

Support to Territorial and Administrative Reform Project - STAR

Evaluation report

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Glossary of Acronyms

CM	Consultation Meetings
CoE	Council of Europe
CS	Communication Strategy
CSO	Civil Society Organization
CT	Consultation Tour
ER	Evaluation Report
EU	European Union
GD	Government Decree
GDP	Gross Domestic Product
GoA	Government of Albania
HR	Human Resources
INSTAT	Institute of Statistics
IT	Information Technology
LGU	Local Government Unit(s)
LM	Line Ministries
MoF	Ministry of Finance
MoSLI	Minister of State for Local Issues
MP	Member of Parliament
NC	National Conference
NE	National Expert
NGO	Non-Governmental Organization
NIM	National Implementation Modality
NWG	National Working Group
PPP	Power Point Presentation
PR	Progress Report
SB	State Budget
SC	Steering Committee
SDC	Swiss Development Cooperation
STAR	Support to Territorial and Administrative Reform
SV	Study Visit
TA	Technical Assistance
TAR	Territorial and Administrative Reform
ToR	Terms of Reference
TS	Technical Secretariat
WG	Working Group

1. EXECUTIVE SUMMARY

(i) *Project data*

The project “Support to Territorial and Administrative Reform – STAR” is under implementation since December 2013 and scheduled to complete by end June 2016, with an overall budget of US\$ 3,672,460. The project is implemented by UNDP Albania under the overall coordination responsibility of the Minister of State for Local Issues and in partnership and through the support of the following international partner organizations: Italian Cooperation, Swedish International Development Assistance (SIDA), Swiss Development Cooperation (SDC), and USAID.

The project’s overall objective was to provide coherent support to MoSLI for an effective implementation of the Territorial and Administrative Reform (TAR) process. The project sought to achieve through the realization of the following immediate objectives:

- (i) Develop the technical and institutional capacity of MoSLI to implement TAR
- (ii) Facilitate public information and consensus building
- (iii) Secure timely logistical inputs in all stages of the process
- (iv) Provide transition support for TAR implementation; and
- (v) Ensure integrated and quality financial management and coordination.

This Evaluation Report covers the assistance to the Minister of State for Local Issues (MoSLI) under the “Support to Territorial and Administrative Reform – STAR” project. The scope of the evaluation includes the period from December 2013 to February 2016. The factual basis of the report was prepared by the Consultant in February – March 2016 and it reflects the prevailing project situation until 15 February 2016.

Project	Allocation USD	Start Date	Expiry Date	Committed %	Disbursed ¹ %	Status
STAR	3,672,460	10/12/2013	30/06/2016	100	87	On-going

(Source: UNDP, February 15, 2016)

(ii) *Evaluation findings*

Relevance: The Territorial and Administrative Reform has been a necessary and even a delayed one for Albania. This has been convincingly demonstrated by the General Report of experts drafted under STAR and the constant advice of international partners on this theme². TAR could not be implemented earlier, especially because of lack of political commitment and therefore engagement in in-depth studies and assessments on the situation and the optional solutions. The STAR objectives were well harmonized with the Government of Albania objectives and the forthcoming Decentralization Strategy. In this respect, STAR is a very significant project, it responds exactly to an identified priority for Albania and corresponds to the international partners’ recommendations.

Effectiveness: The STAR activities contributed to the achievement of a broad scope of objectives: by obtaining the approval of the Parliament before the 2015 local elections, MoSLI was capacitated to provide an effective support for the successful implementation of TAR, in spite of many difficulties faced during implementation, first of all related to the lack of the necessary human resources and the

¹ As of 15 February 2016

² CoE, November 2003, Paper on Administrative-territorial reform in Albania - Criteria and process of implementation; sequential EU Progress Report on Albania; SKL International, December 2012, Territorial reform in Albania – Study for the Albanian Association of Communes, etc.

complexity of functions transferred to the new Local Government Units. In addition, important results have been achieved in the implementation of activities related to each of the 5 immediate objectives:

- MoSLI was supported with all the necessary technical and institutional capacities to implement TAR;
- during the process of TAR, information was given to all stakeholders securing their participation as well;
- all necessary inputs in all stages of the process were provided in time;
- the project engaged in supporting the transition phase; and
- the financial management was in full accordance with standard UNDP procedures.

Thus, STAR was a highly effective project. However, it is important to clearly understand that the nature of STAR was very specific: technical and institutional capacity of MoSLI was only strengthened by some ad hoc contracted staff, along with some national and international expertise; the consensus on TAR was not fully built, failing to ensure at least the participation of the political opposition representatives in Study Visits, while the expectations for improving the quality of services for citizens were very optimistic, as compared to the financial and timing constraints in extending pilot initiatives into all LGUs.

Efficiency: STAR has been spending in a very efficient way its financial resources considering the environment, the tight schedule, the novelty of the approaches undertaken and the full national coverage of its focus and activities. The project has financed both the costs of the additional human resources and expertise necessary to MoSLI for implementing the reform in a comprehensive manner as well as the costs of several activities related to public information and consultation, various desk and field assessments and several piloting of activities that contributed to the transition phase. Almost all activities and expenditures were committed and carried out in a period of two calendar years and the final deliverables are voluminous, including the number of stakeholders outreached, the specific LGU reports (around 444 reports), the 26 Local Operational Plans, the pilots on OSS, Archives and the review of the new local administrative borders.

Overall, the project budget structure composition included the following aggregated costs: 23% of budget spent on expertise, assessments, quality assurance for due diligence and piloting as well as capacity substitution for the MoSLI; 44% of budget spent on due diligence, administrative borders and other pilots' costs (OSSs, Archives document management system, etc.) most of them subcontracted to specialized entities; 15% of the budget spent public relations, public consultations and awareness raising; 9% of the budget went to logistic and other operational costs; and 3% of the budget was pure project management and coordination.

Impact: The impact of STAR was clearly evidenced by the legal adoption of a new territorial and administrative division of local governments in Albania and the last local elections around 61 municipalities replacing the 373 former LGUs. The above was a total confirmation of all actions supported by STAR during TAR designing, public information, and approval by the GoA and the Parliament.

