these processes and reflected their support by furthering their assistance and shaping new areas of support that respond to national and local needs and are in line with the Action Plan.

Thus, the local government technical assistance map continues to change and evolve: USAID concluded its assistance to decentralization and local government in Albania; the Swiss dldp project was closed in mid-2019; and the project implemented by the Council of Europe for the implementation of the civil service at local level was completed by the end of 2019. The joint donor assistance to local government, STAR2 – Consolidation of Territorial and Administrative Reform, also concluded its implementation in March 2020.

On the other hand, new initiatives build on past work and mark a further continuation and consolidation of results. EU's Municipalities for Europe project entered a second phase in 2019. SDC's Strong Municipalities project is a continuation and expansion of the dldp project, Leviz Albania is in its 2nd phase, while SDC expands its assistance to local finances country-wise.

Many of the ongoing initiatives, including STAR2, have just introduced new practices or systems that built capacities and introduced changes. However, for these changes to take root, more time and efforts is needed to absorb the knowledge, and make such practices or systems fully operational, internalized and part of routine municipal operations.

While the consolidation of STAR2 results, towards sustainability and ownership, is a prime concern for continuity, there are other areas of local governance which receive little or no assistance, despite being essential for the day-to-day activity of the municipalities and for which the local government is increasingly seeking support.

To this end, a renewed joint commitment under STAR3 is proposed to align development partners in supporting the further consolidation of STAR2 achievements to date, but also with a view to better respond to the objectives of the NCSDLG and its accompanying Action Plan, in consideration of the current context of development assistance dynamics.

The overall aim of the proposed STAR3 is to strengthen local government effectiveness and efficiency through enhancing the supporting framework, consolidating systems, standards and organizational capacities in place, expanding and sustaining service delivery innovation and best practices, and institutionalizing local government accountability to women and men for enhanced participatory governance.

In line with this rationale, STAR3 scope comprises the following four main areas:

1. Local government participatory governance practices are in place and functional and encourage civic engagement
2. Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance

3. Central government institutions responsible for decentralization and local government are capacitated to effectively drive policy development, coordination, and monitoring in accordance with the IPSIS national system
4. Local government has capable and sustainable human resources, in accordance with the good governance principle, able to effectively perform local government functions

II.2. Project Relevance

The revised Action Plan of the NCSDLG is an important framework for coordination and synergy, ensuring ownership of the beneficiary and coherent efforts for the donors. The ongoing initiatives from various partners support specific priorities and actions of this new Action Plan:

EU is working on priorities with focus on EU integration and the role of municipalities, supporting the achievement of sub objectives under the Specific Objective D: Strengthening good governance at the local level of the NCSDLG.

Swiss Development Cooperation provides a significant contribution for the advancement of decentralization agenda committing support for the achievement of a number of priorities of the new Action Plan touching upon all four Specific Objectives of the NCSDLG Action Plan.

After the USAID phase out, the financial management aspects are mainly supported by SDC, SECO and Sida. Yet most of the priority actions lack an identified donor support where such contribution is foreseen as an option.

STAR3 is also closely anchored to the Action Plan, through building on the previous STAR2 results as well as proposing to contribute to a few new areas priorities of the Action Plan. As per the proposed design, STAR3 contributes to 3 Specific Objectives of the Action Plan and 8 sub-objectives of the Action Plan 2019 -2022, respectively:

Specific Objective A: Consolidation of strategic and operational capacities

- A1. Consolidation of the capacities of administrative structures
- A2. Application of integrated administrative services with information technology for 61 municipalities and their administrative units
- A3. Strengthening dialogue between central and local government and mutual accountability

Specific Objective C: Promotion of sustainable development

- C2. Ensuring sustainable local economic development
- C3 Establishment and updating of national minimum standard systems for local services

Specific Objective D: Strengthening good governance at the local level

- D1. Ensuring open governance, increasing transparency, accountability, and greater e-governance at the local level
- D3. Strengthening community structures at the local level (Citizens' Commissions, Village Heads, Liaison Citizens)
- D4. Adoption of anti-corruption policies at the local government level

The project also contributes to the achievement of priorities and indicators under several cross-sector strategies related also to local Government as:

- ✓ the Cross-Cutting Strategy Against Corruption, Objective A. 11, Adoption of policies against corruption at local government level.
- ✓ the Crosscutting Public Administration Reform Strategy, Objective 4, Strengthening the structures of public administration in order to improve service delivery to the public (including local level) etc.

NCSDLG Action Plan

OBJECTIVE A: Consolidation of strategic and operational capacities of local self-government units

- A1. Consolidation of the capacities of administrative structures
- A2. Application of integrated administrative services with information technology for 61 municipalities and their administrative units
- A3. Strengthening dialogue between central and local government and mutual accountability

OBJECTIVE C: Promoting sustainable local development

- C1. Efficient implementation of own functions based on a clear and harmonized legal framework
- C2. Ensuring sustainable local economic development
- C3 Establishment and updating of national minimum standard systems for local services

OBJECTIVE D: Strengthening good governance at the local level

- D1. Ensuring open governance, increasing transparency, accountability and greater e-governance at the local level
- D2. European integration and local government
- D3. Strengthening community structures at the local level (Citizens' Commissions, Village Heads, Liaison Citizens)
- D4. Adoption of anti-corruption policies at the local government level

STAR3 Contribution

- A.1.1. d. Improving local policy implementation monitoring systems
- A.1.1.dh. Establishment of Performance Management Structures in the Municipality according to the requirements of Article 33 of Law 139/2015
- A.1.3.b. Increasing the number of accredited training modules for local administration registered in the e-library
- A.1.3.c. Implementation of the mandatory process (procedural and institutional) for the coordination and certification of training provided by development partners, through ASPA
- A.1.4.a. Using the administrative platform for human resource management
- A.1.4. b. Increasing the number of modules realized through the platform "Administrata.al"
- A.1.4. c. Training of human resources officials for the use of "Administrata.al"

- A.2.1.a. Functional reorganization of all administrative service offices according to the one-stop office model
- A.2.1. b. Modernization of infrastructure and technology systems for administrative services in 61 municipalities and administrative units

- A3.2 Standardized and formalized local data system for informed decision making, in accordance with the IPSIS national system

- C.2.1.b. Technical assistance and capacity building for the use of local assets for economic development
- C.2.1.c. Facilitation of public property management procedures by the municipality for development
- C.2.2.a. Establishment of a task force with central and local level participation to speed up the property transfer process

- C3.2 Design / update minimum national standards for priority areas

- D1.2 Preparation of programs to increase the possibility of effective access of citizens to local decision-making and local normative acts through proactive publication and use of ICT
- D1.3 Support local government support for using public information platforms
- D1.4 Use of forms of information and public consultation on aspects of public finance and governance

- D4.3 Informing and capacity building of new municipalities on the use of instruments designed in the framework of anti-corruption policies and taking over by the responsible authorities of the central government
- D4.4 Informative meetings for drafting Local Integrity Risk Plans and Code of Conduct in all municipalities of the country (following 6 pilot municipalities)
- D4.5 Development of Local Integrity Risk Plans and Code of Conduct and consultations with interest groups

II.3 - Project Strategy

STAR3 builds on the good experience and results of its predecessor, STAR2, the Government renewed commitment, reflected in the updated Action Plan, for advancing the Decentralization and Local Government reform and on the evolving context and untapped potential for participatory problem setting and problem solving.

The project will be coordinated at several levels:

Strategic level:

- Steering Committee, composed of state level Ministry of Interior, Ministry of Finance and Economy, Department for Development and Good Governance at the Prime Minister Office, ADISA and NAIS.
- Thematic Group on Decentralization
- Integrated Policy Management Group for Good Governance and Public Administration

Technical level

Cooperation and coordination of work with other projects in the area of local government

Operational level

Cooperation with LGUs and civil society organizations

The project proposes a holistic approach that will benefit both the central level institutional and policy making and the LGUs, through conventional capacity building, system set up and hands-on support backed by evidence-based monitoring.

Project interventions will be interconnected with other ongoing initiatives and focused on (i) further develop and consolidate key STAR2 outputs for enhanced sustainability of results, (ii) engage in areas in demand which represent both gaps and priorities, and (iii) ensure that emphasis is put on institutional and capacity transfer and sustainability.

The project will be implemented through a dedicated Project Management Team (PMT) in Tirana, led by an International project Manager, who will be hired for the first two years of implementation. Local project personnel mobilization will also benefit from the availability of the core STAR2 team. The project will also employ a network of local coordinators to ensure its presence in each qark and help implement the project. Local coordinators will also serve to strengthen links and communication with municipalities and monitor the establishment of performance offices, among other tasks.

Technical assistance will be provided by either the PMT experts or by qualified external experts and/or contractors for specific activities, especially those requiring massive workforce and extensive presence in the field. In the latter case, the project will assign responsible professionals from the PMT to follow up each component/sub-component and contract in order to secure the necessary quality assurance.

In a micro-level management perspective, the project will be constantly in search of innovation, however, from the outset, it proposes to introduce a series of novelties compared to its predecessor:

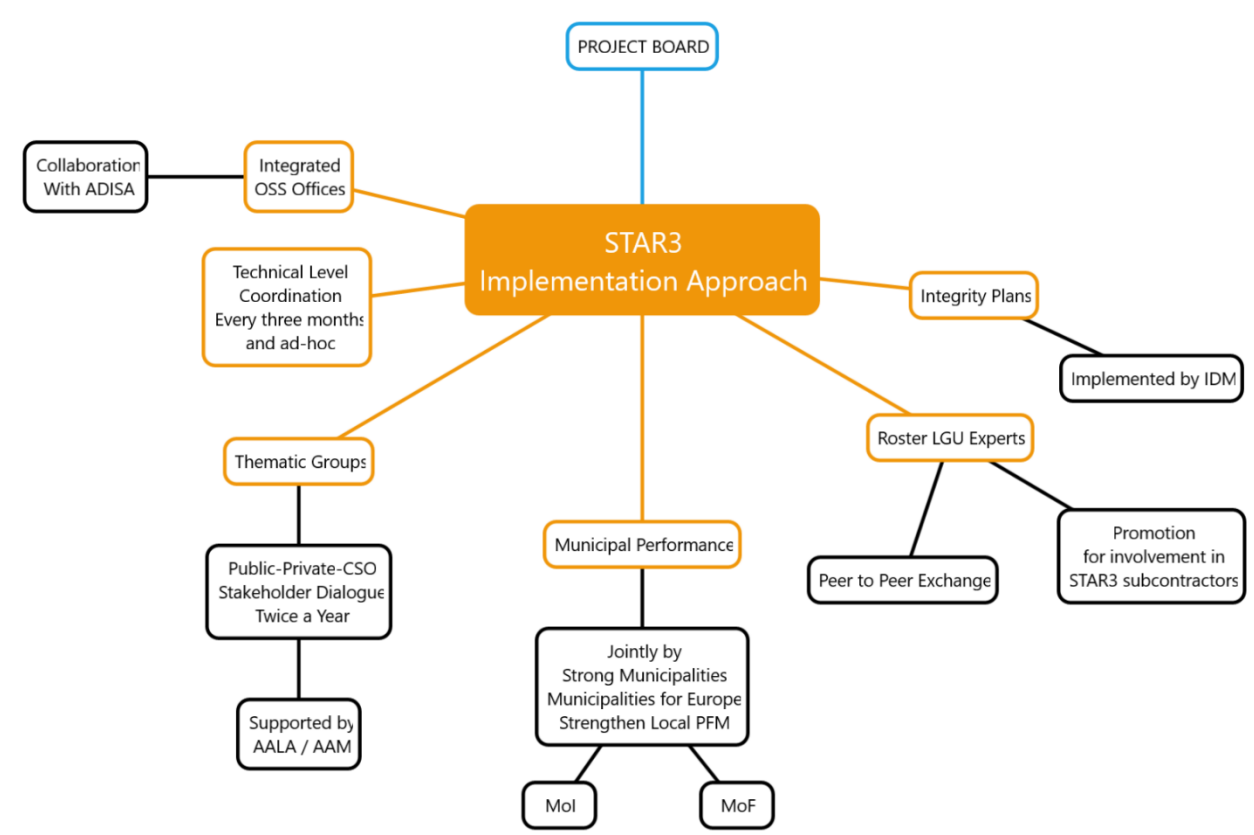
Thematic platforms: along its implementation, the project will facilitate and support the dialogue among relevant stakeholders around various development challenges. These events will enable information and experience exchange among local officials, promote interaction with civil society, generate debates about policy and development and feed lessons to the project during the implementation. In doing so, synergies will bring together local practitioners' communities as well as other relevant stakeholders from policy making to civil society and private sector, which is deemed to lead to a positive effect on local governments' daily work, trigger innovation and highlight initiatives worth to be pursued. The thematic platforms will conventionally have the following composition:

- Local government representatives

- Civil Society Organizations’ Representatives working in areas pertinent to local government development
- Local business representatives
- University representatives, operating in the area

Collaboration with associations of municipalities: As collaboration with the association of municipalities proved successful, STAR3 will continue to engage the Association for Local Autonomy and the Albanian Association of Municipalities, using the Associations’ extended experience in dealing with local governments, both from a political and administrative point of view. The Associations will be instrumental in bringing local government representatives and STAR3 closer together, through the thematic platforms.

Roster of LGU experts: The project will build a roster of local governments’ experts and professionals, with a particular attention to women professionals, who can be involved in various capacity building interventions. The roster will be suggested as a source for identification of expertise to all contractors of STAR3 project as well as to other ongoing local governance projects. This approach is expected to mobilize an untapped local knowledge and actively engage this community of experts to the development dialogue and efforts.



Anchoring interventions to respective responsible institutions: The project will ensure that no activity is implemented without a clear collaboration with the most appropriate and responsible institution. This principle aims to ensure that there is lasting ownership and sustainability and the activities are co-designed with the responsible institutions.

The Ministry of Interior will be the highest-level partnership, as this institution has the overall responsibility and oversight role on the strategic, operational, and monitoring framework where local governments operate. The MoI will be supported by local technical assistance to build institutional capacity, monitor the existing DLG Strategy and organize the work for the formulation of the new one.

STAR3 will closely collaborate with the Freedom to Information and Data Protection Commissioner and the Ministry

of Justice on transparency, integrity and anticorruption matters, with ASPA on local capacity development, with DoPA on local HR management related to compliance with the Civil Service Law, with NAIS on the upgrade and consolidation of the OSSIS, with the National Cadaster Agency on assets transfer and registration, with other technical projects in the area as well as with various and relevant line ministries and agencies.

The collaboration with ADISA on adopting national standards and joint single offices for service delivery will continue in the framework UNDP's CISDA pooled fund, the successor of the current ISDA Support which started in June 2020. Both STAR3 and CISDA projects will provide technical assistance in the public service delivery reform within the framework of public administration and anticorruption reforms. Both projects, implemented by UNDP, have many experiences to share as they focus on service standards and plans of expansion on the territory for establishing one-stop-shops increasingly. On the other hand, relevant ADISA products on service delivery standards, the citizens' charter, innovative forms of service provision will be also promoted and where possible put in place.

IDM as Responsible Partner for Integrity Plans: The municipal integrity planning piloted during STAR2 was based on a Risk Assessment Methodology developed by the Institute for Democracy and Mediation (IDM) and endorsed by the Ministry of Justice. Based on specialized skills and unique track record on developing instruments of organizational transparency, integrity and risk assessment, the Institute for Mediation and Democracy (IDM) will be a Responsible Partner in charge of implementation of the municipal integrity plans. As a Responsible Partner, IDM will be directly accountable in implementing this component, under a specific agreement with UNDP based on collaborative advantage, as per UNDP implementation rules and regulations,

Mainstreaming cross-cutting issues

Gender mainstreaming

In utilizing a gender approach, the project focus will not be on individual women and men and equality of numbers, but on the systems, which determine gender roles/responsibilities, understand and respond to specific gender needs and promote their decision-making potentials. Therefore, promotion of gender equality¹¹ should concern and engage men as well as women.

Gender mainstreaming will be integrated in all STAR3 activities. All project interventions shall take into account national and local gender equality related challenges. The project will follow an approach that facilitates attainment of gender mainstreaming by:

- Integration of gender related principles in the goal, outcomes, and outputs.
- Including gender related indicators in the Results Framework
- Ensure at least two women mayors participate on a rotation basis in the Project Steering Committee.
- Ensure the project supported thematic groups include Gender CSOs participation
- Put emphasis on and promote identification of local female experts for inclusion in the proposed local experts' roster
- Promote access and participation of women and girls to capacity building activities
- Integration in various Terms of Reference and curricula of a gender perspective
- Requesting potential subcontractors to apply gender analysis and gender reporting in their proposals and implementation

¹¹ Gender equality is understood both quantitatively (achieving equal representation) and qualitatively (achieving equal influence on policymaking and outcomes).

- Make use of gender disaggregated data in any exercise involving data, such as the municipal indicators, Local Governance Mapping, service access and usage levels, capacity building activities
- Mainstream gender related issues in the Monitoring and Evaluation plan, by monitoring gender outcomes, and collecting gender disaggregated data.
- Put emphasis in the project communication and visibility strategy on ensuring an adequate outreach to women and girls.

Environmental considerations

Today's society is facing major economic transformations associated with a high pace of urbanization, pressure on utility services and natural resources and an increased consumption of goods resulting in an increased amount of waste generated, a particularly sharp challenge in the major cities.

In the rural areas, especially the vulnerable groups and the poor directly depend on the environment and the natural resource base for their livelihoods. However, many natural resources are under threat by the alarming rate of environmental degradation caused by a combination of climate change impacts, poverty, and poor environment management practices. Intrinsically, the deteriorating quality and quantity of environment and natural resource base increase the vulnerabilities.

Seen from this perspective, STAR3 will not be a direct contributor to addressing pure environmental challenges. Almost all project activities are related to soft technical assistance and capacity building. Nevertheless, STAR3 will have the potential to make a positive impact on the environment from various viewpoints.

STAR3 activities related to setting public services' standards and improving the administration of local assets have a direct link to environmental resources through the choices proposed for a wise management of such natural resources and the territory, the compliance with the principles of preserving the environment and promoting a sustainable use of natural resources that benefits the next generations. The proposed STAR3 support to the formulation of the new NCSDLG provides another opportunity to strengthen the environmental perspective into the new Strategy and integrate environmental-related actions to the local government national and local plans. These elements will be further elaborated if the project expands through to Module 3.

