

dldp contribution in the process of monitoring of the new functions allocated to local government

Decentralization and Local Government Program supports the Municipalities in the north of Albania, for strengthening their capacities and providing improved services to citizens. Considering the reforms undertaken by the Government of Albania, dldp engaged actively in the process of preparation of the Decentralization Strategy and the drafting of the new law on local government. Among the dldp's considered recommendations, the Decentralization Strategy has provided for the preparation of a Methodology for Allocating Functions for local government units. However, the new functions allocated at local level by the new organic law of self-local government, did not follow a clear methodology for transferring the functions. Ministries of Lines and Ministry of Finance have been coping with a process of transferring resources to Municipalities for executing the new functions; however, since the beginning there have been observed a number of problems. The Ministry of Finances has expressly asked dldp to engage in a process of monitoring of the new functions, in order to contribute to the improvement of the function allocation frame. Dldp has planned its intervention to this regard within the frame of institutional support provided to the national level and particularly to Ministry of Finance.

Dldp has already identified three potential monitoring layers:

- L1¹ - How (well) were functions re-allocated?
- L2² - How (well) prepared are municipalities to take over new functions?
- L3³ - How well are new functions implemented by municipalities?

Dldp support focuses on the following elements:

- Monitoring of L2 and L3 level
- Involvement of national and international expertise;
- Direct engagement of the local level (4 Municipalities) and the national level (4 Ministries);
- Preparation of a Methodology for Function Allocation
- Consultation and Validation of Methodology;
- Prepare reports and recommendations (improvement, legal act, etc.)

A more detailed description of activities follows.

1. Monitoring of L2 level

Data collection

Data collection will take place in both national and local level, through use of questionnaires. National and International experts engaged by dldp will prepare a set of questions for the Municipalities and another one for the Ministries of Lines which have decentralized functions. Questionnaires will be consulted with Ministry of Finance and Minister of State for Local Issues and afterwards will be validated with the Ministries of Line. Both questionnaires will be finalized within March 2016.

¹ This layer is Immediately assessable and provides for Identification of potentials for improving the assessment

² This layer is Immediately assessable and provides for Identification of needs for support

³ This layer is assessable not before 2017 and means a continuous quality improvement process

Dldp will engage its service providers (experts and organizations) to follow the process for collecting the data. One service provider will be engaged at the national level i.e. line ministries and 4 other service providers will engage with the Municipalities. During March 2016, the selected service providers will be instructed on the data collection process and finalization of the data collection process will take place during April – May 2016.

Results and Reporting

The data collected through the questionnaires will be elaborated by dldp experts. Focus groups with line ministries and Municipalities will take place, in order to agree and have a common understanding on the results.

Results of the questionnaires will further on be used for drafting the recommendations for the new law on local finances, which takes place in parallel.

Dldp will have a report on the monitoring of L2 level as well as an Implementation Methodology ready by July 2016. The Methodology will provide for an action plan for function monitoring and will be shared and consulted with Donors' community in Albania as well as with line ministries.