In addition, most of the actions implemented during the transition support phase resulted to help the newly elected mayors in their day-to-day work and this is especially related to the approval of the 2016 municipality budget, adoption of standard institutional structures by many of them, definition of municipal borders, etc.

Sustainability: STAR was to strengthen the technical and institutional capacity of MoSLI and providing financial support for realizing the territorial and administrative reform. In terms of HR capacities there were two options: strengthening MoSLI through supporting it with ad hoc additional staff or through the capacity building activities, such as training and TA. STAR had no choice and opted for the first option because MoSLI had only a very limited number of staff (6 persons altogether). Thus, the technical sustainability at MoSLI level is questionable because once the contracts for the ad

hoc staff were to end, all related STAR support is “lost” and the necessity in attracting and retaining competent staff remains however a problem. Nevertheless, STAR has provided a series of trainings and coached and consulted with all new LGUs on various reform and post-reform topics, therefore trying to build sustainable capacities at that local level.

From a legal point of view, STAR main outputs are made sustainable through legal provisions of the Law 115/2014 and the outcome of the last 2015 local elections producing 61 new local government units. Although the political sustainability seemed to be the major problem of the STAR outputs, related to the lack of political consensus on TAR at the central level and the opposition contestation of the actual number and configuration of LGUs, considered as unfairly for carrying out just elections, this is somehow overcome by the constitution of the new LGUs. Although it is difficult to predict in advance whether the current LGU configuration will remain intact in case of political rotation in 2017, a major contributor to sustainability will be the future support in consolidating the new LGUs and the progress made in the administrative and especially the fiscal decentralization.

(iii) Conclusions

Project design

In view of the situation of the local government in Albania at the moment of the original project design (heavy dependency on external financing and not an updated strategy to further decentralize functions) the wider and immediate objectives were very realistic and clearly identified. Almost all the activities implemented under the program until the cut-off date of this report were closely related to the wider and immediate objectives. In this aspect, STAR could be considered a very good standard model of response to the local priority needs for other projects financed by international partners.

The identified risks proved to be relevant, especially the political risks related to the lack of consensus for TAR. Other risk: potential difficulty to realize good coordination of actors and activities was faced to the appropriate management approach applied by UNDP based on high flexibility and very fast decision-making procedures. The risk related to the resistance to reforms was not verified.

Project management

The management approach adopted by UNDP for STAR was very well defined and implemented: (i) *high flexibility in the selection of activities* - considering the day-to-day progress of reforms in Albania, the lack of a clear strategy for TAR, the very active contribution of the international partners in the local government issues, and the need to further developing the priority actions; (ii) *very fast decision making procedures* – the chairing of the STAR SC meetings by MoSLI and the ensuring of a high-level representation of stakeholders helped immediate decision-making; and (iii) *immediate reaction of UNDP to implement each SC decision* – this is related to the establishment of the STAR management structure in UNDP, the proven fast reaction of this structure in several cases, and the correct implementation of the UNDP procedures.

However, it seems that at the technical level more quality work and more exchange of information would be needed.

Financial and time management

The financial management was highly satisfactory in terms of commitment and spending. UNDP succeeded in dealing with the usual bureaucracy and implemented in a fast and correct manner all the financial procedures.

It is very important to underline that STAR was a project with time constraints. This is related to the fact that the local elections were decided to be held in June 2015 and it was necessary for the Albanian

Parliament to adopt the new TAR before the local elections since such elections were to be held for 61 municipalities. Every failure in that deadline could easily cause the failure of the TAR. Thus, UNDP had to successfully implement the first phase of the project ahead of such deadline. This was not an easy task taking into consideration the normal timing of the project cycle, project design included, negotiating financial resources with international partners, managing the start-up actions, and implementing a variety of activities. This was accomplished by a dedicated management team and an optimal backstopping support from the specific departments of UNDP.

Contractor's performance

The contractors, in general, responded well as far as timing and respecting of what was required in their terms of references is concerned. This is especially related to the local and international contractors involved in the TAR design and the survey of citizens' opinion on TAR. However, quality monitoring of the contractors' performance can be identified as a shortcoming.

Counterpart performance

The counterpart structure of the project was the staff of MoSLI. Their contribution in the STAR project was very significant in terms of the project design, negotiation with Government institutions and international partners for the STAR financing and UNDP management, follow-up of the approval procedures for TAR and adoption of the related law by the Parliament, organization of an adequately structured information flow for all stakeholders and the stakeholders, etc. In particular, the contribution of MoSLI was fundamental in coordination with Government and Parliament, and public information activities. The efforts made to ensure on time all the necessary approvals by GoA and Parliament and the arguments presented in the Albanian Constitutional Court may be considered as an irreplaceable contribution of MoSLI to TAR.

Project environment

The STAR project was born and successfully implemented due to a largely supportive environment mainly related to:

- (i) GoA commitment to the local government reform, as clearly declared in a number of documents, such as appointing MoSLI, co-financing STAR and promoting all the necessary approval decisions;
- (ii) USAID political commitment to co-financing STAR and inviting international donors' Agencies to participate in the STAR trust fund;
- (iii) UNDP that accepted to play the role of the management agency and to co-finance the STAR project;
- (iv) International partners that decided to co-finance the STAR trust fund, namely SIDA, SDC and Italian Cooperation;
- (v) All the international community that considered TAR as fundamental for Albania and politically promoted the STAR adoption and implementation; and
- (vi) Albanian Parliament that was deeply involved in reaching a political consensus and adopting TAR in due course.

The political consensus on TAR was not reached. However, from the Consultant point of view, this process could be divided into two main parts: (i) *political consensus at the local level* – in fact, during the implementation of the STAR first phase the mayors, head of communes and specialists aligned with the political opposition actively participated in CMs and provided valuable opinions and comments on TAR, most of which were largely considered by the group of experts in charge of the TAR design. In addition, they formally responded to MoSLI by presenting their comments on TAR. Therefore, at such level the consensus may be considered acceptable; (ii) *political consensus at the central level* – in

practice, the political opposition did not accept the reform based on two main arguments: GoA should have first submitted to the Parliament the decentralization reform and the division in 61 municipalities was suspected to have a political background related to electoral votes. As a result, the consensus at such level could not be reached.