However, other links and impact are also identified in the immediate STAR2 interventions, especially with regard to the OSSIS expansion. The project objective to extend the OSS system to all administrative units, supports simultaneously an increased access to services and an improved proximity for citizens, but on the same time it represents huge savings in terms of time, travel and transport pollution, while the system itself reduces paper-based transactions.

To date, OSSIS usage in the administrative units is still in an infantile stage. The system has recorded only 51 services provided by 16 administrative units so far. However, in terms of savings, taking into consideration the specific distances from municipal centers and the time necessary to travel to central offices and back, these specific 51 services provided by administrative units have saved 810 km of transport (considering also pollution and consumption of ca. 16 liters of fuel) and 26 hours that could have been wasted. In a present hypothetical case, considering the municipality of Kukes with its 14 administrative units which are relatively distant from the center, if only 1 service is provided in each administrative unit instead of being generated by the municipal central office, would save 571 km and 15 hours of driving.

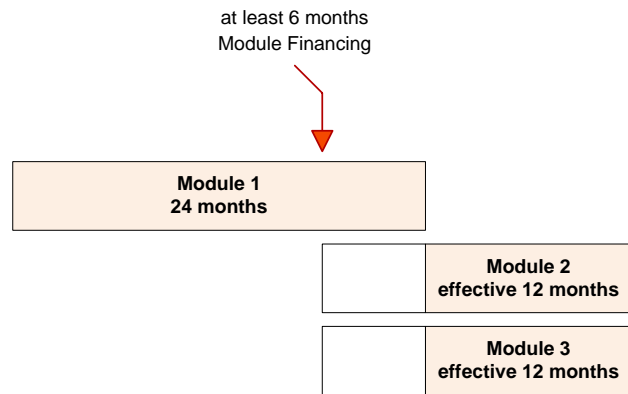
The amount of savings, when considering the full picture of OSSIS functionality in all administrative units, is huge. The project will monitor and report on this trend and its magnitude along with the inclusion of environmental performance indicators in the municipal performance system that will be built.

II.3.1 Project Modular Implementation

Some critical aspects impacting implementation are the project financing, different perspectives and plans of other actors, and the external environment uncertainties as we head towards another election year in 2021. In consideration of the different timelines for receiving pledged contributions in the pool fund and the likely overall resource gap, based on current partners' commitments, the project implementation plan is forced to follow a modular approach. Modules are built by prioritizing interventions, which cost is matched with upfront available resources, while keeping future overall project scope and objectives in mind.

The adoption of a modular approach will minimize technical diversity, but more importantly, define a scalable architecture that allows for adaptations from one module to the other, depending on affordability, partners' consent, and the evolving context. Altogether, each of the modules will contribute to develop and implement the products and capacities that the larger project commits to deliver.

Thus, the project will follow an adaptive strategy to deal with the uncertainty of resources, in constant collaboration with partners. That also means that some interventions could be practically not feasible if the funding gap is not closed or closed too late. Ideally, for the scheme to work, financing of a new module should come sufficiently in anticipation of the decision to embark on that module as per the illustrated sequence. The three project modules have distinct purposes:



The first module will focus on addressing the main agreed priorities and ensuring their functionality where they are implemented.

The second module will focus on improving the overall functionality and sustainability for some of the above interventions and will expand the geography of application for the other ones.

The third module will enable the project to engage in the optional interventions included in the project scope.

By the end of Module 1, the following key results are expected:

1. Participatory governance approaches are developed with municipal stakeholders and adopted by 5 municipalities and the experience disseminated
2. Municipal integrity planning is replicated to up to 15 additional municipalities
3. OSSIS is basically functional in all administrative units and hardware maintenance for 2 years is secured
An OSSIS-linked mobile application for service delivery is developed and put to use
The overall OSSIS is upgraded with protocol and document correspondence modules
4. An integrated local government data hub is established and supports various performance assessment exercises
5. ASPA has developed its first comprehensive and standard curricula for municipal staff

Module 2 will be instrumental in achieving the following:

1. Participatory governance good practices are adopted and further developed in 5 additional municipalities
2. A third round of Local Governance Mapping could be possible toward the end of the third year of project implementation.
3. Municipal integrity planning is expanded to 10 additional municipalities
4. The central OSSIS server is upgraded and protected for business continuity in case of disaster
OSSIS integration with third part modules is developed

- All IT hardware provided by the project has the maintenance extended to 3 years
5. Municipal reporting in accordance with performance indicators is piloted through collaboration with selected municipalities and the Mol
 6. Government counterpart is assisted in developing the new NCSDLG
 7. ASPA is supported to develop the e-learning architecture

Module 3 would contribute the following results:

1. Standard Integrity instruments is adopted by 5 additional municipalities
2. Piloted standards' setting for selected local public services
3. Piloted a comprehensive process of local assets management, transfer, inventory, and registration
4. The legal harmonization of sectoral and local government regulatory frameworks is supported
5. Further support to ASPA to expand on curricula development and e-learning modules
6. Support municipalities to make full use of "administrata.al" platform for HRM

The visual modular timeline is given below.

	MODULE 1	MODULE 2	MODULE 3	Notes
	24 months	36 months	36 months	Cumulative duration
Outcome 1: Participatory Governance				
Operationalize participatory governance in practice				At least 5 LGUs in each module
Municipal integrity planning expanded in 30 LGUs, Local Governance Mapping 3rd round				Respectively 15, 10 and 5 LGUs
Budget Outcome 1	282,000	377,000	50,000	
Outcome 2: Municipal systems and standards				
OSSIS expansion in administrative units				
OSSIS mobile application developed				
OSSIS upgraded protocol and correspondence modules				
OSSIS server upgraded and business continuity secured				
OSSIS integration with third part modules developed				
Pilot setting up service standards				
Pilot assets management and transfer				
Budget Outcome 2	2,588,240	928,720	1,565,140	
Outcome 3: Central government support				
Central Gov. support on monitoring and reporting through IPSIS system				Incremental support
Legal harmonization of sectoral and LG frameworks				
Extension of IPSIS system for performance assessment of municipalities				
Municipal annual performance reporting in accordance with the IPSIS national system				
Assistance in developing the new NCSDLG				
Budget Outcome 3	380,400	236,700	145,000	
Outcome 4: HR capacity development and sustainability in accordance with the good governance principle				

	MODULE 1	MODULE 2	MODULE 3	Notes
	24 months	36 months	36 months	Cumulative duration
Drafting of standards for training development and supporting LGUs in using the IPSIS system				
ASPA developed first comprehensive induction curricula				
ASPA is supported to develop the e-learning architecture				
Support LGUs to make use of “administrata.al” platform				Only if funds available for Module 3
Budget Outcome 4	90,200	137,200	330,000	
Project Management				Including everything not programme, i.e.HR, travel, equipment, running costs, Audit and Evaluation, Visibility
Budget Project Management	1,142,520	850,740	32,500	
Management Fee	333,145	201,125	91,838	
Programme Total	4,847,455	2,715,185	1,239,818	

III. PROJECT OUTCOMES, OUTPUTS AND ACTIVITIES

The overall Development Objective of STAR3 is:

to strengthen local government effectiveness and efficiency through enhancing the supporting framework, consolidating systems, standards and organizational capacities in place, expanding and sustaining service delivery innovation and best practices, and institutionalizing local government accountability to women and men for enhanced participatory governance.

STAR3 Project is organized around the following four main Outcomes:

- Outcome 1: Local government participatory governance practices are in place and functional and encourage civic engagement
- Outcome 2: Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance
- Outcome 3: Central government institutions responsible for decentralization and local government are capacitated to effectively drive policy development, coordination, and monitoring in accordance with the national system IPSIS
- Outcome 4: Local government has capable and sustainable human resources able to effectively perform local government functions in accordance with the good governance principles

The four above Outcomes will be pursued with a modular approach implementation from Module 1 through to Module 3.

III.1 - Outcome 1 – Participatory Local government participatory governance practices are in place and functional and encourage civic engagement

III.1.1 - Promoting and disseminating local democracy approaches and instruments

Overcoming public disengagement, and effectively responding to citizens requires a culture change in how governments interact and cooperate with the public, mechanisms for hearing and considering the voices of citizens institutionalized into the behavior and culture of public institutions. Institutional systems to address the above will ensure sustainability of results serving also as practice to be implemented by other Local Governments.

The systematic engagement of all affected stakeholders contributes to better understanding of benefits and costs of a proposed policy or legislative intervention, consequently ensuring evidence-based, qualitative, and effective policy-making processes.

Local democracy, accountability and promotion of women and men engagement were important aspects of STAR2 work. Under this framework, STAR2 set important cornerstones for strengthening municipal accountability and know-how for engaging citizens, including:

- A Standard Model of Transparency Programme, approved by the Commissioner for Information and Data Protection.
- A Guide on effectively planning, running, and reporting consultation processes was also developed.
- In consideration of a lack of any consolidated monitoring and evaluation system, STAR2 developed a self-assessment tool for municipalities to gauge the level of compliance with seven key minimal standards set by the legal framework on public consultation.
- STAR2 dedicated a particular focus to gender mainstreaming throughout these tools by addressing issues of equal access, representativeness and inclusiveness of all groups in local decision-making

While STAR2 had in the focus the strengthening of municipal practices and the compliance with legal requirements for ensuring meaningful participatory governance (the supply side), other development programmes contribute to promoting local democracy and civic engagement from other perspectives, SDC’s Leviz Albania encourages and supports citizen participation (the demand side) and SDC’s Strong Municipalities focus on capacitating municipal councils to exercise their oversight role in the governance of municipal decision-making.

Despite the support provided to date, participatory governance is still an underperforming area across municipalities. Even more so is women and vulnerable and marginalized groups participation. The recent STAR2 sponsored Local Governance Mapping exercise, carried out in Jan-Feb 2020, pointed out as major concerns the lack of activism, engagement and influence of civil society and communities in local governance matters as well as absence of proper citizen participation platforms, public consultation opportunities and dissatisfaction with the levels of information provided by local governments.

The below top 5 concerns identified by both the public and local government officials, illustrates the gravity of this aspect.

	Public	Local Government
Bottom 5	1 Lack of engagement with local government or CSOs	1 Lack of influence of CSO-s in decision-making
	2 Low levels of membership in political parties, trade unions and NGOs	2 Lack of community structures arising from civil initiative
	3 Lack of active citizens in interaction on Local Issues	3 Lack of well-equipped and skilled local NGOs
	4 Lack of involvement in monitoring and evaluation	4 Lack of open forums for CSOs to engage with local authorities

What municipalities offer today, in response to legal requirements to inform, interact with and engage citizens, is still far from meaningful and significant in most cases.

From a recent STAR2 review, it results that only 17 municipalities have published the name and contacts of the Coordinator for Public Consultation. The role of the Coordinator for Public Consultation is often assigned to low-level officials who also carry out other duties and have little knowledge and influence in policy and decision-making processes outside their departments. Only seven municipalities publish annual plans of acts that require consultation processes, and only the Municipality of Shkodra publishes both an annual plan and an annual report of consultation processes. Five municipalities have published individual reports for specific consultations processes that have been carried out. The most frequent consultations are those related to the annual budget, yet such documents, in the presented form are quite complex and not understandable from the average citizen and therefore with little chance for the citizen to understand the impact of the exercise on the territory or on specific groups of interest.

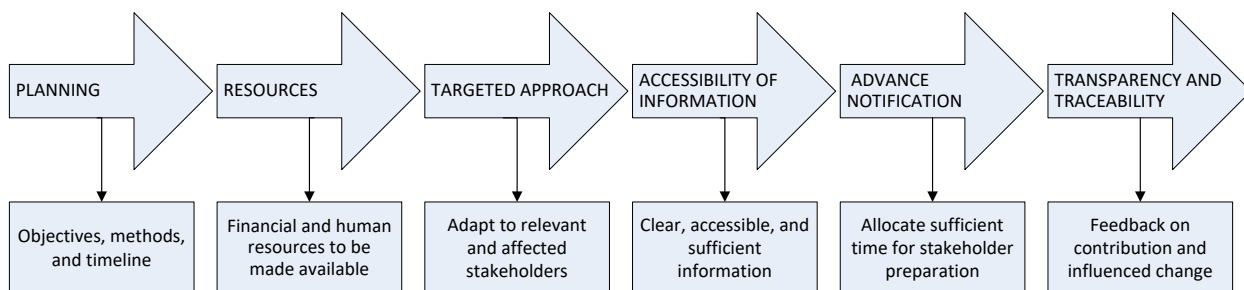
While the problem manifests itself in both the demand and supply side, from STAR3 perspective, municipalities need more support to at least put in practice the legal requirements, and more coaching to make effective use of the instruments provided in their specific contexts. Additional efforts are necessary to support municipalities in the detailed planning of consultation processes and use of innovative approaches for promoting participatory decision making. The project will also put an emphasis to empower municipalities in incentivizing participation of women and vulnerable groups.

The project approach in supporting municipalities to ensure effective public engagement in policy and decision-making takes into consideration the national legal provisions, respectively:

- Drafting of Annual Plan of decision - making process and its publication as part of Municipal Transparency Programme; and
- Drafting of Annual Reports on Transparency of decision-making process.

Both these key elements, currently not fulfilled at local level, are fundamental to ensure effective public engagement and will be used to incorporate into the working practice of selected municipalities the key quality criteria of participatory decision-making as: inclusiveness, careful planning; allocation of adequate resources and time; early involvement; relevant methods and tools, continuous communication, as well as monitoring and evaluation.

The approach to strengthen supply side participation will be structured to promote the following elements:



Drafting the Annual Plan of Consultations with the public and key actors. A comprehensive approach will be followed aiming at integrating input for key decision-making process within the municipality including: areas of decision-making subject to consultation during the year, necessary resources, timelines and actions to be undertaken, stakeholders and engagement mechanisms to ensure the targeted outreach as well as communication in different steps foreseen

and mutual exchange of information. Important attention during this process will be dedicated to gender barriers towards meaningful participation.

Establishing a follow-up cycle. Emphasizes though all stages of consultation planning, and implementation will be on communication and feedback mechanism to the citizens. A feedback report template will be designed to make use after each consultation as a transparency and feedback tool. As part of this stage of assistance, municipalities will be assisted to **monitor and evaluate** their consultation processes toward standards defined by law.

Implementing real life consultation. Assistance will focus in detailing the organization plan of consultations from identification of conditions and issues to be addressed, options to address identified issues and solutions. Specific efforts in this process will dedicate to i) development of the content and creation of materials to inform the discussions, ii) mapping of stakeholders, iii) notification, invitation and getting people to participate, iv) facilitating elements, v) report writing in support to decision-making. Innovative tools and techniques will be introduced thought out this stage responding to the specific necessities of target groups.

Specific support will be provided to design and formalize **annual reporting model on transparency in decision-making**, as essential element for keeping the municipality accountable and increasing trust of citizens in these processes and in the overall activity of their local government. Under this activity the project envisages also to encourage and support municipalities' performance reporting and transparency compliance, focusing also on gender disaggregated data on participation.

Selection of Municipalities: The project will support up to 10 selected municipalities to establish and consolidate in practice the key elements of public engagement and consultation cycle. Target municipalities for this assistance will be selected through a competitive process. A concept with specific criteria will be developed and presented in the Consultative Council between Local and Central government for discussions. A call for expression of interest will be issued requiring a motivation statement from interested municipalities and existing practice of participatory decision-making. Applications will be reviewed by a commission including representatives from Local Government associations, Ministry of Interior and UNDP. Project partners may be also part of the selection process. Specific criteria of selection will be applied to ensure at least 3 representativeness from the three different sizes of municipalities small, medium and large.

Dissemination: The objective of this outcome to establish a good practice replicable the rest of municipalities will be kept in focus since the early stages of implementation of this activity. The detailed approach will be consulted with representatives of LGs and their associations. The approach for the selection of municipalities is an important momentum to ensure seeds of further dissemination as it will be presented to Consultative Council between central and local government and the call will be addressed to all 61 municipalities.

Specific actions on the communication of processes and results during the implementation will be part of the project visibility plan with emphasis on outreach of LGs and their staff. The products developed in the framework of this activity will be presented in consultative meetings with Coordinators on Public Consultations prior to their finalization.

III.1.2 - Standard Municipal Integrity Planning practice expanded across municipalities

Transparency International qualifies integrity, along with transparency and accountability, as the three key overarching elements needed to effectively prevent corruption in a public office¹²: "When key public actors at the local level fulfil their mandates according to strict ethical and moral codes, and conduct themselves honestly, corruption has little space to take root.

¹² Local Governance Integrity: Principles and Standards - Nuno Ferreira da Cruz, Michel Gary - Transparency International © 2015 - ISBN: 978-3-943497-75-5

Transparency, Accountability, and Integrity – three key elements to prevent corruption in a public office.

(Transparency International)

STAR2 project set an important milestone by introducing an Integrity Risk Assessment Methodology and a Standard Code of Conduct for Local Government which were successfully piloted in six municipalities. The Integrity Risk Assessment methodology was drafted by the Institute for Mediation and Democracy (IDM) in

consultation with several local governments as well as central institutions and was endorsed by the National Coordinator Against Corruption (Ministry of Justice) and the Agency for Support to Local Government.

STAR2 approach consisted in guiding the six pilot municipalities to self-assess their integrity risks. The exercise focused on reviewing and assessing internal documents, sources and evidence, and policies and procedures. Thus, the whole process was based on 'insider' knowledge of the internal environment and working processes and helped to develop confidence of public officials in what they are doing well. This approach also provided a realistic and comprehensive overview of key areas of corruption and/or integrity risk, by 1) assessing the level of vulnerability or exposure of individuals to corruption risks and other unlawful or unethical behavior or practice, 2) identifying risk factors for corruption and other unlawful or unethical behavior or practice in individual working fields of an institution, and 3) defining measures to reduce, eliminate or control identified risks and risk factors.

The consolidation and expanded adoption of this instrument by over half of Albanian municipalities and making integrity planning a standard and integral part of the overall management of the local administrations is part of the targets of the current STAR3 project.