2. Monitoring of L3 level

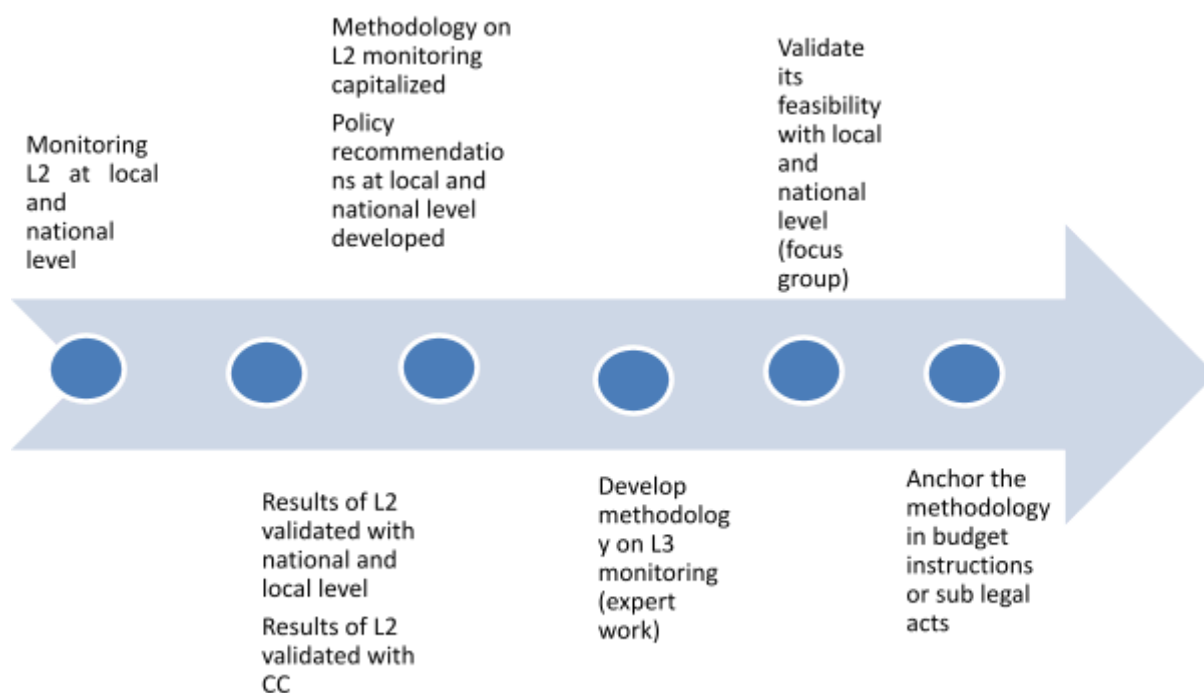
Starting from September 2016, monitoring of L3 will be conducted through a similar process as monitoring of L2. International and national expertise will engage in preparation of the frame and the methodology. Line ministries and local governments will be involved for validation purposes. The aim is that in December 2016, dldp has ready a Methodology for monitoring of L3 level.

3. Anchoring

Dldp will aim to anchor products of both L2 and L3 monitoring in a systemic way. Reports and Implementation Methodology from L2 monitoring process combined with the Methodology for L3 monitoring will be anchored in the budget instructions for the local budgets of 2017. Ministry of Finance will be supported to prepare a possible legal act which states the Methodology for Function Allocation as a legal instrument to be conducted by the local level as well as possible regulatory framework revisions concerning the modalities for the allocation of functions.

4. Implementation of Methodology

Depending on the closing terms of dldp, the program might consider to engage in the implementation phase of Monitoring of the Functions, through the approved Methodologies. Modalities for this intervention are to be defined in a later stage. REV SHIGJETZA



No.	Activity	Time frame	Notes
1	Develop questionnaire for L2 monitoring (Municipalities and line ministries)	March 2016	Experts presented scope on Focus Group Meeting of February 4, 2016. Questionnaire validated with line ministries.
2	Training for data collection process	March 2016	Service providers trained by dldp
3	Data collection	April – May 2016	Service providers in collaboration with Municipalities and line ministries
4	Focus Group meeting (agree on results of monitoring)	May – June 2016	Results of Questionnaires serve for formulation of recommendations on law on local finances
5	Report and Implementing Methodology of function monitoring (L2 level)	July 2016	National Experts and International expert
6	Start process for L3 monitoring	September 2016	National Experts and International expert prepare contextualized methodology
7	Workshop with MoF and MoSLI	October 2016	Methodology validated and agreed with MoF
8	Workshop 2 with line ministries and local level	October - November 2016	
9	Methodology for function monitoring finalized	December 2016	National Experts and International expert prepare final Methodology based on all products of the monitoring

10	Anchoring in collaboration with MoF	Up to March 2017	Through budget instructions and other possible legal acts.
11	Implementation of Methodology	2017-2018-2019	Depending on dldp term