(iv) Recommendations

STAR was a very successful project, relevant, effective and efficient, and well managed by UNDP in terms of procedures. The shorter project cycle and the flexible approach to management ensured the timely implementation of the project responding to Albania's priority needs. It is recommended to replicate STAR experience of pooled funding and engaging management bodies, such as UNDP, in other international support projects.

The support to TAR was a necessity, not only from the financial point of view, but also from the political point of view. It is now clear that a very sensitive reform like TAR could not be finalized without a political support and the large backing of the international partners. As a result, the participation of the international partners in any future support must be crucial for the realization of reforms.

Any future support to TAR must respect at least the following criteria:

- (i) *Continuity* – halting the financial support to such a national reform when TAR was so far successfully implemented at the first level of local government would be not efficient: some of the achievements made so far in may lose sustainability because a successful territorial and administrative division largely depends on ensuring more capable and empowered local governments and improved quality services for citizens.
- (ii) *Phasing* – A STAR like project could provide support in two phases, in line with the Decentralization Strategy: *phase 1* must be an immediate phase until June 2017 and *phase 2* could be a medium term phase that includes further support for the next two-three years.
- (iii) *Commitment* – The Government of Albania should clearly demonstrate its commitment to the continuation of TAR local government reforms. It is recommended to upgrade the position of MoSLI by establishing the Ministry of Local Governance and Territory Planning, as well as the finalizing as soon as possible of the Law on Local Government Finances that will definitely confirm the will of the central Government to decentralize the power towards LGUs.
- (iv) *Content* – Any future support to TAR must be primarily focused on the unfinished actions of the existing STAR. This is especially related to the activities aimed at further strengthening of the existing LGUs in order to guarantee some quality public services for citizens. Later on and possibly after the Parliamentary elections of 2017, the focus might be on the support for reforming the second level of local governance and HR capacity building at the municipal level.
- (v) *Approach* – any further support for TAR must be based in a new management approach: while phase 1 could be considered as transitory and managed with the same approach as in the previous support, phase 2 could totally change the approach transforming STAR into a “classic” TA project that would support the newly established Ministry of Local Governance and Territory Planning for advancing the implementation of decentralization.

- (vi) *Agreement* – With respect to any further support for TAR, it is recommended the signing of a common agreement between financing partners, promoting their interests in monitoring the quality of STAR outputs.

The TA reporting process must be further improved to include clear indicators of achievement in any contract and evaluate the performance of NE in selected stages.

Any further financial support for TAR must consider as precondition the complete involvement of the Agency for TAR Implementation and the large involvement of the two existing Municipality Associations.

For any further support, more synergy and less competitiveness with other projects' activities are needed. This is related to some improvements in the programming phase and during the implementation of the activities.

2. INTRODUCTION AND DEVELOPMENT CONTEXT

2.1 Development context

In the wake of the political changes of 1991, Albania embarked on the implementation of a number of reforms to bring its political, economic, and social progress into line with international standards, especially those of the European Union (EU). However, the reform of the decentralization of power to Local Government Units (LGU), aimed at improving the quality of public services for the population, coincided with the subsequent ratification of the European Charter of Local Self-Government³ and the approval of the first decentralization strategy⁴. The years 2001 and 2002 can be considered the most successful years for Albania in the sphere of decentralization. It was the first time that the State Budget (SB) Law included the concept of the unconditional transfer to LGUs, which was further developed with the fiscal reform package⁵ leading to an increased autonomy for the municipalities and communes in generating revenues from local taxes and fees. During this process, it was identified that a more systematic approach was needed, extending the action to include the territorial and administrative reform.

According to the Albanian Constitution⁶, the LGUs in Albania are: (i) town and rural municipalities, and (ii) regions. The town municipality (*bashkia*) is a territorial administrative unit and a group of people living primarily in an urban setting, but in some cases even in a rural setting. The rural municipality (*communes*) is a territorial administrative unit and a group of people living usually in a rural setting, but in some cases even in an urban setting. Based on this definition, the territorial administrative divisions are defined by law⁷ on the basis of common economic needs and interests as well as historical traditions. Within this framework, Albania was divided into 373 LGUs, including 64 town municipalities and 309 rural municipalities. This is the first level of local government. Town and rural municipalities are grouped into 12 regions that represent the second level of local government.

The aforesaid fragmented local government represented the following disadvantages:

- (i) Asymmetric economic development of LGUs: the development has been quite sluggish in some administrative units and, in general, all indicators show a strong correlation between low levels of economic development and local Gross Domestic Product (GDP) per capita, not well considered by the “old” territorial and administrative division;
- (ii) Poor efficiency and low effectiveness of service delivery: about 80% of the small LGUs did not provide any public service to their communities, did not generate any revenue and constituted only “spending units”;
- (iii) Negative influence of the demographic dynamics: about 70% of the communes and 26% of the municipalities consisted of less than 5,000 inhabitants each, while 12% of the communes did not even count more than 1,000 inhabitants.

In a more general way, the EU underlined that small local governments units are in many cases not economically sustainable and no progress was made on the territorial and administrative reform in Albania⁸. In addition, a special evaluation mission of the Council of Europe (CoE) visited Albania⁹ and recommended the design and implementation of territorial and administrative reform (TAR) as a necessity for the country.

³Ratified in November 1999.

⁴The first Decentralization Strategy was approved by the Albanian Government in 1999.

⁵Adopted by the Parliament in December 2002.

⁶The Constitution of the Republic of Albania was passed on 21 October 1998.

⁷Law No. 8653, date 31.07.2000.

⁸European Commission, Progress Report 2012 for Albania, Brussels October 2012.

⁹This mission was in Albania in October 2013.

The necessity of TAR was supported even by several Albanian studies preceding the Support for Territorial and Administrative Reform (STAR) project. Initially, during the period 2002 – 2004, a study on the subject was prepared, but was not approved for political reasons. In 2013, the Ombudsman institution concluded that the existing territorial division was one of the main reasons for the low levels of economic development and that a new territorial division was needed. Subsequently, some Swedish experts recommended, at the request of the Albanian Association of Communes, five options for TAR in Albania¹⁰:

- (i) Reorganization of LGUs on a voluntary basis. In fact, that was a hypothetical option because up until 2001 there was only one case of voluntary agglomeration of two communes in Albania;
- (ii) Agglomeration of the small sized communes;
- (iii) Asymmetric decentralization of functions and responsibilities. Under this scheme, the decentralized functions were to be implemented by successful LGUs only;
- (iv) Reorganization by region considering 5 – 8 LGUs in each of the regions; and
- (v) Reorganization on a district basis considering the 36 existing districts.