The adoption of integrity instruments by a significant number of local governments will create an enabling environment and a critical mass for a new culture of work and a monitoring system of integrity, benefitting both the central and local government. Together with the other efforts and assistance in strengthening municipal transparency and accountability, this capacity building investment will contribute to curb corruption and therefore align with the requirements of the national strategies on Anti-corruption and Public Administration reform, among others. This intervention also responds to the shortcomings identified by the STAR2 Local Governance Mapping 2020, where citizens' perceptions on Transparency and Accountability seem stagnated to the low levels of 2016 and this is more relevant for larger municipalities.

The project will support the Ministry of Interior and the National Coordinator Against Corruption (Ministry of Justice) to set up such a system and to continuously feed it with key information to establish the necessary basis for understanding and comparing the level of effort in the prevention of corruption.

STAR3 objectives are to support the expansion of the municipal integrity planning along the three Modules, by engaging respectively with an additional 15, 10 and 5 municipalities, so as to have about 36 municipalities following these principles and standards by the end of the project. The practice will also be disseminated to other municipalities and the objective is to trigger a positive reaction from additional municipalities by the end of the project.

During the piloting phase, the six municipalities were selected on a voluntary basis. This principle will be again applied together with additional criteria to be elaborated in collaboration with the local governments, and the Ministries of Justice and Interior.

As IDM has the authorship and is fully familiar with this innovative instrument and its challenges at local level, the implementation of the expansion sequence will be entrusted to IDM who will take the role of Responsible Partner¹³. As a Responsible Partner, IDM will be directly accountable in implementing this activity under a specific agreement with UNDP, as per UNDP implementation rules and regulations. IDM has already demonstrated its capacities and

¹³ As per UNDP procurement rules, a Responsible Partner may be any organization that is legally constituted and duly registered which possesses specialized skills and know-how and experience and provides a comparative advantage in delivering specific goods and services.

knowledge in developing instruments of organizational transparency, integrity, and risk assessment, both instruments endorsed and institutionalized respectively by the Commissioner on the Right to Information and Data Protection and the Ministry of Justice. These results are considered as solid grounds for building up and combining comprehensively experiences related to transparency and integrity

III.2 – Outcome 2 - Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance

III.2.1 - OSSIS Consolidation and Rollout

OSSIS rollout and functional in municipal centers and Administrative Units

Improving service provision to citizens has been one of the main priorities since STAR2 project design and also the project's main challenge. STAR2 set the objective to develop and deploy a One Stop Shop Information System (OSSIS) for service delivery to all the Albanian municipalities without such a system in place as of early 2017, that being relevant for 49 municipalities¹⁴ and their 260 Administrative Units, including Tirana's 11 mini-municipalities. Through this assistance, 82% of Albanian LGUs would have benefitted from a standard, automated, transparent and performant system availing the potential of technology.

STAR2 commissioned specialized expertise to first undertake an accurate assessment of the existing municipal infrastructure, understanding staff organization and the specific workflows of all administrative services offered in the traditional paper-based procedure. While due analyses were timely conducted for service work-flow optimization and standardization at national scale where possible, leading to the creation of a package of over 70 standard services deployed for each municipality, the municipal IT infrastructure was found very deficient in terms of IT readiness for almost all municipalities. The OSSIS rollout was forced to adapt to this situation and took the incremental approach of working with the most promising municipalities, addressing issues and finding joint solutions with the remaining ones on an individual basis, while the central government was called in to solve the problem at a national scale.

The lack of IT equipment was the prevailing difficulty, but not the only challenge. Local human capital, specifically computer literacy, despite tailored training and capacity building, is a second major issue, compounded also with a degree of staff resistance to depart from the old traditional paper-based work. The leadership of mayors was definitely a game-changer in most cases to overcome technical issues and commit to start operating the system.

The pre and post-local elections 2019 period had a mixed effect on the OSSIS; in some municipalities and AUs the pace of operation of the OSSIS slowed down and in some AUs even halted; on the other hand, some of the unpromising municipalities, with the change of leadership, made themselves ready and started to operate the system starting from early 2020.

Despite the difficulties, as of end March 2020, the progress in OSSIS implementation has reached significant figures: thanks to STAR2, 40 municipalities operate OSSIS in their central municipal offices and 16 AUs have started to record cases through the system for a total of almost 17,000 applications recorded in the system.¹⁵ As part of the OSSIS roll out process, 100% of staff in the 50 municipal central offices and 70% of the staff of the administrative units is trained on how to operate OSSIS, for a total of 1716 staff trained. In eleven municipalities, OSSIS is collocated with ADISA One-Stop-Shops, whereby citizens are benefiting access to both local and central services in a single office.

The extension of the OSS system to over 80% of municipalities calls for further support for the process to continue, closing the gap and enabling the establishment of a standard in delivering administrative services as well as responding

¹⁴ In 2019, Roskovec became the 50th municipality of the list, also adding 3 administrative units

¹⁵ In total, 51 Albanian municipalities, or 84%, make use of an OSS system, out of which 40, or 66%, have been supported by STAR2

to citizens' expectations for service quality.

In this context and in front of an opportunity for not losing the momentum, the OSSIS expansion in the remaining municipalities and all administrative units, along with the consolidation and fine-tuning of the entire OSSIS network, is the main objective for STAR3 project.

Taking into account an extra mile effort invested by UNDP during April-August 2020, following STAR2 completion, it is expected to bring the OSSIS in up to eight additional municipalities. In total, STAR2 OSS system will then be present in 48 municipal centers and 16 administrative units by end August 2020. Thus, the situation STAR3 will need to address includes the expansion of OSSIS in the last two municipal central offices as well as in 247 administrative units being part of 50 municipalities operating a STAR2 OSSIS.

The main problem remains the poor state of IT infrastructure in some municipalities, although they already operate an OSSIS, but especially for their administrative units. The central Government proved unable to find a general solution for the shortages of municipal IT hardware; indeed, most municipalities, 33 of them, found local solutions to secure resources or rearrange existing ones to meet - often only basic - OSS requirements. This would prove more difficult for resourcing gaps in administrative units, especially for smaller municipalities.

In consideration of the above, STAR3 proposes the following implementation approach and results:

Module 1

1. Engaging in a local public awareness across all 50 municipalities on the features and benefits of using OSSIS and expanding it to all administrative units, responding to the principle of citizens' proximity to services. The public awareness will also be used to trigger municipal resources for covering their IT needs where possible.
2. With the understanding that the need for IT equipment is present for most administrative units and in some municipalities where OSSIS is minimally operational, update the assessment conducted during STAR2 for each individual municipality.
3. Identify IT needs meeting the criteria of opening one service window per administrative unit and securing basic functionality; extra windows being at the expense of individual municipalities
4. Cover the IT hardware costs for, at least, the smaller and medium municipalities; larger municipalities might be requested to cost share.
5. In consideration of the identified challenges that require OSSIS improvement of the current functionalities and fine-tuning features and development of new modules to further automate service delivery processes, upgrade OSSIS to manage correspondence exchange, known as protocol office. The transition from paper-based to digital document flow creates a significant bottleneck in service application, processing and delivery and has become a showstopper in several cases.
6. Improve users' access to OSSIS through mobile application development, including the main OSSIS features that can be put online.
7. Continue collaboration with ADISA for increasing the number of collocated service delivery offices for both central and local level services

Module 2

8. Upgrade the OSS central server to ensure business continuity in case of disaster or temporary failure
9. Integrate OSSIS with other third-party systems in use by municipalities to complete the missing link in the service digitization and workflow automation.
10. Continue collaboration with ADISA for increasing the number of collocated service delivery offices for both central and local level services

Relevance of OSSIS expansion to the Administrative Units

Expansion of OSSIS in all AUs constitutes a top priority of the present proposal for post-STAR2 assistance, even though

this exercise faces several hurdles, from STAR2 own experience as well as from non STAR2 OSS initiatives. The MTR 2018 notes that out of the municipalities operating an integrated OSS during 2015-2017, that is in the period pre-STAR2, only 58% have a level of OSS territorial coverage of over than 50%.

As per the Census 2011, the population living in the 50 municipalities of relevance for STAR3 OSSIS is 2,200,054 inhabitants, out of which 1,092,124 are residents in the AUs. This means that, for about 50% of the population, service access would be either more tedious for the citizens and a burden on the central municipal office or solutions could be sought to bring the services at the AU level. Operational data from STAR2 OSSIS reporting module indicate that 60% of administrative services are requested by citizens more than 50 years old, out of which 26% requested by people traveling from the AUs.

In terms of distance, only 90 AUs or 36% of them are located less than 10 km from the municipal center, for the other 64%, citizens need to travel from 20 km to up to 67 km, often through a second or lower hand road network. The estimated driving time varies from a minimum of 35 minutes to a maximum of 4 hours. Considering that majority of people living in the remote AUs do not own private vehicles, the travel would rely on public transportation, which for such areas is offered once per day if at all.

Municipal central offices have a better infrastructure compared to their AUs, the same applies for staff and other resources. Municipalities have dedicated internet lines, with 40% of them even high-speed internet, while for the remaining 60% an upgrade is needed to ensure normal operation for OSSIS and other systems in place. However, most AUs have insufficient IT hardware but internet connection is available in more than 85% of them, although with limited access and speed. Civil registry offices are permanently connected through either a dedicated satellite line or a private internet provider secured by the central government, even for the most remote AUs.

AUs premises where OSSIS front desks could be located and the necessary number of dedicated personnel to operate the system as front-desk officers have been assessed, documented, and communicated to the respective mayors. 75% of the municipalities at scope partially fulfill the recommended number of personnel, the remaining 25% have the necessary personnel in place. It is worth to mention that 70% of AUS' staff from the 49 municipalities participated in the trainings organized during STAR2 OSSIS implementation.

The issue of premises for the OSSIS front desk is identified as a problem in few municipalities, mostly in those where municipal offices are under reconstruction or preparing to move into a new building. Nevertheless, the number of AUs with no space for hosting the OSSIS front desk is also low, as the requirements in the case of AUs is more basic.

It is likely that, despite the capacity building and local infrastructure investment, some remote areas would still not be able to have system connectivity, even where there is already mail service and mobile network connectivity. In these cases, additional assessments will be conducted, and adequate alternative solutions will be sought to ensure coverage.

III.2.2 – Establishing local public service standards: setting the approach

This is an activity that can take place in Module 3, thus depending on funding availability and further consensus and elaboration.

Public service delivery is at the core of local government work. By definition (Law no.139/2015) “Public services” are those services of general public interest for the community, offered by a municipality on an ongoing basis, at affordable prices, according to the national minimum standards defined by law or other normative acts”. Similarly, the Decentralization Strategy Monitoring Report underlines the need for stronger cooperation between ministries and municipalities regarding the implementation of sector-specific decentralized functions and underlines the need to improve the quality of delivered services by enabling their monitorability as well as through developing minimum national standards for all local services.

Defining minimum service standards is meant to ensure services meet some basic criteria and evolve upwards. Substandard service delivery, assuming even on empirical minimum levels, are financially inefficient, and leads to doubts about mismanagement, accountability failures, and dissatisfaction. The existence of such standards contributes to the opposite and more, considering that standards represent quantifiable levels of performance that are the basis for judging actual performance. Thus, proper service delivery depends on skilled human resources, and effective organization and management, but also on the ability to objectively assess the quality of services delivered.

Unfortunately, the definition of standards for local service delivery is an area where little exists, including some efforts of national institutions or development partners. This is also an area that requires a serious engagement and coordination of both central and local institutions as well as considerable resources. To date, one of the few areas where service standards seem to have been defined is water supply and waste, though more information is needed to understand whether these standards are usually met, whether they ensure proper quality, accessibility, affordability, and what happens when targets are missed.

While STAR2 has contributed in setting some standards through the operation of the OSSIS and the integration of ADISA standards in joint service provision offices at the local level, these services pertain to the administrative space; utility services are still and mostly unregulated.

As this is a new area, preparation work is needed to decide which services to select and address. It is also necessary to work with the right stakeholders in making the first steps, since standards may be defined in different ways. The project maintains that citizen preferences and expectations should strongly inform service standards and targets. Also, while national frameworks should be respected, it might still be possible that reference points for setting standards and targets might include:

- ✓ past performance of the service.
- ✓ performance of other municipalities.
- ✓ benchmarking against peer groups, service, or industry.
- ✓ resource constraints and costs, etc.
- ✓ the way the quality of services impacts women and men at local level, bringing to the attention the gender barriers and gender inequalities and how services could plan to tackle such gaps and barriers.

The project will limit itself to focusing on a limited number of services, depending on the level of complexity, resource requirements, etc. However, this intervention will set the stage for replication and setting the stage for expansion. Following the selection, and a thorough assessment of how the selected local public services are delivered, the team will focus on consulting relevant experiences and standards for the selected local public services, prior to developing the local or minimum national standards. Draft work will be closely consulted and discussed with both local and national actors. Recommendations from these consultations will be part of the finalization of the process. The finalized service standards will be proposed to Central Government for their approval and nation-wide application to all municipalities.

III.2.3 – Piloting the full cycle of municipal assets’ transfer, inventory, registration and management

This is an activity that can take place in Module 3, thus depending on funding availability and further consensus and elaboration.

For almost 18 years the Government has attempted to finalize the public property transfer to LGUs, but the process still remains at crossroad. From 371 LGUs starting the process in 2001 only 47% of them have approved final act (CoM Decision) of property transfer while there is no data for any municipality completing the process of registration except the former Municipality of Gramsh.

The institutional and legal framework related to public property transfer at local level appeared quite complex and underwent various changes. The transfer process itself required several back and forth between the local government and several central government agencies with many bureaucratic processes which at the end did not provide to local government a secure property right accompanied with all necessary and correct documentation.

The situation becomes more complex in the context of TAR as within one municipality AUs are at different stages of property transfer process (i.e. some AUs are at inventory phase, some at the preliminary lists of properties phase and others have completed the process). A CoM Decision, No. 510, date 10.06.2015 obliges the former communes to transfer to the new municipalities the documentation related to public property inventory and transfer while it charges the Immovable Property Registration Office / Cadaster to reflect the related changes to the Cadaster documentation.

One of the problems encountered during the inventory phase has been the inability to establish a partnership between IPRO and LGUs to exchange information on an ongoing basis. This shortage has been one of the causes of the slowdown in the inventory process, but also one of the reasons for the failure to register transferred public properties due to data discrepancies.

Another issue relates to the high costs of property registration. The property registration costs cover IPRO tariffs, fees for licensed geodesic engineer, as well as the late fee payment of 10% of the transaction price (which is the case for most municipalities). Considering the number of unregistered properties throughout the municipality territory, costs amount to figures that become unaffordable.

The service of the first registration shall be provided by a licensed geodesic engineer whose minimum tariffs of services for a property from 100 -500m² is 5000 ALL/property. Based on these figures the minimum cost for registration of a property is approximately 14,200ALL. If we would calculate the cost for the properties of Fieri (central/city Municipality) which have about 850 immovable properties it reaches the amount of 4,260,000 ALL or about 300,000 Euro without calculating the administrative units. In this situation, it is convenient for the municipalities to establish a unit with specialized staff to work for the preparation of the necessary documentation of property registration by reducing this way considerably the cost of the preparation of documentation even though such measure would require some amendments of legal framework.

On the other hand, the delay in registering a transfer or transaction decision of a property exceeds the 30-day deadline, in addition to the registration fee, a delay of 10% of the transaction price will be paid but no more than 300,000 ALL for each registered asset. In concrete terms, when the deadlines following the approval of the list of properties being transferred to local government ownership have exceeded the registration deadline, then, for the purposes of Section 39 of Law 33/2012, all municipalities must pay 300,000 ALL in interest for each property they will register. This situation can no longer be resolved except by a legal adjustment which exempts municipalities from the general obligation or rule.

The institutional context, sharing responsibility for inventory and transfer and registration of property between different institutions fueled the above challenges and problematics related to local assets.

Currently, the Law 111/2018 "On Cadaster" marked a step forward in the framework of property reform integrating in in one Institution "The State Agency of Cadaster" the duties and Responsibilities of IPRO, Agency od Property Restitution and Compensation, ALUIZIN (Agency of Legalization and Urbanization and integration of Informal Areas), as well as Agency of Inventory and Transfer of Public Properties. This important change rises the possibility to tackle the bureaucratic challenges arising from inter institutional relations implication in the process of property transfer and registration at local level.

The support of the project will focus on piloting a comprehensive, full-fledged asset management process in all its three constituent stages, namely inventory, transfer of assets and registration. Following an accurate assessment of the existing practices and problems related to the property transfer and registration, the project will assist the State Agency of Cadaster to compile the necessary legal amendments on inventory and transfer of assets at the local level.

A comprehensive process of property registration will be developed in close cooperation with the State Agency of Cadaster to ensure a clear unequivocal process to be followed by municipalities. Piloting will be conducted in a municipality that offers a representative scale and scope of issues, to ensure that the end-process/practice is applicable/transferable in any municipality in the country. The tested practice will be further introduced to responsible officials and authorities at the central and local level building their capacities on its implementation.

III.3 - Outcome 3 - Central government institutions responsible for decentralization and local government are capacitated to effectively drive policy development, coordination and monitoring in accordance with the IPSIS national system

This activity will be implemented incrementally along the three modules, starting with the support for extension of IPSIS system for assessing municipal performance in Module 1 and additional institutional capacity building in the other modules.

Since 2017, the Ministry of Interior is the institution responsible for policy making and implementation of the Decentralization and Local Government reform, thus responsible for enabling an environment for a more effective and efficient local government, leading and coordinating relationship between central and local government levels and monitoring local government compliance with national policies and legislation. The Ministry of Interior is also responsible for the oversight and monitoring of the NCSDLG.

The Decentralization and Local Government reform, the vehicle for implementing the NCSDLG, is an ongoing agenda with responsibilities and tasks for both the local governments and the central Government. The Medium-Term Review of the Strategy highlighted several key priority actions of direct concern to the Ministry of Interior, among which: (i) central government institutions' capacities to ensure legal harmonization of sectoral regulatory frameworks with local government functions; (ii) central government capacities to oversee and monitor the implementation of the NCSDLG and its respective Action Plan 2019-2022; (iii) coordination and monitoring role of central institutions on local governance performance; (iv) the need to review municipal models of organizational structures and recommend efficient and cost-effective reorganizations based on municipal typologies. In the mid-term, the Ministry of Interior should lead the preparations and finalization of the next NCSDLG.

