Conference

The conference was held for 1 ½ days (September 25 –26, 2001) at the Palace of Congress Hall and was sponsored by USAID and Friends of Albania. Attendees numbered about 200 and comprised mostly government officials, staff of major donors agencies, prominent Albanian NGOs based in Tirana, and some international NGOs. Minka De Soto and Peter Gordon of the SDU participated to learn more about the decentralization process in Albania.

The objective of the conference was to discuss a series of reports produced by the Inter-Ministerial Committee on Decentralization (ICD) and its technical staff, the “Group of Experts,” (GED) on how to decentralize various functions of the central government to regional and local authorities. These reports focus on implementing the “National Decentralization Strategy”. Conference organizers hoped to gain clarity on the process to be followed to decentralize functions and identify the specific tasks that must be tackled in the process. The ICD also wanted to make sure that the process would be well integrated in the MTEF, GPRS and the various sectoral strategies. Additionally, there was keen interest in identifying possible donor support with financial and technical assistance.

Conclusions of the Conference

The real substance of the program was the three concurrent workshops held the afternoon of September 25 and the presentation of the conclusions of these workshops the next morning. However, the Head of the ICD, Minister of Local Government, Arben Imami (formerly the Minister of Justice), provided the conclusions of the conference – in a written statement prepared before the workshops presented their findings. The Minister concluded:

1) decentralization remains an important element of reforming Albania because it will improve government performance, increase opportunities of citizens, and strengthen democracy;

2) the ICD/GED will be the main Albanian counterpart in decentralization;

3) functions shared between local and national governments would be education, health, social protection, environment, civil protection and public order;

4) areas that cut across sectors (public administration, civil service reform, anti-corruption, GPRS, European integration, etc), will be addressed by the ICD/GED in consultation with local governments;

5) municipalities (urban), communes (rural) and regional associations will represent local interests in the discussion, facilitated at the regional level by regional administrations and prefectural administrations.

6) Tasks that need support of the “partners” (donors) are: a) technical assistance to the ICD/GED, particularly with the current priorities on property transfer, fiscal decentralization, water/sewage and land management, studies and drafting of laws relevant to the development of sector reforms that are affected by decentralization, and to strengthen capacity at local, regional and central levels
of government; and b) financial support for projects directly to local governments as well as to central ministries and local governments for shared functions; and

7) Donors should support the process in collaboration with Albanian ministries and also as much as possible through the Friends of Albania. Donors should keep the government informed about projects in the context of the decentralization process, and the Government needs to keep the partners informed about the decentralization process (with the help of a planned website dedicated to decentralization).

Workshop Conclusions

One workshop focused on the direct support the decentralization process will require, while two workshops focused on different types of governmental functions: 1) those functions that will be delegated to local authorities or shared with local authorities; and 2) those functions that cut across government ministries.

**Workshop 1 Direct Support of the Decentralization Process.** The workshop used the case study of water supply to explore issues of direct support of the decentralization process. It had three main objectives: 1) identify assistance needed for areas not covered by the GED; 2) identify existing donor projects and explore whether they account for decentralization; and 3) agree on a method of direct donor support to the process. Participants agreed that technical assistance will be used in numerous areas, with priorities on the transfer of properties to local authorities and municipal planning. Attendees asked several questions addressing the timing for delegating budgets and the laws needed in specific sectors to initiate such transfers of budget and authority. Law 8652 is supposed to take precedence over other laws but this was not clear to many participants. One proposed to some disagreement that new laws on a case-by-case basis should be passed where provisions of laws contradict Law 8652. Others reported that experts on the GED were addressing these issues.

**Workshop 2 Issues of Shared & Delegated Functions.** Peter Gordon attended the workshop. He was asked to be the rapporteur for the group and participated in drawing conclusions and making recommendations. The functions addressed by the workshop were education, health, social protection, environment, civil protection and public order. About 20 people -- mayors, other local officials, donors, and NGOs (international and domestic) participated. The moderators were not able to elicit specific recommendations from the group about the process to be used to decentralize shared and delegated functions, but local officials identified a number of concerns they have about the process.

**Workshop 3 Coordination of National Reform Programs With Cross-Cutting Decentralization Issues and The Role of External Partners Assistance.** Minka De Soto attended the workshop. It considered the issue of donor programs accounting for the decentralization process by looking at the case of MTEF development. It concluded that keys to success in this case were open dialog between the government and the donors and the good coordination of all relevant stakeholders. Additionally, training and capacity-building are needed, not only in central ministries, but especially in local governments. The decentralization process will also require very close monitoring and coordination with local leaders to adjust decentralization in a timely and appropriate way. The group also noted that good policy proposals coming out of the process will be a key to implementing decentralization
effectively – if a proposed policy lacks consensus, then it obviously will be difficult to decentralize responsibility for the policy. Donors need to incorporate decentralization into all projects and recognize the IMC/GED as the contact partner to do so, but the GED also needs to institutionalize information-sharing to accommodate the donors.

**Donor Attitudes**

**United States.** The Resident Representative of USAID, Mr. Sukha, spoke first about existing AID programs in legal frameworks/policy development, anti-corruption, municipal infrastructure (lights, roads, water, parks), and property transfer. He may have implied that USAID support for decentralization will be provided in the context of these existing programs. Regarding training, local authorities will never be ready until they are provided the opportunity to deliver services, so training must accompany the decentralization of functions, not precede it. He noted that decentralization is critically important to strengthening democracy, not just in improving government services.

**Europe.** The representative of the Council of Europe, Roberto Fasino, said it has only a small budget but can act as a coordinator of efforts, provider of training, and builder of social capital. He observed the weak position of municipalities and problems in coordinating local and national officials, and agreed with USAID on training. Charlotte Wilson of the OSCE said it offers the Friends of Albania office, 11 field offices in the country, an anti-corruption program, and the views of 55 different nations. The problem in her view is matching government needs with donor capacities – both sides know their needs and capacities, they just need to consult each other more. The EU Representative send a stand-in who had not participated in any of the conference. He noted that the conclusions drawn by the head of the ICD were consistent with the goals of the EU.

**Multilaterals.** The UNDP Resident Representative, Anna Stjarnerklint, said it will focus on weapons exchange and the environment. She was surprised by the political and legal obstacles to decentralization that still exist, and that monitoring systems are very important. She agreed with USAID and the Council of Europe that training should accompany rather than precede decentralization, and added that training should be done locally. She pledged to work with the ICD/GED in developing UNDP programs. Eugen Scanteie says the World Bank supports the current decentralization effort and between $200 million - $300 million of the portfolio is affected by it. The Bank is willing to explore more direct support to “decentralization/community development” but challenges exist – keep decentralization on course, don’t let decentralization contribute to the decline in basic services identified in the GPRS QA, and the need to think more about institutions than just people. He also noted that more of a bottom-up approach is needed in the process.