In the same year, the Swiss Cooperation finalized a study¹¹ on the functional areas piloted in 4 regions. According to it, a functional area is determined based on the economic exchanges (such as employment, consumption, markets and revenues), social aims (healthcare and education), and cooperation between local institutions.

The new Government that emerged from the June 2013 elections largely considered the local government reform process including the important measures in its Electoral Program under the principles and standards of the European Charter of Local Self – Government: “...the new government shall encourage the empowerment of local government and decentralization process, in order to ensure a heightened efficiency of the local government itself. It is a priority for the Government to initiate the territorial and administrative reform in order to achieve the territorial consolidation through an open and all-inclusive process that will involve all the political factors in the country, the local communities, civil society and international partners. These reforms will intend to enhance efficiency and quality of access to local public services for citizens, increase the financial means and resources for LGUs, improve mechanisms of the representative democracy, and boost the capacities of the local government administration...”

MoSLI called the international donors to support the GoA in fulfilling its commitment regarding TAR through a flexible financial and management mechanism. Considering the strong Government commitment, USAID immediately participated and helped to promote the participation of other international partners, such as the Swedish Government channeled through SIDA, the Swiss Government through the Swiss Development Cooperation office in Albania (SDC), Italian Cooperation, and UNDP. A pool of funds was established under the UNDP management and a new project was born called “Support to Territorial and Administrative Reform – STAR”. While the UNDP is playing the fund manager role and disbursing the funds according to the UNDP’s National Implementation Modality (NIM), the Albanian Government through the direct leadership of MoSLI is implementing the project. In the meantime the above international partners are financing other projects regarding local government issues and decentralization.

In the Consultant’s understanding, the Albanian TAR aimed to respond to three main concerns:

- (i) Further optimization of the territorial division at the first level of local government with respect to the size of the LGUs by reducing their total number;
- (ii) Optimization of the second level of local government with respect to the size of regions by reducing their number; and

¹⁰This study was drafted by the Swedish Consulting Company SKL.

¹¹The study was drafted by the Swiss Consulting Company DLDP.

- (iii) Decentralization of services from the central government institutions to the new local government units so as to improve to a significant degree their quality ensuring their successful implementation and standardization.

While STAR was focused more on the first concern and partially on the third one, no concrete actions were foreseen regarding the second concern: optimization of the size of regions. Actually, the second level of the local governance continues to miss a clear physiognomy, proper competencies and appropriate financial resources.

In parallel with the commitment on undertaking the TAR, a new Government Strategy for Decentralization¹² was drafted by the Minister of State for Local Issues (MoSLI) during March 2014 – February 2015. The strategy includes three main phases of decentralization:

- (i) *short-term actions (2015 – 2016)*: the main focus in this phase will be to revise the scope of the existing legal framework, especially the law on the organization and operation of local government and adoption of the Law on Finance of Local Governance¹³;
- (ii) *midterm actions (2017 – 2018)*: the main focus here will be in some crucial issues linked with the implementation of the new TAR and the consolidation of new LGUs and local governance capacities such as the operation of one-stop-shop services in all LGUs, support to tax administration at a local level, alignment of regional and local development policies, ensuring minimal national standards for public services at a local level, consolidation of some newly transferred functions, etc.; and
- (iii) *long-term actions (2019 – 2020)*: the main focus will be the implementation of the legal framework and reforms initially developed in the previous phases and the midterm revision of the strategy.

TAR was a political choice as it aimed at redistributing power. However, such important changes create frictions of interests that can be easily raised to political resistance. In addition, local government has been closely influenced by electoral processes and politics over the transition period. Thus, attaining a certain degree of political consensus could ensure the legitimacy of such reforms. This is particularly critical in the Albanian case, where political disaccord has a long legacy. Such need for consensus was fully recognized by the Government.

In order to promote the adoption of TAR by the Albanian Parliament and consider the necessity of the political consensus, the Parliament decided in January 26, 2014 to establish an ad hoc Parliamentary Committee for TAR, consisting of an equal political membership of eight Members of Parliament (MPs) from the position and opposition groups, co-headed by the representatives of both groups with a right of veto for the opposition. In addition, through a Prime Minister (PM) Order¹⁴, a National Working Group on TAR was established with a membership from the relevant central institutions and line ministries.

2.2 The project objectives and approach

The wider objective of the project was *to provide coherent support to MoSLI for an effective implementation of the territorial and administrative reform process*¹⁵.

The immediate objectives of the project were to:

- 1 develop the technical and institutional capacity of MoSLI to implement TAR;

¹²National Crosscutting Strategy for Decentralization and Local Governance 2015 – 2020, July, 2015 was prepared with the assistance of the United States Agency for International Development (USAID).

¹³This is the first Law on Local Governance financing in the Albanian transition.

¹⁴PM Order No. 36, date February 5, 2014.

¹⁵As mentioned in the project document, page 8.

- 2 facilitate public information and consensus building;
- 3 secure timely logistical inputs in all stages of the process;
- 4 provide transition support for TAR implementation; and
- 5 ensure integrated and quality financial management and coordination.

It was foreseen to implement the above five objectives in two phases:

- Phase 1 Design phase and decision-making including in particular the three first immediate objectives; and
- Phase 2 Transition support for implementing the agreed changes.

TAR was foreseen to be finalized before the local elections of mid – 2015; therefore, very high flexibility in terms of management and strong political commitment was required to implement the reform on time.