All this work requires capacities and systems for coordination and analysis and cross-institutional collaboration. In this view, the capacities of the MoI structures in charge of local government need to be strengthened. An engagement to address capacity issues at central government, together with supporting the institutionalization and functionality of the partnership between central and local administrations, will help the central government to enhance its strategic and evidence-based policy making, formulate a better and effective policy framework, create appropriate regulatory systems and provide better assistance to local governments.

By considering capacity building interventions at central level as a contribution with direct impact on local policies and the overall decentralization framework, STAR3 anticipates support for the following:

1. capacity building to monitor the progress of the implementation of the NCSDLG, in line with the requirements of the integrated IPSIS system and in coordination and guidance from the Prime Minister Office / the Department for Development and Good Governance
2. expansion of the IPSIS national system at the local level in order to harmonize data for measuring performance at the local level, including planning, financial and good governance indicators, public accountability and participation, technological level and efficiency of provision of services, etc.
3. provide technical and legal support to MoI to enhance policy making and complete the regulatory framework of the Law on Local Government

4. support the development of the new NCSDG, in accordance with the IPSIS standards, providing special focus on ensuring gender mainstreaming and viable gender equality measures.

In parallel, assistance will be provided by the EU Delegation to strengthen and better articulate the central-local partnership and dialogue through supporting the Consultative Council and improving the quality of inter-institutional coordination in a broader sense.

The above STAR3 intervention areas will be tackled along the modules, starting in Module 1 with the support for monitoring the NCSDLG and contributing to the development of a municipal performance framework.

The MOI will lead the oversight and monitoring of the NCSDLG, build capacities to assess progress, engage in thematic analysis and publish results on a regular basis.

Support for monitoring and reporting progress on NCSDLG implementation will consist in assessing capacities internal to the MOI and their organizational setting for such responsibility, the data and information requirements, the development of a monitoring system and the capacity building needs for conducting this exercise in house. This support will internalize this important function and move away from the practice of relying on external experts and assistance for carrying out this exercise annually. It is aimed that such capacities are put in place for reporting on progress in the second year of project implementation.

Understanding and measuring municipal performance is a critical area for objective analysis and assessment on how local government performs vis-à-vis exercising their competencies and functions and applying good governance principles. To-date, MOI and municipalities themselves lack any integral system for monitoring the progress and development at municipal level, although a few thematic systems are being built with the help of international development assistance. Furthermore, although a legal obligation stipulated in the Law 139/2015, municipalities do not have offices for data collection and performance monitoring in their institutional structures and do not apply a uniform standard for data collection and management to inform their internal decision-making levels nor the central level.

In parallel with other initiatives, STAR2 has developed a set of municipal indicators on key dimensions of good governance, including the rationale for selecting specific data and indicators and their relevance associated with a roadmap for engagement and contribution. The framework includes key performance indicators with respective definitions and metadata also defining data availability and responsible institutions. The indicators are structured along 6 dimensions: (i) Long term orientation of development, (ii) Local competences and capacities, (iii) Local public services provision, (iv) Integration of information technology (v) Sound financial management, and (vi) Transparency, accountability, and citizen participation

Under the leadership of MOI, the framework was consulted with key state institutions and different partners working on local data and indicators¹⁶, with the aim to ensure synergy between similar projects and minimizing duplication. Consensus has been reached for STAR3 to contribute to first formalize the process of standardizing data and relevant indicators to better serve for monitoring purpose as well as join efforts to support increasing municipal capacities on collecting and processing data and establish adequate municipal performance offices.

STAR3 will standardize and harmonize data and performance measurement indicators at the local level, ensuring that all actors can contribute and be users of the information stored. Support will also include capacity building for 61 municipalities and the MOI, the latter being the institution responsible to coordinate with LGUs.

This activity is ongoing at the technical level and templates for data passports are being jointly developed, in accordance with the IPSIS national system. Therefore, this activity will continue from the outset of STAR3 with the (i) compilation of data sets and data standards in consultation with local governments, (ii) consolidation of standards

¹⁶ Progress is being made through technical consultations involving SDC's Strong Municipalities project, EUD's Municipalities for Europe project and SECO's Strengthening Subnational Public Financial Management in Albania

and procedure for the IPSIS system at local level related to performance assessment (iii) extension of IPSIS system at municipal level and testing of the respective modules related to performance indicators by all actors (iv) the fine tuning and operationalization of the system, and (v) piloting the functionality at selected LGUs in the first phase, followed by the development for the other LGUs in a sequence mode. It is expected that this activity will be completed within Module 1.

III.4 – Outcome 4 - Local government has capable and sustainable human resources able to effectively perform local government functions in accordance with the good governance principles

III.4.1 - Structured capacity building to LGUs' staff

Qualitative service delivery at the local level is strongly related to the efficiency and effectiveness of local government units as well as to the level of capacities of local civil servants, who not only deliver local public services, but also contribute to the strategic and policy development of local government units.

The success of reforms and the impact of technical assistance would be insufficient and difficult to achieve if, in parallel with the proposals and application of systems and standards, weaknesses will persist in institutional strengthening and local administration capacity and the training schemes supporting them. Local administration officials are not only the minds and strengths of the municipalities but at the same time their face in the relations with citizens, this is why there are no reforms that bypass their involvement, participation, contribution and motivation.

Currently in Albania, tailor-made capacity building that is continuous, systematic, and responding to the needs of local government is not available, thus seriously hindering the provision of qualitative services, as well as impacting efficiency and effectiveness of local government units. The regulatory framework in power provides for relevant institutions, like the Albanian School of Public Administration, to undertake measures that cater to capacity building at the local level. The Cross-Cutting Strategy on Public Administration reform provides that more efforts are needed in relation to human resource management at the local level, this also including training, development of training plans and their delivery to the local administration.

The Albanian School of Public Administration (ASPA), former Training Institute of Public Administration (TIPA), is a central public institution, with administrative and academic autonomy, with the mission of training the civil servants of central government, local government, and independent institutions. ASPA provides various services in the framework of classroom-based training programs, Trainer of Trainers Programs, internship programs, e-learning programs, et al. Every year ASPA trains approximately 5,000 public officials, based on more than 100 didactic Training Modules. ASPA collaborates with trainers of rich experience coming from the Academia, Public Administration, and local expertise in various fields.

At present, ASPA, the central institution in charge of capacity building for public servants, limits its capacity building program to a general induction training, obligatory for the new entries in civil service at local level. Unconsolidated institutional structures of municipalities and unclear job specifications have further added to the capacity building deficit. Capacity building that focuses on technical competences has been primarily focused on the central level, and it has been mainly offered in the form of cooperation between ASPA and/or donor agencies and civil society actors. What has been offered so far to local public servants, is limited to *ad hoc* training programs provided through technical assistance of active actors in the area of decentralization and local governance. As these programs take place within a given project mandate and serve project objectives, they are limited to a specific period, and lack any follow-up beyond the lifespan of the project and programs establishing them.

STAR3 proposes to collaborate with ASPA to put the foundations of a system able to create capable and sustainable human resources able to effectively perform local government functions, based on identified needs of local administration and in line with ASPA visions and the reform in public administration.

The proposed assistance does not only respond to the needs but as confirmed by ASPA is an immediate and which no other technical assistance projects or organizations are dealing with. Furthermore, some of the proposed activities will not start from the scratch, but will be upgraded and developed based on the existing knowledge and experience created with valuable contribution of other projects and partners such as, CoE and dldp projects financially supported by Swiss Government and the integration, where relevant, of the knowledge products and curricula developed by Strong Municipalities and Municipalities for Europe project.

ASPA's vision is to expand its services to better respond to the increasing need of public administration for qualitative knowledge, which addresses their fields of work. Its priorities are related to capacity building of local government officials including the offering standard training curricula responding to the specific needs of local government. To address the issue of providing relevant trainings to the local public administration, ASPA has made attempts to assess the needs of local governments for capacity building, but it acknowledges that municipalities need to be better skilled in identifying training needs.

Based on the current situation, and in consultation with ASPA, the project will support municipalities to strengthen their institutional capacities by empowering ASPA to better respond to the training needs of local government. The assistance will focus on supporting ASPA to provide tailored capacity building to local government meeting the needs for knowhow of different levels to ensure better implementation of decentralized functions.

Curricula will cover, a wide range and in a holistic basis, capacity building aspects, encompassing an extensive range of factors that have a bearing on the local government performance as an institution and its stakeholders. The curricula to be developed will be selected in collaboration with ASPA and in consultation with local governments.

Considering the large number of municipal officials and the limited resources to afford classical class training, the project will support ASPA to adapt further the curricula into e-learning modules to ensure access from all interested local government officials. Combined approaches will be developed to ensure improved access of local government officials in training, by combining conventional and e-learning formats. The e-learning platform will be further developed, and all its instruments will be transferred to ASPA. Access to capacity building programmes will be provided to municipal elected leaders, municipal managers and other municipal officials with the view of instilling managerial and good governance principles and strengthening the overall effectiveness and efficiency of local government work.

Some alternative, innovative complementary capacity building methods are already initiated from ASPA, including organization of webinar and online meetings through online platforms "Go to webinar" and "Go to meeting". These two learning tools proved to be very effective particularly during the two last months of the COVID-19. ASPA e-library designed with technical assistance is another tool in use which enables a rich data base of didactic materials and training curricula which ASPA is in process of upgrade of users to access the library. Currently ASPA is in process of collection of training materials from different training providers, mainly technical assistance projects.

The above will be achieved through the implementation of the following activities:

4.1.1 Support ASPA to design and deliver an induction curriculum for local government officials

Induction training is obligatory for new entries in specialist level in civil service in all public institutions in Albania, local government included. This training should be taken during the first year of probation period in civil service and passing the exam of induction training is one of the conditions of gaining the civil servant status.

ASPA vision is to reform the structure and content of the induction training from the current one, 5 training days, in a new reformed induction training, 20 days in total, divided in 4 training series of 5 days each, delivered throughout

the probation year, every quarter. Content wise, induction training is composed by two main blocks, the first one on general themes unified for all civil servants of all public administration institutions, while the second block on specific themes, such as in the case of local governance.

Training groups who attend the induction training will be composed by participants keeping positions and covering functions of similar nature. The induction training for local government is proposed to be 75% related to general concepts and themes of public administration and 25% related to local governance issues. ASPA require assistance for reforming the induction training package for local governance for the two blocks, general and the specific.

The support will cover: 1) The programming process of induction training, based on current ASPA standard (themes definition, objectives, formal program documentation), 2) Curricula design, 3) Organization and deliver of training of trainers for induction training, 4) Training impact evaluation (methodology, knowledge and skills evaluation to measure impact).

Induction training for local administration civil servants will be organized and delivered by ASPA.

4.1.2 Support ASPA design and deliver complementary alternative capacity building formats for local administration

In addition to formal trainings in class, ASPA is working to introduce the exercise of alternative capacity building approaches such as coaching, mentoring, workshops, internships, network of professionals, one-minute learning and e learning. These complementary learning techniques are recently initiated from ASPA and support is needed to be further developed in a structured way and further implemented and utilized from local administration.

Main sub activities include:

The professionals networking program - which aims to put in touch professionals in the same field, giving them the opportunity to share their best practices and work experience as well as counseling, coaching and mentoring, the school is creating its own network of counselors (within mentoring and coaching) who are willing to help anyone who aims to develop, internship of civil servants in other public institutions.

The project support will consist in: 1) Creation of local governance professional's network based on their positions and functional responsibilities, 2) Drafting of a methodological document for identification of local government professionals, design of the data base with their contacts, 3) Organization of 3 events during a year with 3 selected professional networks aiming at introduction of the network, share of information, identification of network leaders, coaches and mentors for the new entries, identification of needs.

Workshop program based on problem analysis methodology – every civil servant starting from the specialist level should be able to deal with problems, their identification, presentation, analyze and provision of alternative solutions. Currently public administration lacks an integrated analytical and argumentative frame, part of any regulatory or strategic document. ASPA is trying to incorporate the problem analyze based approach throughout all its capacity building process and activity. The workshop program is based on this methodology through engagement of professional's networks. This format brings together professionals' networks, representatives from central institutions representing the sector and experts. The purpose is to create the venue of discussion to contribute in transforming a problematic issue into solutions through, discussion and analyze.

The project support will consist in: 1) Development of the problems analysis based methodology, 2) Training of trainers on problems analysis, 3) Organization of 4 pilot workshops, 4) Follow up activities on the status of problems discussed in 4 pilot workshops.

4.1.3 Support ASPA to adapt curricula into e-learning modules.

E-learning is common in nowadays successfully exercised from different international institutions and organizations. E-learning effectiveness is particularly valid in case of capacity building of local administration considering training costs and time consuming compared with training in class.

The current IPA 2014 project “Implementation of the Civil Service Reform in Public Administration” created a new Human Resources Management platform administered from Department of Public Administration. Part of this platform will be a dedicated space and module for ASPA. E-learning training modules are planned to be incorporated in this platform enabling access from civil servants. The IPA 2014 project “Implementation of the Civil Service Reform in Public Administration” is working on the design of an e-learning methodology. This methodology will streamline all the steps for production of an e-learning curricula. ASPA considers this methodology as the basis but is interested to receive technical support to revise and upgrade it.

The project support will focus on: 1) Improved methodology of the ASPA module created from IPA 2014 project, 2) Upgrade of the ASPA module created from IPA 2024 project (more complex functions, features and attributes and curricula of different themes uploaded), 3) Provision of infrastructural equipment for creation of e-learning training curricula (camera, recorder, green screen, on line licenses etc), 4) Production of 4-6 e-learning modules for local civil servants, based on local government functions.

The e-learning curricula to be produced will be selected in cooperation with other actors and ASPA.

III.4.2 - Strengthen implementation of civil service law at local level

This is an activity that can take place in Module 3, thus depending on funding availability and further consensus and elaboration.

The expansion of Civil Service Law at local level was an important cornerstone to build up sustainable administrative capacities at local level. Yet, the proper implementation of the CS law at local level requires more efforts, where many appointments have been made in breach of this law.¹⁷ As the public administration reform remains crucial to the country’s EU integration process, the proper implementation of the civil service legislation becomes equally important to be properly enforced at all both central and local levels.

To overcome challenges related to inter-institutional communication, reporting unification of the administrative practices and the quality of human resources management, the Government has recently developed an integrated platform for the communication and reporting of all public administration including local government, particularly helpful to the latter as it is reportedly struggling to implement properly the civil service law because of the lack of practices, guidance and procedures.

The “*administrata.al*” *platform* is a unique helpful source for the implementation of the civil service law and procedures. It is administrated by the Department of Public Administration in cooperation with ASPA and the Commissioner of Civils Service as a concentrated unique source of information, aimed at facilitating human resource management at central and local level. The system allows for a digital HRM (recruiting, job description, performance evaluation, reporting, etc.). It also allows restructuring of institutions and ensures exchange of practices and experiences related to the management of human resources, access to pre-set modules, and legal provisions.

The project will support municipalities to better understand and use the platform for the overall improvement of the HRM at local level. Dedicated assistance will be provided for its operationalization through capacity building and a help desk, addressing all elements of the system, which in return will increase the efficiency and effectiveness of local HRM, as well as transparency.

¹⁷ Albania Country Report 2019, European Commission

Considering that one of the main benefits of the platform for its users is that it serves as a unique source for sharing practices, templates and guidance from the project will support municipalities to adapt their Internal Standard Procedures to the most recent legal requirements and practices and share them with their peers.

III.5 - Project outputs and activities

Outcome 1: Local government participatory governance practices are in place and functional and encourage civic engagement		
Outputs	Indicative Activities	GM
1.1 – Operationalize participatory governance in practice	1.1.1 Support development of annual consultation plans in 10 selected LGUs	1
	1.1.2 Support real life public consultations and follow up cycle, with a special focus on incentivizing participation of women and vulnerable groups	1
	1.1.3 Disseminate good practices in 61 Municipalities	1
	1.1.4 Organize periodic thematic discussions on local government matters	2
	1.1.5 Local Governance Mapping	2
1.2 Standard municipal integrity planning expanded in 30 additional municipalities	1.2.1 Expand Standard Integrity Instruments in 30 additional municipalities	0
	1.2.2 Develop an integrity index to be integrated in the performance system	0

Outcome 2: Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance		
Outputs	Indicative Activities	GM
2.1 – Basic One-Stop Shop system requirements for IT infrastructure is supported	2.1.1 Public awareness on OSSIS conducted	1
	2.1.2 Updated assessment of IT municipal gaps and needs	0
	2.1.3 IT local infrastructure procured	0
2.2 OSSIS rollout to all STAR2 municipalities and the respective administrative units	2.2.1 IT equipment installation and configuration in each location	0
	2.2.2 Rollout OSSIS in all Administrative Units	1 0
2.3 OSSIS is updated and enhanced for improved system integrity	2.3.1 OSSIS disaster protection backup hardware	0
	2.3.2 OSS Business Continuity infrastructure	0
	2.3.3 OSSIS upgrade with core modules, protocol, and document correspondence	0
	2.3.4 OSSIS Mobile App and web application developed	0
	2.3.5 OSSIS Mobile App Maintenance & Upgrade	
	2.3.6 OSSIS integration with third party systems and BI	
	2.3.7 Software maintenance and support (3 years)	
2.4 – Standards for selected public services are piloted, developed and disseminated for nationwide adoption	2.4.1 Define standards for selected local public services in selected municipalities	1
	2.4.2 Support planning and implementation of standardized local public services	1
	2.4.3 Standard local public services are disseminated and adopted for wide application	1
2.5 - Development and piloting a	2.5.1 Assess existing practices and problems with transfer and registration of properties	1
	2.5.2 Assist the National Cadaster Agency prepare DCM on inventory and transfer of assets	0

comprehensive process of assets transfer, inventory, and registration, for potential replication	2.5.3 Develop with National Cadaster Agency a comprehensive process on property registration	1
	2.5.4 Pilot in one representative municipality the process asset inventory, transfer, and registration	1
	2.5.5 Support adoption of a standard for inventory, transfer, and registration of LGU properties.	0
	2.5.6 Capacity building on the procedure at local and central government	0

Outcome 3: Central government institutions responsible for decentralization and local government are capacitated to effectively drive policy development, coordination, and monitoring		
Outputs	Indicative Activities	GM
3.1. Central oversight, monitoring and reporting on NCSDLG & AP implementation is structured and functional	3.1.1 Monitoring and reporting support	1
	3.1.2 Support the process of preparation of the new NCSDLG, providing special focus on ensuring gender mainstreaming and gender equality measures	2
3.2 Legal harmonization of sectoral and local government regulatory frameworks advanced	3.2.1 Identification and participatory plan for harmonizing the legal framework	0
	3.2.2 Legal support for drafting / approving legal acts developed in this framework	1
3.3 Extension of the IPSIS national system at local level to harmonize and operationalize the performance assessment system is in place and informs policy making	3.3.1 Expansion of the functionalities of the IPSIS system in the LGUs and piloting of the system for the performance measurement module of the municipalities	1
	3.3.2 Capacity building to municipalities on using the data for measuring performance, setup performance offices and having a systemic approach	1
	3.3.3 Increasing Mol capacities on the use of system and coordination with LGUs	0
3.4 Encourage municipal annual performance reporting, including transparency compliance	3.4.1 Functionalization of the IPSIS system module for performance measurement as well as extraction of reports from the system (Identify voluntary municipalities and work on adopting municipal annual activity reporting (10))	1
	3.4.2 Disseminate good practice and templates for annual reporting	1

Outcome 4: Local government has capable and sustainable human resources able to effectively perform local government functions in accordance with the good governance principles		
Outputs	Indicative Activities	GM
4.1. ASPA builds and delivers a comprehensive plan and structured training curricula for municipal staff	4.1.1 Support ASPA to design and deliver the induction curricula for local government officials	1
	4.1.2 Support ASPA to design and deliver alternative learning formats	1
	4.1.3 Support the adoption of an e-learning platform	0
	4.1.4 Support ASPA adapt and deliver curricula through e-learning modules	1
4.2 Municipalities assisted in fully transiting to “administrata.al”	4.2.1 Promote and raise awareness on the use of administrata.al	0
	4.2.2 Offer dedicated assistance to Municipalities for administrata.al operationalization	1
	4.2.3 Establish a LocalGov Helpdesk at DoPA to assist municipalities on administrata.al	0

III.5 - Key Stakeholders

Ministry of Interior – is the institution responsible for coordination with local government units and with local government associations. The Deputy Minister in charge of the Local Government and Decentralization oversees implementation of the decentralization and local governance reform, as well as coordination with local government units.

The Ministry of Interior, along with 61 municipalities, is the primary beneficiary of the proposed project. MoI will be responsible for the project implementation and oversees coordination and decision making for various project activities; making sure its results are in line with the project scope and compliant and responsive to national priorities. Also, the MoI will facilitate institutional decision making to ensure conditions for project implementation are met.

- The modalities of the functioning of the Project Steering Committee remain the same as in the STAR2 Project. The National Project Director is appointed by the Minister of Interior. The Deputy Minister of Interior in charge of Local Government and Decentralization co-chairs the Project Steering Committee, while a National Project Director, shall be responsible for the achievement of project activities and shall serve as the official liaison between the Ministry of Interior and UNDP, to ensure proper project execution.

The Ministry of Interior will be the main partner in supporting project implementation, facilitating institutional coordination, and providing advice on technical matters. The Ministry of Interior will also be a beneficiary of project activities and outputs, especially in ensuring sustainability and ownership over project deliverables.

61 Municipalities – as primary project beneficiaries, are the basic units of local self-government which shall provide effective and efficient governance at a level closest to the citizens by a) Recognizing the existence of different identities and values of the communities b) Respecting the fundamental rights of the citizens enshrined in the Constitution and other laws c) Choosing various types of local public facilities and services to the benefit of the community d) Exercising their functions, powers and duties in an effective way through the agencies of their bodies e) Providing convenient services based on the needs of the community members f) Promoting an all-inclusive participation of the community in local governance g) Providing services in conformity with the standards required by law or other normative acts.

The elected Municipal Council and the Mayor have shared authority and responsibility in managing the municipal affairs; the Council being the main legislative and representative body assuming some executive functions, including the adoption of the budget and municipal regulations, while the Mayor, as head of the municipal administration is the executive institution managing all municipal activities, proposing and implementing the budget, and reporting to the Council.

All 61 municipalities will benefit from different measures during the project implementation period.

Department of Development and Good Governance - is a structure in the Prime Minister Office responsible for policy orientation and good governance systems, while also taking care of monitoring progress regarding the implementation of policies by the Line Ministries. This department is responsible for the overall policy framework at the national level and the development and well-being of the good governance agenda in coherence with the systems (IPSIS, public consultation) and serves as the secretariat of the Integrated Policy Management Group for Good Governance and Public Administration.

The Department of Public Administration (DoPA) – is the government agency responsible for ensuring a sustainable, professional, merit-based, integer, and politically impartial civil service. DoPA is also in charge of the implementation of the civil servant law at the local level. As a project partner DoPA will be involved in planning and executing activities related to implementation of Civil Service Law at the local level, as well as co-benefit, with municipalities and municipal staff, of tools developed during project implementation.

The Albanian School of Public Administration (hereinafter ASPA) – is a central public institution that works towards professional development and training of public servants at the central and local level, as well as in independent institutions. ASPA, as a partner and beneficiary, will be involved in project components that aim at providing sustainable solutions for the continuous development of human resources at the local level.

Local CSOs and Academia – are two important partners in project implementation, both providing evidence, being it scientific, citizens based, or from evaluations, that support evidence-informed project actions. Also, such cooperation contributes to cultivation of local knowledge, and fostering of local relationships between state and non-state entities.

Association of Municipalities – is a platform that provides a unified voice of mayors’ and municipalities’ interests and constitutes a project implementation partner that foster healthy relations with local governments all over the country, provides a unified voice of LGUs concerns, and constructive advice on project implementation.

Line ministries – as policymaking and policy-implementation institutions that cover areas of interest to local government development, are important partners in terms of defining standards, facilitating when needed proper project implementation and contributing to policy-level changes.

Project international partners – as key drivers and supporters of reform processes in Albania, that provide substantial political, technical, and financial support to the project through pooled funds. Representatives of these entities are members of the Project Steering Committee and play an important role in project development and design, advice, and guidance during project implementation. They provide additional knowledge and best practices and monitor project implementation to ensure meeting of set objectives through sound and transparent processes.

III.6 – Communication and Visibility

Objectives

The purpose of the Communication and Visibility Plan is to outline communication goals to ensure effective and efficient communication about the products, results and objectives of the Project to all target groups, including beneficiaries, partners, key national stakeholders as well as key international development partners. As the EU joins the pooled fund, the Communication and Visibility Plan and related products will be fully compliant with the [Joint Visibility Guidelines for EC-UN actions in the field](#)¹⁸, and shared donor communication and visibility guidelines.

The overall objective

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 the highest quality and distributed in a timely manner to target groups.

Specific Communication objectives

1. Increase the visibility of the progress and achievements made in relation to the focus areas of the Project.
2. Inform national stakeholders as well as the relevant international donor community of the progress and impact of the Project
3. Increase the visibility of the links of the Project to other projects implemented by partner development agencies,
4. Raise awareness and increase the visibility of the Sustainable Development Goals (SDGs) and the contribution of the project towards the SDGs.

Target groups

The Plan aims to reach the following groups:

- Targeted beneficiaries (MOI, LGUs)
- Municipalities and respective AUs.

¹⁸ <https://ec.europa.eu/europeaid/node/45481>

- Relevant governmental departments and agencies
- Relevant international development partners and/or networks
- National and international media
- UNDP staff in Albania and globally
- Public at large

Specific objectives for each target group

- Target beneficiaries, MOI & LGUs, are aware of STAR3 multi-donor initiative to support the advancement of decentralization and local government reform and the specific donor role in promoting strategic reforms in the areas of public administration, anticorruption, service delivery, and the overall EU integration processes.
- LGUs’ residents benefiting of STAR3 activities are aware of the products and tools made available on municipal level to increase their access to services and improve local democracy. Special outreach campaigns will be dedicated to reaching out to women and girls, especially in rural areas.
- Central Government – to emphasize the contribution that donors are making in responding to national priorities for sustainable and effective local administrations and closer compliance with European standards and guidelines.
- International and national development partners – to highlight the contribution of the donors in addressing issues of decentralization and local government reforms.
- National media and civil society organizations (CSOs) – made aware of project outcomes and achievements to the benefit of people of Albania.
- International media, where and when applicable – raise awareness about the project, donor support and how the donors and UNDP work together to support a functional, efficient and accountable local government institution.

Key messages

The purpose of the key message is to ensure coherent and coordinated communication and advocacy messages to reach all stakeholders. Carefully crafted taglines/key messages will be included in all press releases, communications, and other visibility materials. Key messages will be adapted to audiences and cater to their different needs, backgrounds, and accessibility limitations.

Additional and special messages will be developed and tailored for each target group, in close cooperation with the donors and UNDP, to ensure that communication is conducted most efficiently.

Communication approach

Coherent and coordinated communication will be ensured by continuous coordination of all communications and advocacy component activities.

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:

1. **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, backgrounds, and limitations.
2. **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 through narratives or 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.
3. **Coordinated information flow:** A regular internal information flow will be ensured within the project team and the PR Communications Specialist, to make sure communication with the external audience and target groups is **consistent**, accurate and based on actual results, achievements, and innovative solutions realized within the project.
4. **Review and adapt to maximize communication results:** The Communication and Visibility Plan will be reviewed at a midpoint of implementation to ensure optimal efficiency and effectiveness of communication, especially if

specific circumstances would demand such change. Such review will ensure that communication efforts and actions meet the needs of the counterpart and partners and achieve communication goals.

5. **Prevent/reply to disinformation:** To avoid and reduce potential disinformation and misunderstandings, the Project will deploy a two-fold approach: on the one side, regular, up-to-date, accurate and measurable information will be **shared** with the stakeholders; on the other – if disinformation occurs, the project will undertake swift response and provide necessary clarifications and corrections, as necessary.

Communication tools

In the fast-paced information society, communication is getting more and more complex every day. As one of the most influential opinion makers in the country, the media (electronic, print, and online) is the prime channel by which the project will communicate its activities and success stories. The media is crucial not only for reaching large numbers of stakeholders but also for safeguarding the project's sustainability.

The main communication and visibility outputs will consist of:

- High profile media events when important products need to be made public.
- Community events with the participation of partners to increase knowledge on the products made available at local level.
- Several public events in the project areas with involvement of beneficiaries and main stakeholders.
- Photo brochures on the project's performance and highlights of project activities/results.
- Utilization of Social Media to disseminate information on project results.
- Missions to project areas with Government and donors' representatives and other project partners
- Production of promotional items.

Tools to be used while establishing effective communication with the target groups will include:

- Media advisories, press releases, interviews, media opportunities that will provide media coverage of key events, milestones, and success stories.
- Website platforms design and management
- Public information material, such as factsheets and infographics.
- Press conferences and press statements by key stakeholders and institutional partners.
- Banners and display boards during events, stating donors' contribution.

Visual identity, use of logos and disclaimers

Templates will be developed for all communications materials, such as press release and media advisory.

All communication materials prepared within the project will display the following logos, as appropriate:

- UNDP logo, following the UNDP visibility guidelines, available at the following [link](#)
- Logos of donors will be provided by the respective donors.

All logos should be placed on the same line – either at the bottom or top of the document. All logos should be visually equal; no one logo should take precedence over the logos of partner organizations.

Resources

The Project has provided funds for publications and visibility. Communication and visibility actions are part of the job description of a specific project personnel, namely the Public Relations & Communication Specialist, who will be a full-time person accompanying the project from the start until the end of the implementation.

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

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

III.7 - Sustainability of results and exit strategy

The project rationale is grounded on the need to advance, consolidate, and make sustainable several undertakings and achievements that were initiated during STAR2.

The project is aligned with national development plans and it will be providing support to Government led development strategies and reforms that are clearly owned by the Government, which is committed to make progress. An additional reinforcing element is that the project will also complement other ongoing efforts that work to enhance public administration effectiveness and efficiency, and together they contribute to an enabling environment for sustainable progress.

Assistance will target existing institutions and structures and will attempt to make them more efficient and capable. In this respect, support to the Ministry of Interior will aim to enhance the Ministry's role in policy development and oversight, increasing the capacities for the IPSIS integrated system functionality in monitoring NCSDLG and performance of LGUs.

At the local level, introduced activities will be preceded by public awareness, followed by individual capacity building and co-design of solutions and hands-on practice in their implementation.

The proposed systemic and structured training program will raise individual professional capacities of local administration staff and thus enhance the institutional sustainability. Also, the duly application of the Civil Service Law will contribute to the sustainability of local administrations and the consistent buildup of their capacities.

While the project will contribute to the sustainability of results, the environment where the project evolves is also important. The Government should pursue with coherence and commitment its reform agenda and ensure its strategic objectives are addressed with due coordination, resources, and professionalism.

It is also important that project stakeholders, especially those at the decision making level, 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, guided by the objective of strengthening the efficiency of the local administration institution as an integral part of public administration.

The success of the project will also depend on a large degree on the willingness and capabilities of the LGUs and local communities to engage, learn and commit to change, through embarking on a path that requires dedication, resources, and accountability for results.

The project's exit strategy relies on the following principles:

- 1- Participatory conceptualization of project outcomes, outputs and activities: All project partners and beneficiaries have been included in the conceptualization phase of the project, not only to ensure ownership and sustainability, but to achieve buy-in of project outcomes, and facilitate a smooth transition towards "walking on their own" once the project stops operations.
- 2- Introduction of tools, systems, standards, methodologies, and skills improvement: which facilitate the daily work of and operations of municipalities, increase efficiency and effectiveness, and allow for high independence post project activity. The delivery of these tools has been accompanied by on the job trainings, dissemination of practices, an approach that has fostered inclusion at different level of the municipal hierarchy. Of utmost importance, is that the project, as the preceding one, has been conceptualized to empower people and structure to function better, and not do the work for them (this needs rephrasing).
- 3- Culture, behavior, and practice change: building on STAR2 results, the project will further contribute to changes in culture, behavior, and practices. Through following a continuous communication with partners and

beneficiaries, on-the-job trainings, sharing of best practices, and strengthening relationships among local and central actors, the above-mentioned elements are further strengthened, thus allowing a smoother transition towards self-ran processes.

- 4- Continuous advising and monitoring: through different tools, methods, and systems to be implemented, the Project will provide advice and will monitor the conduction of activities by the different actors with the aim to minimize dependency on the project. Support will be decremental, with the final aim to transition towards only monitoring and advising.

Outcome	Exit Measures
1 - Local government participatory governance practices are in place and functional and encourage civic engagement	<ul style="list-style-type: none"> - Development of tools (conceptualization and adaption) jointly with beneficiaries. - Discussion with selected municipalities on mainstreaming the use of tools for consultation and public engagement, annual reporting. - Budgeting and inclusion in budget cycles of new processes and tools. - Review of, and update, of job descriptions of positions in charge of specific tools and reports production - Reflection of participatory governance indicators into the IPSIS national system which will measure compliance and gaps to be addressed
2 – Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance	<ul style="list-style-type: none"> - The Prime Minister Office in coordination with MoI will be the leader for the expansion of the IPSIS system at the local level within the performance module for LGUs. - NAIS will continue to be a key partner in specific activities, supporting on IT solutions and facilitating with government data access, guidelines and compliancy with data management, data exposure and consumption. - MoI is the legal institution that will be responsible to ensure system availability, access from municipalities in the project scope and will keep continuing collaboration and cooperation with NAIS to maintain and further develop the information systems handed over from the project. - Capacity building of MoI technical staff on the use of the system - The responsible unit responsible for good governance systems in the Prime Minister Office and MoI will be supported for full operation through HelpDesk support as well as system maintenance in monitoring its use of data for measuring the performance of municipalities
3 – Central government institutions responsible for	-

Outcome	Exit Measures
decentralization and local government are capacitated to effectively drive policy development, coordination, and monitoring	
4 – Local government has capable and sustainable human resources able to effectively perform local government functions	<ul style="list-style-type: none"> <li data-bbox="824 405 1409 558">– ASPA has been directly involved in developing a comprehensive induction curriculum for local government officials and has the skills and knowledge to further this experience to additional themes and levels <li data-bbox="824 579 1414 701">– A fully functional e-learning system, including hands-on experience on curricula development and conversion into e-learning format is handed over to ASPA <li data-bbox="824 722 1398 911">– The use of administrative by municipalities will be conducted during the lifespan of the project, and the foreseen assistance will provide not only in building capacities and raising awareness, but also in instigating cultural and behavioral change in HR staff at municipal level. <li data-bbox="824 932 1393 1054">– Together with DoPA the project will monitor the use of administrative and see through the sustainability of Helpdesk, if needed, by exploring budgetary provisions for such tool.