2.2. 1 Support to the design phase

The design phase was aimed at the elaboration and adoption of a new local administrative division. Thus, the adopted new local administrative division of the country represented the main deliverable of this phase. In accordance with the roadmap prepared by MoSLI, STAR considered the following main activities:

- (i) Establishment of a Technical Secretariat (TS) at MoSLI, chaired by the advisor of the Minister and composed by at least 5 national professionals;
- (ii) Mobilization of a Team of Experts for the TAR design from various relevant fields, possessing respectable experience and knowledge on the subject matters of territorial reform, legislation, fiscal issues and socio-economic developments at a local level;
- (iii) Mobilization of a pool of Regional Coordinators that would be the MoSLI liaison with the field and serve for the facilitation of public consultation activities; and
- (iv) Public consultations and consensus building considering the clear requirement by both the national legislation and the European Charter of Local Government.

Subsequently, considering the importance of strengthening the MoSLI technical and institutional capacity, the following main activities were included:

- (i) staff recruitment including staff for TS, regional coordinators, and employees for archives;
- (ii) expertise in TAR design including NE and international experts;
- (iii) local expertise; and
- (iv) institutional and public information including study visits and training.

2.2. 2 Support to the Transition phase

The transition/implementation phase was aimed at the examination of each LGU in order to identify the modalities to be followed and problems to be solved in the process of merging and the preparation of the grounds for Mayors to rapidly adapt and act on setting up with efficiency and minimal disruption of the new LGUs. According to the roadmap prepared by MoSLI, STAR considered for the second phase the following main activities:

- (i) Piloting amalgamation model in two LGUs;
- (ii) Inventorying and assessing of all the remaining LGUs' situation (59 LGU-s); and
- (iii) Preparation of all LGUs for amalgamation.

2.2.3 Indicators of achievement

Indicators of achievement were stated in the form of outputs: five outputs in total, one for each of the immediate objectives were indicated in the project document.

2.2.4 Stated Risks and Assumptions

Risks and assumptions were stated in the project document¹⁶. They are political and organizational risks related to the difficulty with reaching a political consensus about TAR, resistance to reforms, and the potential difficulty in establishing an effective coordination of a large number of actors and activities.

2.3 *Evaluation methodology*

The evaluation took place during February – March 2016. UNDP contracted the Consultant to draft an Evaluation Report (ER) for analyzing the project's design quality and *internal* coherence, the sustainability of the project interventions, with a specific focus on *relevance* – the degree to which the project takes into account the local context; *effectiveness* – the extent to which the project objectives have been achieved; *efficiency* – the extent to which the intervention is efficient in terms of resources and inputs committed; *impact* – the assessment of the main impact effectively achieved by the STAR project; and *sustainability* – the project capacity to produce and to reproduce benefits over time (annex 1).

Combining desk review and field work, the evaluation made use of three mutually complementary research methods:

- (i) Documentary analysis
- (ii) Semi –structured interviews
- (iii) Unstructured observations

The Consultant reviewed basic documentation on the project and on the context of TAR. Additional documentation was obtained by the Consultant, who reviewed and summarized selected materials. Given time limitations, it was agreed by the Consultant in consultation with UNDP, that the field mission would be restricted to visits in Shkoder, Elbasan and Gjirokaster, the three newly established LGUs led by mayors belonging to different political parties. Initial interviews were held with the project team, representatives of the MoSLI as implementing partner, followed by interviews with donors contributing to the project, as well as other relevant government and non-government officials.

Particular attention was given to partner organizations implementing similar governance related projects, as well as to associations of municipalities and the agency established for the implementation of TAR. Also interviewed was the chairperson of the ad hoc Parliamentary Commission for the TAR. The complete list of persons interviewed is provided in Annex 7.2.

¹⁶See in the project document Annex 1 – Risk Log

3. ANALYSIS

3.1 Project implementation

The implementation of the project started in December 2013 and, initially, the predicted end date of the project was December 2015. Thereafter, the project duration was extended until June 2016 without cost extension.

Immediate Objective 1 - Develop technical and institutional capacity of MoSLI to implement TAR

According to the project document, it was agreed that the activities under this objective/component were to be financed by an amount equal to 22.7% of the total budget (see the Table below). Until the 16th of February, about 95% of this amount has been spent.

No	Objective	Commitment		Expenditure
		USD	% of the total budget	In %
1	Develop technical and institutional capacity of MoSLI to implement TAR	833,197	22.7	95

Source: UNDP, February 15, 2016

The technical and institutional capacity of MoSLI was initially strengthened through the establishment of the TS under MoSLI, composed of 9 National Experts (NE) and three support staff who were recruited in 2014 and selected through an open call for application, which established a roster of expertise in different areas relevant to requirements

- Amalgamation team leader,
- Chief of regional coordinators,
- Legal experts (2 persons),
- Public accountant expert,
- Information Technology (IT) experts (2 persons),
- Public relations & event coordinator,
- Donor liaison coordinator, and
- Finance assistant.
- Drivers (2 persons).

The recruitment procedures were implemented by the Human Resources (HR) Department of UNDP involving regular announcements in Albanian newspapers, Terms of Reference (ToR) for each position, evaluation committee for all applications, the non-objection of MoSLI, and contract for the services of an individual Contractor. The Consultant verified the procedures and contracts for most of the NE recruited and no irregularities have been identified.

In addition, 13 regional coordinators were recruited, one for each region and an additional one for Vlore Region (to cover Saranda District), as well as 13 specialists for local archives. Thus, in total MoSLI was supported by STAR with 38 specialists.

12 short term NE were recruited for the TAR design, having each individual experience and knowledge in various subject matters related to the TAR, such as local governance, local finances, fiscal decentralization, local economic development, and legislation. They worked and drafted mainly two reports, under the guidance of international experts and the office of MoSLI:

- (i) a General Report on the local government situation in Albania¹⁷; and
- (ii) a Specific Report on the criteria for the new territorial and administrative division¹⁸.

The Institute of Statistics (INSTAT), the Ministry of Finance (MoF) and the other related Line Ministries (LM) provided all the necessary data and information requested by NE.

A Swedish international consulting company with previous experience in Albania in the same field was contracted to provide Technical Assistance (TA) to the design phase through 3 international experts¹⁹. Sweden has a long and positive experience related to the reorganization of local government. Their special knowledge on amalgamation processes resulting from direct experience with territorial and administrative reform was considered very useful and advantageous to the Albanian counterpart.