IV. WORK PLAN AND BUDGET

IV.1 – Indicative implementation timeframe

	Module 1
	Module 2
	Module 3

Outcome & Output & Activities / Time (quarters)	YEAR 1				YEAR 2				YEAR 3			
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Inception												
Outcome 1: Local government participatory governance practices are in place and functional and encourage civic engagement												
1.1 – Operationalize participatory governance in practice												
1.1.1 Support development of annual consultation plans in 10 selected LGUs												
1.1.2 Support real life public consultations and follow up cycle												
1.1.3 Disseminate good practices in 61 Municipalities												
1.1.4 Organize periodic thematic discussions on local government matters												
1.1.5 Local Governance Mapping												
1.2 Standard municipal integrity planning expanded in additional municipalities												
1.2.1 Expand Standard Integrity Instruments in 30 additional municipalities												
1.2.2 Develop an integrity index to be integrated in the performance system												
Outcome 2: Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance												
2.1 – Basic OSS system requirements for IT infrastructure is supported												
2.1.1 Public awareness on OSSIS conducted												
2.1.2 Updated assessment of IT municipal gaps and needs												
2.1.3 IT local infrastructure procured												
2.2 OSSIS rollout to all STAR2 municipalities and the respective AUs												
2.2.1 IT equipment installation and configuration in each location												

Outcome & Output & Activities / Time (quarters)	YEAR 1				YEAR 2				YEAR 3			
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
2.2.2 Rollout OSSIS in all Administrative Units				■	■	■	■	■				
2.3 OSSIS is updated and enhanced for improved system integrity												
2.3.1 OSSIS disaster protection backup hardware						■	■	■				
2.3.2 OSS Business Continuity infrastructure									■	■	■	■
2.3.3 OSSIS upgrade with core modules, protocol, and document correspondence				■	■							
2.3.4 OSSIS Mobile App and web application developed					■	■	■					
2.3.5 OSSIS Mobile App Maintenance & Upgrade										■	■	
2.3.6 OSSIS integration with third party systems and BI						■	■	■				
2.3.7 Software maintenance and support (3 years)	■	■	■	■	■	■	■	■	■	■	■	■
2.4 – Standards for selected public services are piloted, developed and disseminated for nationwide adoption												
2.4.1 Define standards for selected local public services in selected municipalities								■	■			
2.4.2 Support planning and implementation of standardized local public services									■	■	■	
2.4.3 Standard local public services are disseminated and adopted for wide application											■	■
2.5 – Development and piloting a comprehensive process of assets transfer, inventory, and registration, for potential replication												
2.5.1 Assess existing practices and problems with transfer and registration of properties								■				
2.5.2 Assist the National Cadaster Agency prepare DCM on inventory and transfer of assets								■	■			
2.5.3 Develop with NCA a comprehensive process on property registration									■	■		
2.5.4 Pilot in one representative municipality the process asset inventory, transfer, and registration									■	■	■	
2.5.5 Support adoption of a standard for inventory, transfer, and registration of LGU properties											■	■
2.5.6 Capacity building on the procedure at local and central government											■	■
Outcome 3: Central Govt. institutions responsible for DLG are capacitated to effectively drive policy development, coordination, and monitoring in accordance with the IPSIS national system												
3.1. Central oversight, monitoring and reporting on NCSDLG & AP implementation is structured and functional												
3.1.1 Monitoring and reporting support			■	■								
3.1.2 Support preparation of new NCSDLG, providing special focus on ensuring gender mainstreaming and gender equality measures							■	■	■	■		
3.2 Legal harmonization of sectoral and LG regulatory frameworks advanced												

Outcome & Output & Activities / Time (quarters)	YEAR 1				YEAR 2				YEAR 3			
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
3.2.1 Identification and participatory plan for harmonizing the legal framework									■	■		
3.2.2 Legal support for drafting / approving legal acts developed in this framework										■	■	■
3.3 Extension of the IPSIS system and development of a dedicated module regarding the municipal performance assessment system that informs policy making												
3.3.1 Extension of IPSIS system and test the municipal performance module		■	■									
3.3.2 Capacity building to municipalities on using the IPSIS system and setup performance offices				■	■	■	■					
3.3.3 Train Mol on the features and functionality of IPSIS system							■	■				
3.4 Encourage municipal annual performance reporting, including transparency compliance												
3.4.1 Identify voluntary municipalities and work on municipal annual reporting (10)								■	■	■	■	
3.4.2 Disseminate good practice and templates for annual reporting											■	■
Outcome 4: Local government has capable and sustainable human resources able to effectively perform local government functions												
4.1. ASPA builds and delivers a comprehensive plan and structured training curricula for LGU staff												
4.1.1 Support ASPA to design and deliver the induction curricula for LG officials		■	■	■	■							
4.1.2 Support ASPA to design and deliver alternative learning formats							■	■	■			
4.1.3 Support the adoption of an e-learning platform							■	■	■			
4.1.4 Support ASPA adapt and deliver curricula through e-learning modules									■	■	■	
4.2 Municipalities assisted in fully transiting to “administrata.al”												
4.2.1 Promote and raise awareness on the use of administrata.al									■			
4.2.2 Offer dedicated assistance to Municipalities for administrata.al operationalization									■	■	■	
4.2.3 Establish a LocalGov Helpdesk at DoPA to assist municipalities on administrata.al											■	■

IV.2 – BUDGET

Expected Output & Activities	Timeframe (years)			Planned Budget				
	1	2	3	Description	Units	Unit Number	Unit Cost	Amount
Outcome 1: Local government participatory governance practices are in place and functional and encourage civic engagement								
1.1 – Operationalize participatory governance in practice								
1.1.1 Support development of annual consultation plans in 10 selected LGUs				Annual consultation planning	contract	2	75,000	150,000
1.1.2 Support real life public consultations and follow up cycle				Supporting real case municipal consultations	contract	1	50,000	50,000
1.1.3 Disseminate good practices in 61 Municipalities				Dissemination and awareness	contract	1	15,000	15,000
1.1.4 Organize periodic thematic discussions on local government matters				Thematic events at regional level	times	6	4,000	24,000
1.1.5 Local Governance Mapping				National perception survey	contract	1	150,000	150,000
1.2 Standard municipal integrity planning expanded in additional municipalities								
1.2.1 Expand Standard Integrity Instruments in 30 additional municipalities				Integrity Planning (30 LGUs)	contract	30	10,000	300,000
1.2.2 Develop an integrity index to be integrated in the performance system				Integrity index development	contract	1	20,000	20,000
Outcome 2: Municipal systems and standards are enhanced, expanded, and consolidated for improved service delivery and overall municipal performance								
2.1 – Basic OSS system requirements for IT infrastructure is supported								
2.1.1 Public awareness on OSSIS conducted				Local Expertise	lump	1	101,160	101,160
2.1.2 Updated assessment of IT municipal gaps and needs				OSS International Expert	lump	1	100,000	100,000
				Public awareness (in each region)	times	24	1,200	28,800
				IT assessment (consultant days)	days	300	180	54,000
2.1.3 IT local infrastructure procured				PC + Monitor	pieces	350	900	315,000
				UPS	pieces	350	150	52,500

Expected Output & Activities	Timeframe (years)			Planned Budget				
	1	2	3	Description	Units	Unit Number	Unit Cost	Amount
				MFP B/W A4	pieces	310	300	93,000
				MFP Color A3/A4	pieces	42	1,800	75,600
				Scanner A4	pieces	312	180	56,160
				Other - Router, Switch 8 ports, network accessories	pieces	312	450	140,400
				Local IT hardware maintenance (3 years)	pieces	1050	250	262,500
2.2 OSSIS rollout to all STAR2 municipalities and the respective Aus								
2.2.1 IT equipment installation and configuration in each location				IT installation & configuration	pieces	350	250	87,500
2.2.2 Rollout OSSIS in all Administrative Units				OSSIS rollout	AU/M	250	4,500	1,125,000
2.3 OSSIS is updated and enhanced for improved system integrity								
2.3.1 OSSIS disaster recovery protection								
Upgrade current Blade and Storage appliances				Upgrade current blade, procure alternative Blade and installation & configuration	contract	1	115,000	115,000
Procurement of alternative Blade				Central hardware maintenance and support (3 years)	years	3	150,000	450,000
2.3.2 OSS Business Continuity								
Business Continuity Site requirement analysis				BCS analysis	contract	1	25,000	25,000
Procurement of BC Site Infrastructure				BCS procurement	contract	1	450,000	450,000
BC Site installation & maintenance (3 years)				Installation and maintenance	contract	1	80,000	80,000
2.3.3 OSSIS upgrade with core modules, protocol, and document correspondence				Upgrade software with core modules	lumpsum	1	250,000	250,000
2.3.4 OSSIS Mobile App and web application developed				Mobile App development	lumpsum	1	120,000	120,000
2.3.5 OSSIS Mobile App Maintenance & Upgrade				Mobile App maintenance and upgrade	lumpsum	1	60,000	60,000
2.3.6 OSSIS integration with third party systems and BI				OSSIS integration with 3rd party systems	lumpsum	1	100,000	100,000
2.3.7 Software maintenance and support (3 years)				Software maintenance	year	3	100,000	300,000

Expected Output & Activities	Timeframe (years)			Planned Budget				
	1	2	3	Description	Units	Unit Number	Unit Cost	Amount
2.4 – Standards for selected public services are piloted and disseminated								
2.4.1 Define standards for selected local public services in selected municipalities				Local Expertise	lump	1	30,240	30,240
2.4.2 Support planning and implementation of standardized local public services				Define standards for selected services and support implementation	contract	1	150,000	150,000
2.4.3 Standard local public services are disseminated and adopted for wide application				Support implementation, disseminate & adoption	contract	1	100,000	100,000
2.5 - Piloting process of assets transfer, inventory, and registration								
2.5.1 Assess existing practices and problems with transfer and registration of properties				Local Expertise	lump	1	30,240	30,240
2.5.2 Assist National Cadaster Agency prepare DCM on inventory & transfer of assets				Support NCA develop DCM & process on property registration	contract	1	90,000	90,000
2.5.3 Develop with NCA a comprehensive process on property registration				Pilot asset management elements in one municipality	contract	1	200,000	200,000
2.5.4 Pilot in one municipality the process asset inventory, transfer, and registration				Support adoption of standard processes and capacity building	contract	1	40,000	40,000
2.5.5 Support adoption of standards for inventory, transfer, and registration								
2.5.6 Capacity building on the procedure at local and central government								
Outcome 3: Central Govt. institutions responsible for DLG are capacitated to effectively drive policy development, coordination, and monitoring in accordance with the IPSIS national system								
3.1. Central oversight, monitoring and reporting on NCSDLG & AP								
3.1.1 Monitoring and reporting support				Monitoring and reporting system development	contract	1	30,000	30,000
3.1.2 Support preparation of new NCSDLG				Support development of new NCSDLG	contract	1	100,000	100,000
3.2 Legal harmonization of sectoral and LG regulatory frameworks advanced								
3.2.1 Identification and participatory plan for harmonizing the legal framework				Local Expertise	days	200	250	50,000

Expected Output & Activities	Timeframe (years)			Planned Budget				
	1	2	3	Description	Units	Unit Number	Unit Cost	Amount
3.2.2 Legal support for drafting / approving legal acts developed in this framework				Development plan for legal harmonization	contract	1	50,000	50,000
				Support for drafting legal acts	contract	1	70,000	70,000
3.3 Expansion of the IPSIS system and establishment of a dedicated module related to the performance assessment of municipalities and informing decision-making								
3.3.1 Expansion of the IPSIS system and testing of the performance module of the municipalities				Local Expertise	lump	1	80,100	80,100
3.3.2 Capacity building to LGUs on using the IPSIS system and setup performance offices				Contract platform development	contract	1	150,000	150,000
3.3.3 Train Mol on the features and functionality of IPSIS system				Support LGUs use platform & setup performance offices	per LGU	61	2,000	122,000
				Mol capacity building on platform use and take over	contract	1	10,000	10,000
3.4 Encourage municipal annual performance reporting								
3.4.1 Identify voluntary municipalities and work on municipal annual reporting				Build reporting tools and templates in selected LGUs	contract	1	50,000	50,000
3.4.2 Disseminate good practice and templates for annual reporting				Disseminate practice to all LGUs and where feasible replicate	contract	1	50,000	50,000
Outcome 4: Local government has capable and sustainable human resources able to effectively perform local government functions								
4.1. ASPA builds a comprehensive plan and training curricula for LGU staff								
4.1.1 Support ASPA design and deliver induction curricula for LG officials				International Consultant	days	40	830	33,200
				Local Expertise	days	80	300	24,000
				Training costs (ToT) - 20 days / 30 ToTs	lump	1	28,000	28,000
				Translation	lump	1	5,000	5,000
4.1.2 Support ASPA to design and deliver alternative learning formats				International Consultant	days	20	820	16,400
				Local Expertise	days	50	300	15,000
				Workshop costs	times	3	2,000	6,000

Expected Output & Activities	Timeframe (years)			Planned Budget				
	1	2	3	Description	Units	Unit Number	Unit Cost	Amount
				Translation	lump	1	1,000	1,000
4.1.3 Support the adoption of an e-learning platform				International Consultant	days	40	820	32,800
				Local Expertise	days	120	300	36,000
				Upgrade software	lump	1	25,000	25,000
				Procure equipment	lump	1	5,000	5,000
4.1.4 Support ASPA adapt and deliver curricula through e-learning modules				National Consultant (development new e-learning modules)	days	500	300	150,000
4.2 Municipalities assisted in fully transiting to "administrata.al"								
4.2.1 Promote and raise awareness on the use of administrata.al				Contract Awareness on administrata.al	contract	1	30,000	30,000
4.2.2 Offer dedicated assistance to Municipalities for administrata.al operationalization				Assistance to LGUs for fully adopting the platform	contract	1	120,000	120,000
4.2.3 Establish a LocalGov Helpdesk at DoPA to assist municipalities on administrata.al				Contract Help Desk establishment	contract	1	30,000	30,000
Project Management, Monitoring and Evaluation								
Technical staff				International Project Manager	months	24	9,000	216,000
				National Professionals	lump	1	514,080	604,080
				Local Coordinators	lump	1	262,800	262,800
				ST Consultants	per day	300	250	75,000
Support staff				Support Staff	lump	1	268,380	268,380
Travel Costs				Travel (local, international, per diem, etc.)	lump	1	97,700	97,700
Operational Costs				Rent, fuel, utilities, bank charges, etc.	Lump	20	251,800	251,800
				Translation, interpreters	lump	1	20,000	20,000
Audit & Evaluation				Audit	lump	1	10,000	10,000

Expected Output & Activities	Timeframe (years)			Planned Budget				
	1	2	3	Description	Units	Unit Number	Unit Cost	Amount
				Evaluation	lump	2	7,500	15,000
Visibility				Conferences/seminars	per unit	20	2,000	40,000
				Visibility actions	year	3	50,000	150,000
UNDP Management Fee				Fee	lump	1	701,709	701,709
				TOTAL				9,823,069

V. RESULTS FRAMEWORK

GoA - UN Programme of Cooperation for Sustainable Development (2017 – 2021) Outcome 1. State and civil society organizations perform effectively and with accountability for consolidated democracy in line with international norms and standards.
GoA - UN Programme of Cooperation for Sustainable Development (2017 – 2021) Output 3.1: Local Government Units (LGUs) are able to deliver equitable, quality services and strengthen influence of citizens in decision-making.
Indicator: 1.3 Perceptions of performance of public institutions; Baseline: Local Government 13%; Target: Local Government 50%; Current Status: Strategy approved in 2015 and under implementation
Applicable Output (s) from UNDP Strategic Plan 2018-2021: Signature solution 2: Strengthen effective, inclusive, and accountable governance. Innovative support for improved regulatory capacities, enhanced legal frameworks, strengthened institutions and local governance capacities.
Project title and Atlas Project Number: STAR3 – Sustaining and Advancing Local Governance Reform

EXPECTED OUTPUTS	ACTIVITIES	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
				VALUE	YEAR	Year 1	Year 2	Year 3	FINAL	
1.1 – Operationalize participatory governance in practice	1.1.1 Support development of annual consultation plans in 10 selected LGUs	# annual consultation plans developed	STAR2 project reports	0	2019	3	4	3	10	Project reports
	1.1.2 Support real life public consultations and follow up cycle	# of consultations % of women participating in consultations % of participants coming from marginalized groups		tbc	2019		5 50% 10%	5 50% 10%	10 50% 10%	Project reports
	1.1.3 Disseminate good practices in 61 Municipalities	# of Municipalities introduced to good practices		tbc	2019		25	26	51	Municipality reports Project Reports

¹⁹ The output indicators will be revised/refined during the inception phase of the project

EXPECTED OUTPUTS	ACTIVITIES	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
				VALUE	YEAR	Year 1	Year 2	Year 3	FINAL	
	1.1.4 Organize periodic thematic discussions on local government matters	# of thematic discussions		0	2019	1	2	2	5	Project reports
	1.1.5 Local Governance Mapping	3 rd round of LG Mapping		2	2020			1	1	LGM Report
1.2 Standard municipal integrity planning expanded in additional municipalities	1.2.1 Expand Standard Integrity Instruments in 30 additional municipalities	# of municipalities adopting integrity plans #of municipalities ran by women adopting integrity plans		tbc	2020	10	10	10	30	Municipality reports Project reports
	1.2.2 Develop an integrity index to be integrated in the performance system	# of Integrity index developed		tbc	2020			1	1	Project reports
2.1 – Basic OSS system requirements for IT infrastructure is supported	2.1.1 Public awareness on OSSIS conducted	# Public awareness campaigns undertaken		n/a	2020	done				Project reports
	2.1.2 Updated assessment of IT municipal gaps and needs	Assessment undertaken		n/a	2020	done				Project reports
	2.1.3 IT local infrastructure procured	% of municipalities and AUs completed with IT infrastructure. # of OSSIS provided technical maintenance	STAR2 project reports	7 0	2020	50% tbd	50%		100%	Project reports
2.2 OSSIS rollout to all STAR2 municipalities and the respective AUs	2.2.1 IT equipment installation and configuration in each location	Configuration of IT equipment				1			1	Project reports
	2.2.2 Rollout OSSIS in all Administrative Units	% of AUs using OSSIS for Admin Service Delivery # of type of services available on OSSIS	STAR2 project reports	11	2019	35% 70	35%	30%	100% 70	Project reports

EXPECTED OUTPUTS	ACTIVITIES	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
				VALUE	YEAR	Year 1	Year 2	Year 3	FINAL	
		# of type of services available on Municipality of Tirana OSSIS % of women submitting applications through OSSIS				168			168	
						30%	30%		30%	
2.3 OSSIS is updated and enhanced for improved system integrity	2.3.1 OSSIS disaster recovery protection	# of interventions for disaster recovery and protection	STAR2 project reports	0	2019		1		1	Project reports
	2.3.2 OSS Business Continuity	#of infrastructure created						1	1	Project reports
	2.3.3 OSSIS upgrade with core modules, protocol, and document correspondence	# of upgrade				1			1	
	2.3.4 OSSIS Mobile App and web application developed	Mobile App developed # of services used via Mobile App # of App installation # of applications through Mobile App	STAR2 project reports	0	2020	1 80		1000 2500	1 80 1000 2500	
	2.3.5 OSSIS Mobile App Maintenance & Upgrade	#contracts for maintenance # of upgrades		0	2020			1 1	1 1	
	2.2.3 OSSIS integration with third party systems, BI	# of Systems OSSIS is integrated into	STAR2 project reports	2	2020		10		10	Project reports
	2.3.7 Software maintenance and support (3 years)	#contracts for the service # of municipalities and AUs receiving support		0	2019	1 100	0 200	0 300	1 300	Project reports
2.4 – Standards for selected public services are piloted,	2.4.1 Define standards for selected local	# of services with defined standards		tbc	2019		3		3	Project reports

EXPECTED OUTPUTS	ACTIVITIES	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
				VALUE	YEAR	Year 1	Year 2	Year 3	FINAL	
developed and disseminated for nationwide adoption	public services in selected municipalities									
	2.4.2 Support planning and Implementation of standardized local public services	# of services implemented as per the standardized plan # of municipalities piloted		Tbc tbc	2020			3 3	3 3	Project reports
	2.4.3 Standard local public services are disseminated and adopted for wide application	# of municipalities introduced to the standards		tbc				58	58	Project reports
2.5 - Development and piloting a comprehensive process of assets transfer, inventory, and registration, for potential replication	2.5.1 Assess existing practices and problems with transfer and registration of properties	Assessment report		0	2019		1		1	Project reports
	2.5.2 Assist the National Cadaster Agency prepare DCM on inventory and transfer of assets	DCM prepared		0	2019		1		1	Project reports
	2.5.3 Develop with National Cadaster Agency a comprehensive process on property registration	Document of comprehensive process of property inventory, transfer, and registration		0	2019			1	1	Project reports
	2.5.4 Pilot in one representative municipality the process asset inventory, transfer and registration	# of municipalities piloting the property inventory, transfer and registration process		0	2019			1	1	Project report
	2.5.5 Support adoption of a standard for inventory, transfer and	# of standards developed		0	2019			1	1	Project reports

EXPECTED OUTPUTS	ACTIVITIES	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
				VALUE	YEAR	Year 1	Year 2	Year 3	FINAL	
	registration of LGU properties.	% of municipalities adopting/applying the developed standard						30%	30%	
	2.5.6 Capacity building on the procedure at local and central government	# of local officials trained on the adopted new process % of trained officials are women # of sessions % increase of knowledge		0	2019			120	120	Trainings list of participants / project report / pre and post questionnaires
								2	280%	
3.1. Central oversight, monitoring and reporting on NCSDLG & AP is structured and functional	3.1.1 Monitoring and reporting support	# of monitoring and reporting template # of monitoring and reporting exercises		0	2019	2			2	Project reports Documents of consultations processes
						1	1	1	3	
	3.1.2 Support preparation of new NCSDLG, providing special focus on ensuring gender mainstreaming and gender equality measures	# of strategy # of consultation processes # of stakeholders consulted % of women stakeholders consulted % of increase in measures ensuring gender mainstreaming		tbc	2019		4 50	1 5 70 15% 30	1 9 120 15% 30	project document Attendance list Official gazette
3.2 Legal harmonization of sectoral and local government regulatory frameworks advanced	3.2.1 Identification and participatory plan for harmonizing the legal framework	# of Plans for harmonization of legislation # of consulted institutional stakeholders % of women in consulted institutional stakeholders		tbc	2019			1 10 15%	1 10 15%	Project reports

EXPECTED OUTPUTS	ACTIVITIES	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
				VALUE	YEAR	Year 1	Year 2	Year 3	FINAL	
	3.2.2 Legal support for drafting / approving legal acts developed in this framework	# of legal acts drafted #of legal acts approved		tbc	2019			XX yy	XX yy	Project reports / CoM and Assembly decisions/Official Gazette
3.3 Expansion of the IPSIS system and establishment of a dedicated module related to the performance measurement of municipalities and informing decision-making	3.3.1 Expansion of the IPSIS system and testing of the performance module of the municipalities	# IPSIS enhanced with functionality and dedicated module developed and tested for performance # of indicators part of the IPSIS system		0	2019	1 100			1 100	Project reports
	3.3.2 Capacity building to municipalities on using the IPSIS system/module of performance and setup performance offices	# of trainees from 61 municipalities % of women trainees % of increase of knowledge			2019		76	229 50% 100%	305 50% 100%	Trainings list of participants / project report / pre and post questionnaires
	3.3.3 Train Mol on the features and functionality the IPSIS system/module of performance	# of trainees from Mol % of women trainees from Mol % of increase of knowledge					10 At least 50% 100%		10 At least 50% 100%	Trainings list of participants / project report / pre and post questionnaires
3.4 Encourage municipal annual performance reporting, including transparency compliance	3.4.1 Identify voluntary municipalities and work on adopting municipal annual activity reporting (10)	#of municipalities adopting annual activity reporting # of municipalities ran by women adopting annual activity reporting					2 1	8 1	10 2	
	3.4.2 Disseminate good practice and	# of municipalities receiving good practices and annual report						51	51	

EXPECTED OUTPUTS	ACTIVITIES	OUTPUT INDICATORS ¹⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS
				VALUE	YEAR	Year 1	Year 2	Year 3	FINAL	
	templates for annual reporting	templates								
4.1. ASPA builds and delivers a comprehensive plan and structured training curricula for municipal staff	4.1.1 Support ASPA design and deliver induction curricula for LG officials	Training needs assessment methodology developed		0	2019	1			1	Project report / ASPA annual report
	4.1.2 Support ASPA to design and deliver alternative learning formats	of curricula developed		0	2019		1		1	Project report / ASPA annual report
	4.1.3 Support the adoption of an e-learning platform	development of an e-learning system		n/a	2020		1		1	Project report / ASPA report / ASPA e-learning platform
	4.1.4 Support ASPA adapt and deliver curricula through e-learning modules	# of curricula adapted for e-learning		0	2019			8	8	Project report / ASPA e-learning platform
4.2 Municipalities assisted in fully transiting to "administrata.al"	4.2.1 Promote and raise awareness on the use of administrata.al	# of Municipalities introduced to administrata.al platform		0	2019		61		61	Project report
	4.2.2 Offer dedicated assistance to Municipalities for administrata.al operationalization	# of municipalities using administrata.al platform		0	2019			61	61	Project report / DoPA Reports
	4.2.3 Establish a Local Gov Helpdesk at DoPA to assist municipalities on administrata.al	established help deck # of requests handled		0 0	2019			1 500	1 500	Project Reports / DoPA reports

VI. INSTITUTIONAL AND FINANCIAL MANAGEMENT ARRANGEMENTS

VI.1 – Project management structure

STAR3 will be implemented under the framework of UNDP Albania Country Program 2017-2021, applying the National Implementation Modality (NIM) whereby the Ministry of Interior is Government counterpart. As per UNDP NIM procedures, the MoI will designate a public official as the National Project Director-NPD²⁰, being the Minister's delegate and focal point.

At the highest management level, the Project will be overseen by a Steering Committee, as the central coordinating body for the implementation. The Steering Committee consists of three inter-related parties: Beneficiary, Supplier, and Executive.

Beneficiary – the group of individuals representing the interests of those who ultimately benefit from the project. The Beneficiary's primary function within the Steering Committee is to ensure the realization of project results from the perspective of Ministry of Interior and the ultimate beneficiaries - the Albanian local governments.

Supplier – the group of individuals representing the interests of the parties which provide funding and technical expertise to the project. Supplier, in this case, are the project partners who financially contribute to the pooled fund.

Executive – the group of individuals responsible for the project compliance that is UNDP Albania. UNDP Albania will be responsible for the provision of project inputs, which will be provided according to UNDP rules and procedures, and in compliance with Project defined activities. UNDP will carry out the following functions as the Executive:

- Ensure that all activities are carried out in accordance with UNDP rules, regulations and procedures
- Provide technical support to the project activities including best practices and knowledge available to UNDP regionally or globally
- Provide operational and administrative support services to ensure efficient business processes, including establishing project assurance and project support mechanisms
- Assume responsibility for implementation oversight, financial management, reporting, and evaluation.

In line with the above UNDP standard management arrangement, the specific composition of the Steering Committee will consist of:

1. Deputy Minister of Interior (co-Chair)
2. UNDP Resident Representative (co-Chair)
3. Department of Development and Good Governance in the PMO
4. Local Government representatives (5 mayors selected on a rotation basis, ensuring two female-mayors at all times)
5. Ministry of Finance and Economy
6. Agency for the Delivery of Integrated Services Albania (ADISA)
7. National Agency for Information Society (AKSHI)
8. Albanian School of Public Administration (ASPA)
9. Associations of Municipalities, ALA and AAM
10. Representatives of contributing development partners
11. Other key stakeholders as deemed necessary and agreed by the PSC

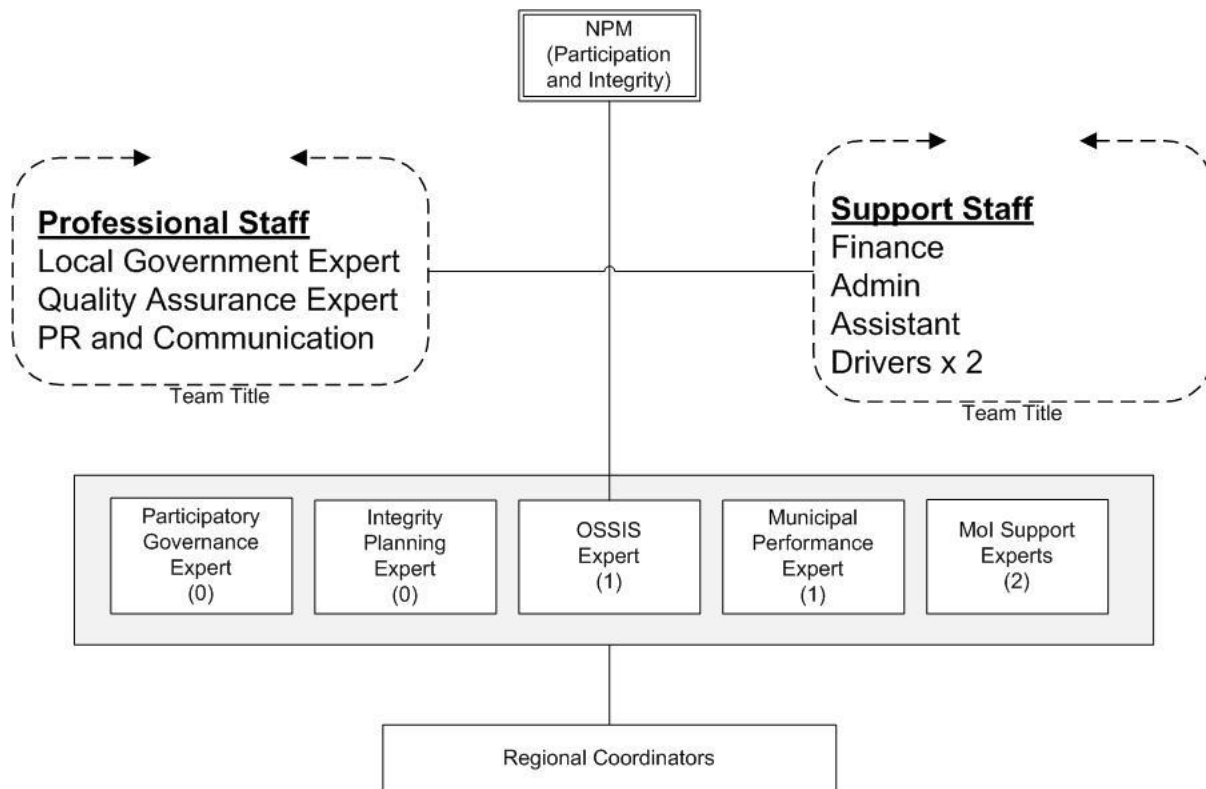
The role of the Steering Committee will be to guide and monitor the progress of implementation and be responsible

²⁰ A National Project Director (NPD), as per UNDP project terminology, is a government official designated by the implementing partner to have full oversight of the Project, be responsible for the achievement of project objectives, and be the liaison between the government counterpart and UNDP to ensure proper project execution.

for making by consensus management decisions for the Project when guidance is required. The Steering Committee will meet periodically, at least every six months or as often as necessary upon the request of one of its members. The role and responsibilities of the Steering Committee are the following:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints.
- Address project issues as raised by the Project Manager.
- Guide on new project risks and agree on possible countermeasures and management actions to address specific risks.
- Review the project progress and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review the combined delivery reports before certification by the implementing partner.
- Appraise the project annual review report, make recommendations for the next annual work plan, and inform the outcome group about the results of the review.
- Provide ad-hoc direction and advice for exception situations when the project manager’s tolerances are exceeded.
- Assess and decide to proceed on project changes through appropriate revisions.

For the day to day management and implementation of project activities, UNDP will establish a Project Management Team (PMT), which is accountable to UNDP for sound management of the project as well as effective delivery of project activities. The PMT will also play the secretarial role for the Steering Committee. The PMT will consist of an International Project Manager for maximum two years (decision to hire upon possible Module 2), 7 professionals and 5 support staff providing support to all activities. Specific and dedicated expertise will be sought for specific activities and linked to defined deliverables.



The project will be directly supervised and supported by the UNDP Albania Democratic Governance Programme Specialist in the role of Project Assurance. UNDP Country Office will also ensure the provision of standard project implementation support services, including human resource, procurement, and logistics.

A detailed description of the latter functions within the project implementation structure is given below:

Project Manager:

- Guides and coordinates the daily work and reports to UNDP
- Plans the activities of the project and monitors progress against the approved work-plan.
- Mobilizes personnel, goods and services, and training to initiative activities, including drafting terms of reference and work specifications and overseeing all contractors' work.
- Monitors events as determined in the project monitoring schedule plan and updates the plan as required.
- Manages requests for the provision of financial resources by UNDP.
- Monitors financial resources and accounting to ensure accuracy and reliability of financial reports.
- Is responsible for preparing and submitting financial reports to UNDP every quarter.
- Manages and monitors the project risks initially identified and submits new risks to the Steering Committee for consideration and decision on possible actions if required; updates the status of these risks by maintaining a project risk log.
- Captures lessons learned during project implementation
- Performs regular progress reporting to the Steering Committee as agreed.
- Prepares the annual work plan for the following year, as well as quarterly plans if required.
- Updates the Atlas Project Management module as per the implementation progress.

Project Management Team:

- Coordinates and monitors the implementation of various components of the project and the performance of the various TA contracts
- Coordinates inputs and necessary support of all concerned institutions for the most efficient and prompt results.
- Assesses the need for additional expertise required and formulate those needs for their engagement
- Assists in drafting necessary conceptual documents and disseminating them to the institutions concerned.
- Coordinates and guide the work of the regional coordinators
- Coordinates with MoI and seek support for troubleshooting implementation issues
- Provides expert support to the MoI
- Ensures PR and awareness on the activities and their progress reaches the appropriate audiences and builds support and cooperation
- Assumes the role of technical secretariat for the Steering Committee

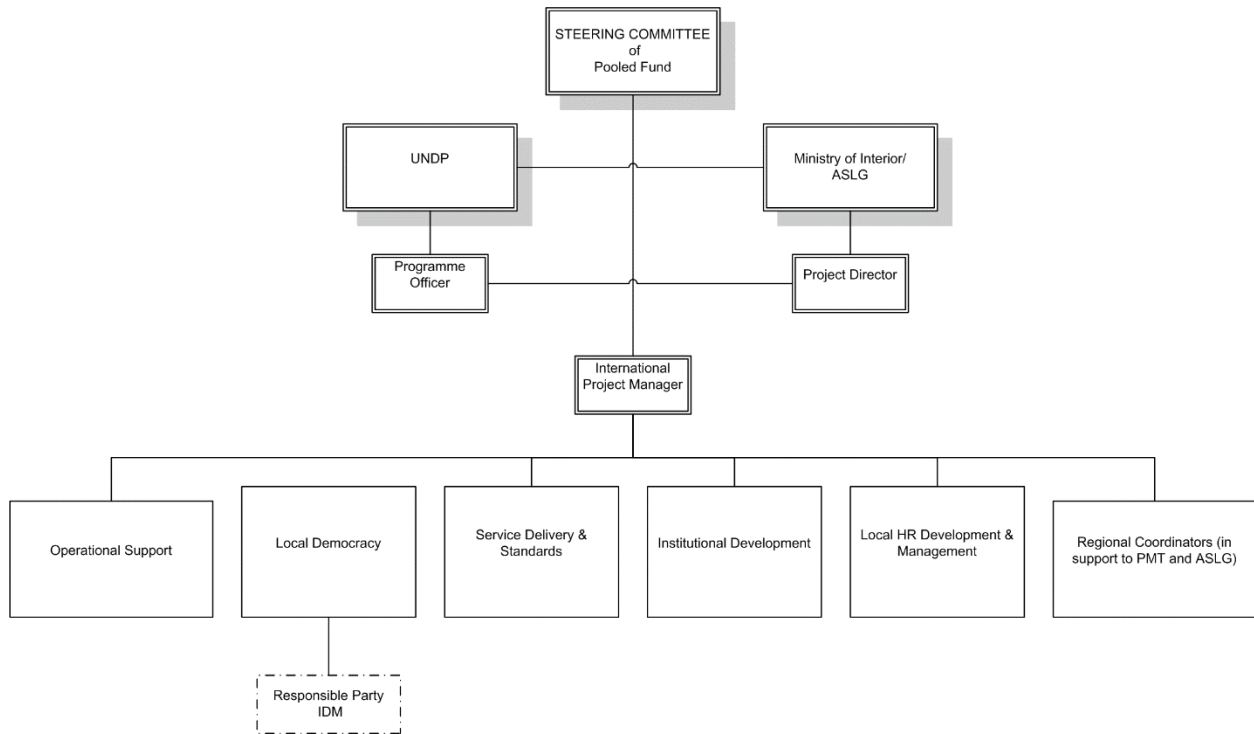
UNDP Project Support:

- Set up and maintain project files.
- Collects project related information data.
- Assists the Project Manager in updating project plans.
- Administers Steering Committee meetings.
- Administer project revision control.
- Establishes document control procedures.
- Compiles, copy and distribute all project reports.
- Provides financial management under the responsibility of the Project Manager.
- Provides support in the use of Atlas for monitoring and reporting.

UNDP Project Assurance:

- Ensures that funds are made available to the project.
- Ensures the project is making progress towards intended outputs.
- Performs regular monitoring activities, such as periodic monitoring visits and "spot checks".
- Ensures that resources entrusted to UNDP are utilized appropriately.
- Ensures that critical project information is monitored and updated in UNDP's Atlas system.