Immediate Objective 2 - Facilitation of public information and consensus building

The Communication Strategy (CS) of TAR was another comprehensive document drafted by NE that supported the achievement of the second immediate objective of STAR. The communication strategy defined the necessary actions to inform stakeholders and public on the TAR necessity, content and implementation. In addition, the CS aimed to deliver clear and consistent brand image to the stakeholders and target audiences and a set of communication products. In order to ensure larger consensus, key messages were identified to be communicated to the target audience, especially to politicians. Without a cost analysis of the planned actions, in terms of the information actions implemented in practice, the number and content of such actions largely exceeded those that were planned in the strategy.

According to the project document, it was agreed that the activities under this objective / component were to be financed by an amount equal to 15% of the total budget (see the Table below). Until the 16th of February, about 99.7% of this amount has been spent; the remainder is expected to be spent when the project is complete.

No	Objective	Commitment		Expenditure
		USD	% of the total budget	In %
2	Public information and consensus building	552,199	15	99.7

Source: UNDP, February 15, 2016

After the selection of the STAR regional coordinators formal trainings were organized for them during February 2014²⁰. 12 Working Groups (WG) at the regional level were established as per the same Government Decree (GD)²¹ that established the NWG on TAR. The STAR regional coordinators and the regional WGs were primarily responsible for organizing the public information campaigns at the local level.

¹⁷“Analyses of the local government situation in Albania – General Report to the Committee of TAR”, April 2014.

¹⁸“Technical criteria for the new administrative division”, April 2014.

¹⁹The contract was signed between UNDP and SKL International on February 7, 2014 for a total of 60 working days until May 30, 2014.

²⁰2 one-week trainings in Tirana and one 2-days training in each region

²¹GD No 36, date February 5, 2014

The necessity for TAR and the Government commitment to TAR have been already presented in a National Conference on October 17, 2013. However, the first consultation tour (CT) was realized in March 2014 to present the reform principles and the amalgamation criteria alongside the goal to gather stakeholders' and community opinions. The SC of STAR insisted on incorporating into the process as many as possible of the Members of Parliament (MP), central and local institutions, media, civil society, private sector, and urban and rural areas' communities. In the 11 organized Consultation Meetings (CM) some 1075 individuals participated out of which 245 women representing local and regional government and institutions, Civil Society Organizations (CSO) and ordinary citizens. The discussions were broadcasted live on the dedicated website. All CMs were led by MoSLI. Following them, the main comments and opinions presented during the CT were considered by the experts.

Based on the CS and the media-related plan, a two-day formal training for journalists was organized in Tirana in March 2014. Also, 12,000 copies of leaflets, 600 posters, and 2,000 plastic bracelets with the territorial reform logo were produced and distributed in 12 regions, as well as 2 TV and radio spots (broadcasted 200 times in total) and 15 TV shows and radio programs²² were prepared and broadcasted.

The TAR Web page and Facebook and Twitter accounts were also opened and have been constantly active by promoting and sharing information in real time on the reform process. Thus, until August 31, 2014, the TAR web page was visited by 57,805 people with a daily average of 150 visits. Social media (Facebook and Twitter) have also been very active and followed during the same period by 2,471 visitors. Videos on the CM were prepared and distributed, and all CM were posted on a regular basis on social media.

Citizens Voice Territorial Survey was implemented during February – April 2014 by a contracting local company selected through a competitive procurement process to measure the public opinion of TAR. Some 16,000 people were interviewed in all Albania for the final option on TAR with 61 LGUs. The final report of the survey was delivered in August 2014 and one of the main results was that about 67% of Albanians were in favor of TAR.

In order to promote the consensus on TAR, 10 round table consultations were organized with relevant local and central government officials and experts under the leadership of the National WG. About 760 people that participated were consulted on TAR.

4 study visits (SV) for policy makers and experts were organized:

- (i) the first one was organized in Ireland in June 2014²³. The 18 participants were mainly the representatives of the GoA and members of the ad hoc parliamentary committee on TAR. The objective of the SV was to provide a first-hand knowledge of the Irish experience on TAR with a special focus on political consensus. Ireland was selected as a more advanced country in designing and implementing TAR, and because of the many similarities to Albania in terms of progress in decentralization. Working meetings were organized in Ireland with the relevant Irish Parliamentary Committee, LM, and NGOs. Field visits to a region where there has been a successful implementation of a TAR and to a region where difficulties were encountered were also organized;
- (ii) the second SV took place in Kosovo during 16 – 17 April 2015 including 10 persons from MoSLI and the Amalgamation team. The main objective of the SV was to get an understanding of the organization and operation of LGUs in Kosovo. The scope of the visit also included the way services are provided through the one stop shops in urban and rural areas, the system of information on the performance management system implemented by

²² Radio spots were broadcasted 60 times in Top Albania Radio; and Radio Tirana during May – June 2014.

²³The SV was assisted by Irish East Border Region Association

- the local administration, and the mechanisms used to ensure representation and participation of citizens in the decision-making process;
- (iii) Another SV of a few Ministry staff to selected Swedish municipalities led by MoSLI took place during 2015 (see also 3.4.8); and
 - (iv) Learning opportunity for the government officials involved in TAR and the amalgamation team was the SV in Emilia Romagna region (Italy)²⁴. This was organized in two stages: the first stage in June 2015 with the participation of three experts that provided to MoSLI several relevant recommendations related to the provision and management of social services at the local level. The second stage occurred in September 2015 with the participation of 10 experts from MoSLI, the National Agency of Reform Implementation and Tirana Municipality, with the main focus on TAR regional experience.

Under the leadership of MoSLI, a photo competition was organized during March – April 2015, primarily targeting youth and aiming to showcase the TAR through photography. The competition required also to highlight the human face of TAR. To realize a comprehensive competition and draw attention of young artists for participating, the project made use of innovative tools of information. A separate domain was set up in the TAR website which was active during March – April 2015 and 11,455 persons visited the website.

Some CM with MoSLI with students in Tirana, Shkoder and Vlore Universities were organized and posted both on the webpage and Facebook account. As a result of this intensive campaign, 266 applicants participated in such competition.

Additional short term NE (4) were hired at different stages of implementation of immediate objective 2 in order to help with their specialized knowledge; such expertise included inter-alia public information expert responsible for the implementation of the Communication Strategy, one journalist responsible for organization of 4 TV debates on TAR in the main TV channels, and one cameraman for the recording of the consultation meetings and the production of short video spots.