- Ensures that financial reports are submitted to UNDP on time and that combined delivery reports are duly signed.
- Ensures that risks are adequately managed and that the risk log in Atlas is regularly updated



VI.2 – Institutional Management Arrangements

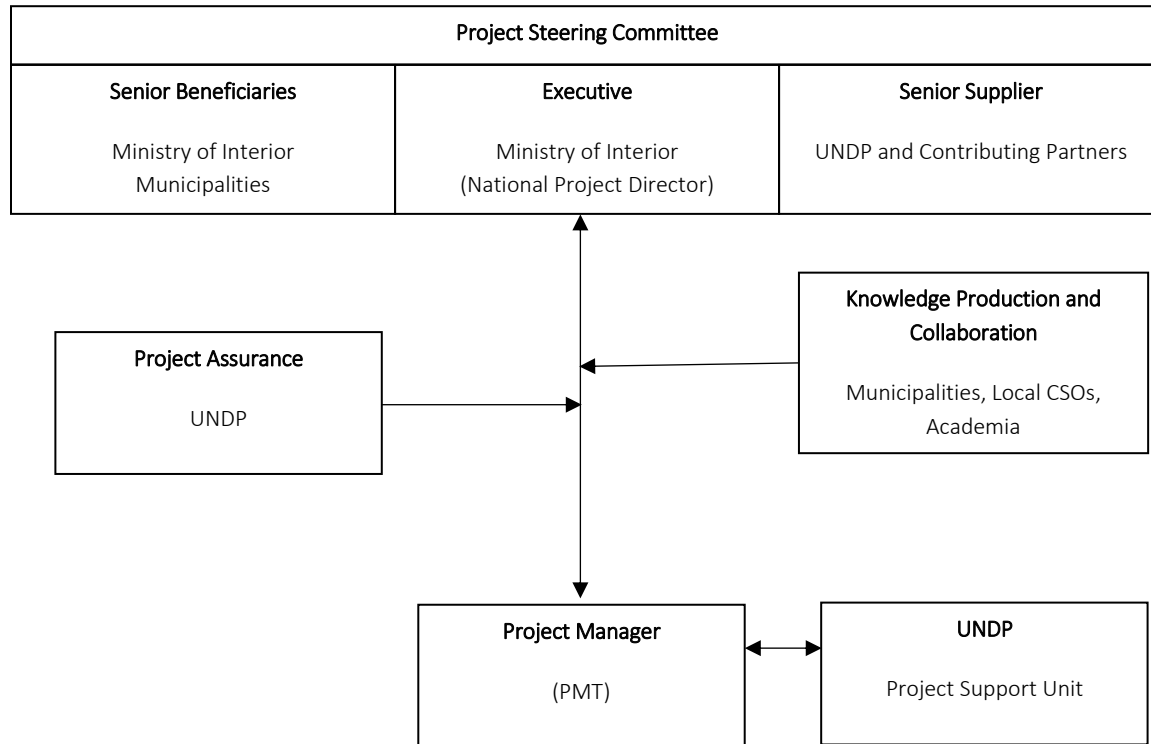
The project will be implemented in accordance with UNDP’s National Implementation Modality (NIM) whereby the Ministry of Interior is the designated National Partner, on behalf of the Government of Albania.

UNDP will be responsible for the provision of project inputs upon formal request from the Ministry of Interior/Project Director (see below). Services will be provided according to UNDP rules and procedures, based on a standard letter of agreement with the Ministry of Interior for the provision on support services. In addition to the broader stakeholder consultation and advisory fora, the management of the project at hand will entail functions as defined in National Implementation Guidelines

http://www.undp.org/content/dam/undp/library/corporate/Programme%20and%20Operations%20Policies%20and%20Procedures/NIM_for_Government_english.pdf.

The envisaged procurement of goods, necessary for ensuring an operational PMT along the implementation, will be carried out in accordance with UNDP rules and procedures. Unless otherwise determined by the PSC, upon completion of the Project, the Ministry of Interior will take over the ownership of the project assets.

Project Organization Structure



VI.3 – Financial Management Arrangements

VI.3.1 – Pooled Budget Management

UNDP will dedicate a unique and identifiable project code (ATLAS Award ID) for financial management of the project. UNDP will:

- Produce a project budget, unique to this project which is identifiable in all transactions and which will be the budget into which third-party and government cost sharing contributions (donor contributions) will be credited (accounts receivable) for carrying out of the project activities
- Ensure physical security of financial contributions, cash, and records,
- Disburse funds in a timely, proper and effective manner,
- Ensure financial recording and reporting, and
- Prepare, authorize and adjust commitments and expenses.

Government and Third Party (Donor) Contributions

Upon indication of commitment from the country Government and/or other donors, the latter will be expected to pool their resources into the Budget of this project which is identifiable in accounting terms by UNDP (unique ATLAS ID). UNDP will also contribute from its own core resources (TRAC) allocated to Albania.

A contribution agreement between the country Government / Donor and the UNDP will be required. Standard UNDP agreement templates are in place as applicable to all participating donors in Albania. Only standard agreements will be concluded to avoid delays in resource mobilization and negotiations.

1. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
3. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
4. All financial accounts and statements shall be expressed in United States dollars.
5. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
6. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [] above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

7. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 8% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

8. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

9. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.”

Recognition of revenue on donor contributions (standard third-party cost sharing)

a) The standard third-party cost sharing agreement enters into force upon signature of the donor and UNDP. Therefore, revenue will be recognized only upon signature of agreement by both parties. All installments will be recognized as revenue based on dates in the schedule of payments of the agreement. Where the agreement's entry into force is upon signature and first deposit (i.e. the first payment from the donor) revenue will only be recognized after signature **and** first deposit

b) For multi-year contributions, revenue is recognized based on the dates in the schedule of payments in the agreement. The schedule of payments is an indication of the intended period to which the funds relate.

c) Funds received prior to signature and entry into force of an agreement must be recognized as a liability (deferred income) and recognized as revenue in accordance with the revenue recognition policy when the donor agreement is signed.

All these funds will be recorded in a unique, recognizable ATLAS ID account for the project, according to the established rules for receivables. Following the procedures to record project expenses and reimbursements enables adequate budgetary and financial control, as well as the preparation of financial reports for the implementing partner, the government, and the donors.

VI.3.2 - Financial Reporting and Budget Controls

The UNDP will avail of several tools to monitor national execution finances by UNDP. The Combined Delivery Report (CDR) is the only accepted formal financial reporting tool, which must be signed by UNDP and certified by the Ministry of Interior. The Project Budget Balance Report and the Project Transaction Detail report are generated unilaterally by UNDP for monitoring and budget control purposes and do not constitute official financial statements.

UNDP will prepare a **Combined Delivery Report (CDR)** at the end of each quarter and at the end of the year. The Combined Delivery Report is a mandatory official report which reflects the expenses and funds utilized on a project. The report presents two pages, expense and funds utilization. The expense page reflects the total expenses (recorded in Atlas) of the project during a period. The Funds Utilization page reflects undepreciated assets, prepayments, inventory, and outstanding commitments made by UNDP as direct support to the project. The final Combined Delivery Report at the end of each quarter or the year must be signed by UNDP and certified by the Ministry of Interior to

confirm the validity of the expenses incurred on behalf of the project for the reporting period. The Combined Delivery Report is presented to the donors through the Country Office in Tirana as well as through annual donor reports produced globally for each UNDP donor.

The **Project Budget Balance** report will be used to monitor and manage budgetary availability for the Project. It shows budget balances and budget utilization rate of the project. This report will be made available in summary level (project, output, activity, responsible party) and detail level (project, output, activity, responsible party, budgetary department, fund, donor, account). UNDP will avail updated Project Budget Balances to the Project Steering Committee for monitoring purposes. This report is a UNDP report for monitoring the financial movements of all projects and does not constitute a financial statement.

The **Project Transaction Detail** report provides the lowest level of transactional details supporting commitments, expense, and full cost of asset amounts shown on the project budget balance report. The report shows transactions at the project/output/activity/Chart of Accounts level, including voucher/purchase order IDs, vendor ID and name, and line descriptions. The UNDP will avail updated transaction details to the Project Steering Committee for monitoring purposes. This report is a UNDP report for monitoring the financial movements of all projects and does not constitute a financial statement.

VII. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management.
- An Issue Log shall be activated in Atlas and updated by the Project Coordinator to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis, a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Coordinator to the Project Steering Committee through Project Assurance, using the standard report format.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.
- Include Gender Markers in the Monitoring and Evaluation plan.
- Collect relevant gender related and disaggregated data.
- In addition to the above standard monitoring framework, a close communication will be established between UNDP and Ministry of Interior with respect to the day-to-day implementation of activities and information on the project's progress will regularly be shared and when needed with the project stakeholders and partners

Annually

- Annual Review Report. An Annual Review Report shall be prepared by the Project Coordinator and shared with the Project Steering Committee. As a minimum requirement, the Annual Review Report shall consist of the Atlas standard format covering the whole year with updated information for each above element as well as a summary of results achieved against pre-defined annual targets at the output level.
- In accordance with standard UNDP procedures, an internationally recognized auditing firm will carry out annual auditing of the project. The purpose of the audit is to certify that disbursements were made in accordance with the activities specified in the project document; disbursements are supported by adequate documentation; financial reports are fairly and accurately presented; appropriate management structure, internal controls, and record keeping is maintained. At the end of the project, an evaluation will be conducted to assess the impact of the project.

VIII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Albania and UNDP, signed on 17 June 1991. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) put in place an appropriate security plan and maintain the security plan, considering the security situation in the country where the project is being carried.
- b) assume all risks and liabilities related to the implementing partner’s security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document”.

IX. RISK MANAGEMENT

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried.
 - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
 - (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.
5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
 - i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA
 - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place

its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;

- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

13. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.
14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

X. ANNEXES

X.1 - Risk Log

#	Description	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
1	Limited institutional and technical capacities at central level to advance the decentralization agenda, to support LG empowerment and coordinate project implementation	Strategic Organizational Operational	Capacity constraints of national counterpart could affect the ability of Government to effectively and timely coordinate harmonization of legislation, implement actions for advancement of decentralization agenda and empowerment of local governance P=3, I=4	<ul style="list-style-type: none"> – Support for complementary management capacities to MoI through the setup of the PMT – Support to MoI to structure and make functional its oversight, monitoring and reporting cycle on NCSAC and AP – MoI capacities are strengthened supported to advance the harmonization of the sector legal affecting implementation of decentralized functions <p>An integrated municipal performance system will be provided to inform policymaking on decentralization and local governance</p> <ul style="list-style-type: none"> – Work with most active LGUs to build demand and pressure for change 	UNDP/PM	2020		Factored into project design and implementation.
2	Lack of national and sub-national government ownership for effective results	Strategic Political,	Can cause delays in implementing activities, damage the sustainability of the project and ownership of results. P=2, I=3	<ul style="list-style-type: none"> – National and sub-national governments ownership ensured through their direct engagement since the design phase of the project activities – Project management modality assign the role of National Project Director to MoI, exercising direct oversight – Engagement of the associations of municipalities in PSC – Regular engagement of mayors in PSC – Promoting and widely sharing good results and practices – Ensuring continues communication and information with all stakeholders throughout the implementation. – Produce and disseminate evidence-based achievements to trigger civic participation and engagement. 	UNDP/PM	2020		Factored into project design and implementation.
3	Other donor	Political	This is complex	<ul style="list-style-type: none"> – Care is taken during the design phase to consult 	MoI	2019		Factored into

	organizations/ government initiatives in the same area overlap or contradict with the project	Operational	technical and participatory process which requires coordination and commitment of a variety of actors, under a clear Government leadership and vision. Lack of coordination will lead to waste of resources, confusion especially among local beneficiaries, and will be detrimental to both the progress of reforms and the development assistance impact P=2, I=2	<p>project areas and identify “hotspots”. For one of the most arguable themes, municipal performance, efforts are made to find potential complementarities and synergies and progress is made in defining labor division and mutual benefits. The next steps of each party are being identified and followed.</p> <ul style="list-style-type: none"> – Regarding ASPA support it has been confirmed by ASPA that the identified project areas for support do not overlap with other assistance. Further detailing and discussions among parties will be held to firmly define the right complementarities as well as the integration of available knowledge and products. – The PSC, as the highest-level donor coordination instrument overseeing the project plans and progress is the highest level for addressing coordination issues. – In addition, the project plans convening regular technical meetings with key development partners to share/exchange information about field work and good practices and identify areas requiring coordination and collaboration. – The project inception will be another critical momentum of detailing activities, especially where there is multiple assistance. – A stronger and more effective ownership is required from MoI to coordinate and ensure synergies and avoid overlaps among partners contributing to the area of DLG. 	Donor Community			project design and implementation.
4	Institutional rigidity and resistance to inter-institutional collaboration	Political Operational	Implementation will be delayed or stalled with respect to the production and delivery of some of the project outputs. This might have a higher impact for the activities which are interconnected. P=3, I=3	<ul style="list-style-type: none"> – MoI works extensively with several relevant institutions also within the official coordination arrangements such as the IPMG and Decentralization Thematic Group (GTD). – The MoI institutional leverage will be used when and if needed. – The ongoing MoI internal reorganization of responsibilities for DLG will be closely monitored to understand the institutional structure and identify areas for cooperation and collaboration. – During the inception period, the project will define in detail the institutional coordination 	MoI UNDP/PM	2020		Factored into project design and implementation.

				<p>requirements and establish working contacts with them.</p> <ul style="list-style-type: none"> – The project proposes to make use of the IPMG subgroup for coordination purposes, but also establishing an ad-hoc coordination group for specific activities if the former approach does not result effective enough. – The project has created space for inviting relevant institutions as members of the PSC if it is deemed necessary. 				
5	Government institutional changes and potential political reorganization in the short term that will impact project implementation pace	Political	Elections to be held in 2021 have the potential of changing authorities and the existing institutional configuration. P=2, I=4	<ul style="list-style-type: none"> – Involve a wider range of government stakeholders; base the project on frameworks and goals stipulated in the country's strategic documents – Work with subnational governments to increase their understanding and awareness on the STAR3 effects and impact on their daily work and performance 	UNDP/PM	2020		Factored into project design and implementation. To be monitored closely
6	Performance assessments of LGUs are not conducted in a neutral and objective manner or used politically, thus distorting the purpose	Political	As there is no consolidated culture in open data, transparency and evidence collection for informed policy and decision-making, the results might be misused P=3, I=3	<ul style="list-style-type: none"> – Previous and continued communication and consultation on purpose of assessment and its development advantages, other countries' experiences, description of process and possible follow up actions is part of project awareness activities targeting Municipalities as well as media and CSOs – MoI to confirm publicly the intentions on undertaking this exercise and seek collaboration from municipalities – Public awareness and capacity building at municipal level for evidence-based decision-making. – Development of data sets and indicators in partnership with LGUs – STAR3 Quality Assurance – A well thought launching of the result, with clear and unequivocal messages, findings and recommendations 	UNDP/PM/ MoI	2020		Factored into project design and implementation. To be monitored closely

7	Local communities are not sufficiently encouraged by direct benefits and thus reluctant to adopt behavioral changes needed to achieve goals in the long-term	Operational	The project will work closely with the national and local counterparts and guarantee that LGUs and local communities receive proper and accurate information on the benefits of the project P=2, I=3	<ul style="list-style-type: none"> – The areas of project intervention will be identified through participatory and capacity building workshops to ensure a high level of involvement and interest within local stakeholders. – The project's communication strategy and training components foresees proper awareness and communication will be carried out to ensure understanding of the benefits from the results for citizens. – Some of proposed STAR3 activities refer to existing practices to be promoted with some modifications to increase their efficiency and effectiveness, thus increasing the likelihood of support for their adoption. 	UNDP/PM	2019		Factored into project design and implementation. To be monitored closely
8	Adequate financial, technical and operational resources mobilized for a timely implementation of activities	Financial Operational	The present lack of sufficient financial resources to match project interventions and the potential inadequate timing of receiving of pledges seriously hamper project planning and achievement of objectives and desired results. A further impact on planning and implementation would be delays in mobilizing key project personnel, project personnel turnover, and other institutional and operational delays. P=2, I=4	<ul style="list-style-type: none"> – The project is built based on a modular approach to respond to the most priority needs of local government incrementally increasing the support and expanding the assistance as per the commitment/availability of resources from donors. – Discussion have taken place between Government and donors and agreement is reached with the proposed set of activities and the content of specific modules – Modular planning is organized in a way to complete critical priorities and plant the seeds and invest on expansion and consolidation of key best practices – Government cost sharing requirement is brought to the forefront and made a closely monitored priority by all partners – To mitigate personnel recruitment delays and turnover, the project will basically re-engage key STAR2 personnel as most activities represent a continuity and expansion. 	UNDP/PM	2020		Factored in the project design
9	Gender perspectives are not taken into	Strategic	There is still low awareness on gender mainstreaming and	<ul style="list-style-type: none"> – The project has a strong focus on gender mainstreaming which will ensure gender perspective during the design of the specific 	UNDP/PM	2020		Factored into project design and

	consideration by local stakeholders		inclusiveness when shaping operations, services and policies. This will continue to result in inefficient, non-inclusive and inadequate solutions P=4, I=4	<p>interventions.</p> <ul style="list-style-type: none"> – Data collection and analysis will be sex-disaggregated – Project assessments, findings and recommendations will include the gender perspective and will be developed through paying attention to gather the views of men and women. 				implementation. To be monitored closely
10	Municipalities' views and needs are not considered	Political Operational	It might result that project intended objectives and its proposed activities do not match in full LGUs' needs and the way they would like to see their problems solved. P=3, I=3	<ul style="list-style-type: none"> – The project does not aim to respond to specific needs of each municipality – Selected representative municipalities were involved in the preliminary consultation of the project concept; – Instead, attention was paid during the design phase to develop a proposal that responds to aggregate priorities of most municipalities in full consideration of the existing strategic, legal and institutional framework, the development context and the information about the local situation through contacts with each of them; – Solutions proposed follow legal requirements or best practices, most of which successfully piloted or developed in the last couple of years and in demand by most municipalities. – Nevertheless, the project will introduce its proposed interventions to each municipality and will operate in full respect with the principle of local autonomy and local discretion. – Municipalities will be represented in the PSC and influence the fine-tuning of the project intervention areas 	UNDP/PM MoI	2020		Factored into project design and implementation. To be monitored closely