Immediate Objective 3 - Secure timely logistical inputs at all stages of the process

According to the project document, it was agreed that the activities under this objective/component were to be financed by an amount equal to 8.7% of the total budget (see the Table below). Until the 16th of February, about 94% of this amount has been spent.

No	Objective	Commitment		Expenditure
		USD	% of the total budget	In %
3	Logistical inputs in all stages of the process	318,605	8.7	94

Source: UNDP, February 15, 2016

UNDP provided its management and operational support upon formal request from MoSLI, in accordance with UNDP's rules and procedures and based on a Standard Letter of Agreement with the MSLI (signed on 8 November 2013) for the provision of project support services.

In this context, UNDP, as per the agreed implementation modality, has guaranteed the timely provision of logistical support at the request of the implementing partner in the project due course.

STAR project provided operational support for all the undertaken activities, which is covering for expendable expenditures, transport costs, maintenance and running costs related to the organization and implementation of various project activities.

²⁴SV in Emilia Romagna was organized by ANCICOM, and Italian private company contracted by UNDP.

- (i) *Human Resources* - UNDP has completed successfully the recruitment processes and managed the contract modalities for the entire number of experts and staff recruited under STAR project (51)
- (ii) *Procurement of goods and services* - During the project implementation, UNDP had timely initiated procurement processes and managed contracts with 26 companies, NGOs and other professional service providers.
- (iii) *Equipment* - STAR provided equipment and furniture in order to facilitate the work of the TAR staff. Thus, STAR provided three (two second handed and one new) cars, 7 desktops, 26 laptops, 2 printers, 6 overhead projectors, 13 cameras, 2 servers. Offices of the technical secretariat were equipped with necessary furniture. STAR also provided all the necessary equipment for the pilot one stop shops in Elbasan and Durres municipalities, thus enabling the full functioning of the pilot platforms.
- (iv) *Transport costs* - 13 Regional Coordinators and all the members of the amalgamation team are supported in terms of local transports by covering the respective costs related to 3-4 trips per month at local governing units in their regions in order to coordinate and facilitate the amalgamation process. Additionally regional coordinators are reimbursed for the travelling costs from their regions to Tirana at an average of 1-2 missions per month for participating in meetings with Technical Secretariat and national conferences.
- (v) *Travel / per diem* - Per-diem are paid for out of duty station trips at an average of 2 days missions per week carried out from Technical Secretariat staff, especially for Amalgamation TL and experts to closely monitor the amalgamation process
- (vi) *Maintenance & Ops costs* - Maintenance costs are carried out for three vehicles including insurance and taxes costs. In addition support is provided for other operational costs such as printing, office supplies and communication costs.

STAR also provided all the necessary equipment for the pilot one stop shops in Elbasan and Durres municipalities, thus enabling the full functioning of the pilot platforms.

Immediate Objective 4 - Provide transition support for TAR implementation

This was the main component of the project in terms of budget, as foreseen in the project document: about 43.5% of the total budget (see the Table below). Until 16th February 2016, about 78.5%% of this amount has been spent, with the remainder planned to be spent by the end of implementation.

No	Objective	Commitment		Expenditure
		USD	% of the total budget	In %
4	Transition support for TAR implementation	1,598,377	43.5	78.5

Source: UNDP, February 15, 2016

In November 2014, the first STAR pilots on due diligence and amalgamation approach started in Pogradec and Ura Vajgurore municipalities, prior to a full replication at country level. The piloting was completed by April 2015. The piloting was carried out through subcontracting KPMG Albania, supported by the regional coordinators and experts of the amalgamation team and in closely working with the pilot municipalities. The exercise included collection of data, situational assessments and development of guidelines for undertaking both the due diligence and the administrative amalgamation of the future LGUs.

Following the piloting of due diligence/amalgamation, 59 local working groups (WGs) were established in each main future LGU²⁵ to be made responsible for the due diligence and amalgamation processes at local level. Each WG consisted of finance, human resources, legal and IT experts. Besides a constant communication with all LGUs and the established WGs, STAR provided a three-day formal

²⁵ such groups were not established only in Tirana and Kamez municipalities

training to all WGs during end May – early June 2015, focusing on the following main topics: (i) Personnel inventory; (ii) Description of functional analysis in the LGUs; (iii) Organizational structure and its design principles; and (iv) ICT issues.

During March – June 2015, 30 CMs were organized by the amalgamation team all over the country with the participation of about 500 people. These meetings aimed to inform the stakeholders about the new LGUs' configuration features and the related actions to make the LGUs operational in anticipation of the June local elections and following the election date.

A major event for TAR was the NC of June 2015 with the participation of the Albanian Prime Minister and about 260 participants representing several Ministries, local government, Albanian Parliament, central and local agencies. The NC marked the completion of the preparatory phase of TAR and the commencement of the transition stage towards the real amalgamation of 373 LGU-s into 61 new municipalities.

In the aftermath of June 2015 local elections, UNDP carried out a major competitive bidding procedure for the selection of a qualified entity to replicate the due diligence/amalgamation pilot across all new 61 municipalities. STAR staff and MoSLI cooperated in drafting the related ToRs for such assignment and Grant Thornton was selected for the implementation starting in September 2015. The due diligence replication consisted in reviewing the financial and operational aspects of each of the former LGUs, focused primarily on the assessment of financial statements, the availability and status of public services, the availability of administrative functions, and the related organizational structures. 384 + 61 reports were finalized under this contract, referring to 373 former LGUs plus 11 reports municipal units of Tirana Municipality as well as 61 consolidated reports for each of the newly established municipality. The relevance of such information is important for the newly established LGUs, since it presents to the newly elected mayors and administrations the realistic situation of the new LGUs, its legacy from the previous local administrations, as well as highlights the need for appropriate measures to be taken in during the consolidation phase.

In collaboration with the new Agency for the Implementation of TAR²⁶, “Practical Guidelines for Mayors” were drafted and published in order to help new elected Mayors in some specific practical issues, such as:

- (i) Detailed explanations in understanding and complying with the Decision No 510, date 10.06.2015 “On the transfer of duties with regards of personnel, archives, and other formal documents in the consolidated municipalities;
- (ii) Standard form to be signed by Mayors in their first working day and preparation of the new timber for the municipality;
- (iii) Appointment of new administrators in the administrative units;
- (iv) Preparation of the transitional organization structure;
- (v) Preparation of the transitional fiscal package; and
- (vi) Preparation of the transitional budget.

All interviewed Mayors considered the Guidelines very practical and useful to their work.

The definition of territorial boundaries of the 61 new municipalities was another activity undertaken by STAR. UNDP subcontracted for this exercise a local qualified company. The accurate administrative definition of territorial boundaries was an exercise undertaken for the first time and besides its direct aim of identifying the local administrative borders, its secondary aim was to avoid administrative disputes between municipalities and solve likely issues in territorial planning. The implementation begun in April 2015 and ended in early 2016. In addition to the virtual definition of territorial boundaries of 61 newly established municipalities using the GIS system, four training sessions of

²⁶²⁶The Agency was established in January 2015 and become operational in May 2015 staffed with 12 persons. At present, the Agency is staffed with 14 persons.

Urban and Property Registration Office specialists from 61 municipalities (some 120 participants in total) were conducted. By the end of December 2015, all municipalities have entered data in the web platform created specifically for this purpose. In 2016, the defined and agreed administrative borders are expected to be acknowledged through a Government decision.

Along 2015, STAR supported the piloting of the one stop shop service provision model in the municipalities of Elbasan and Durres. The one stop shops facility will deliver administrative services via different service points: one in the city hall and the others in each of the administrative units. This concept has been already implemented on pilot basis in Elbasan municipality, linking the city hall with the administrative unit of Bradashesh and in Durres Municipality, linking the city hall with the administrative unit of Ishem. Similar systems were piloted by international partners in other municipalities. At present, the MoSLI and STAR SC members are visiting all pilots in order to decide on the model to be replicated in all municipalities for ensuring a country coverage.

Document management and archiving has been one of the major deficiencies of local administrations identified during the piloting of due diligence in Pogradec and URA Vajgurore municipalities. On this basis, STAR engaged to design a model on how to address this issue and a solution was piloted during June – July 2015. To further replicate this model, an analysis of the situation at the country level was completed by end 2015, opening the possibility for addressing the issue across the new municipalities in the future.

In September 2015, STAR engaged in drafting Local Development Operational Plans in 26 selected municipalities of smaller and medium size. These plans, covering a short-term horizon of 2-3 years, are aimed at a quick assessment of the local economy and public services situation in each municipality and the identification of priority project fiches for capital investment as well as rapid interventions that would help consolidate the new LGUs.

Immediate Objective 5 - Ensure integrated and quality financial management and coordination

According to the project document, activities under this objective/component were to be financed by an amount equal to 3.2% of the total budget (see the Table below). Until the 16th of February, about 74.6% of this amount has been spent.

No	Objective	Commitment		Expenditure
		USD	% of the total budget	In %
5	Project management	117,939	3.2	74.6

Source: UNDP, February 15, 2016

For a proper management of the project, UNDP engaged a dedicated Project Coordinator, a financial and an administrative assistant. In addition, backstopping support was provided to the STAR project through other UNDP offices, namely Human Resources Department, Procurements and Financial Departments, regarding the general management rules, specific procurement processes and HR recruitments.

An additional 252,146 USD was planned to be provided to UNDP as management fee (about 10% of the project budget in total together with the project management cost) and 86.9% of this amount is already disbursed.

Thus, from the total project budget of 3,672,459, about 87% is already spent to date and, by the end of April 2016, almost the entire budget is expected to be spent.

4. EVALUATION

4.1 Evaluation findings

Relevance

The Territorial and Administrative Reform has been a necessary and even a delayed one for Albania. This has been convincingly demonstrated by the General Report of experts drafted under STAR and the constant advice of international partners on this theme²⁷. TAR could not be implemented earlier, especially because of lack of political commitment and therefore engagement in in-depth studies and assessments on the situation and the optional solutions. The STAR objectives were well harmonized with the Government of Albania objectives and the forthcoming Decentralization Strategy. In this respect, STAR is a very significant project, it responds exactly to an identified priority for Albania and corresponds to the international partners' recommendations.

Effectiveness

Overall, the project was successful in contributing to the objective of initiating, implementing and completing a process of reforming local governments' territorial structure. STAR activities contributed to the achievement of a broad scope of objectives. MoSLI was capacitated to provide an effective support for the successful implementation of TAR, in spite of many difficulties faced during implementation, first of all related to the lack of the necessary human resources and the complexity of dealing with the amalgamation and transfer of several new functions to the new Local Government Units. The approval by the Parliament of the new territorial and administrative division prior to the 2015 local elections was also due to STAR contribution and support to MoSLI to develop and implement a structured and tight process.

The project also performed well in achieving the stated 5 project objectives, remaining at all times responsive to requirements of the process:

- MoSLI was supported with all the necessary technical and institutional capacities to implement TAR;
- during the process of TAR, information was given to all stakeholders securing their participation as well;
- all necessary inputs in all stages of the process were provided in time;
- the project engaged in supporting the transition phase; and
- the financial management was in full accordance with standard UNDP procedures.

Thus, STAR was a highly effective project. However, it is important to clearly understand that the nature of STAR was very specific: technical and institutional capacity of MoSLI was only strengthened by some ad hoc contracted staff, along with some national and international expertise; the consensus on TAR was not fully built, failing to ensure at least the participation of the political opposition representatives in Study Visits, while the expectations for improving the quality of services for citizens were very optimistic, as compared to the financial and timing constraints in extending pilot initiatives into all LGUs.

Efficiency

²⁷ CoE, November 2003, Paper on Administrative-territorial reform in Albania - Criteria and process of implementation; sequential EU Progress Report on Albania; SKL International, December 2012, Territorial reform in Albania – Study for the Albanian Association of Communes, etc.

STAR has been spending in a very efficient way its financial resources considering the environment, the tight schedule, the novelty of the approaches undertaken and the full national coverage of its focus and activities. The project has financed both the costs of the additional human resources and expertise necessary to MoSLI for implementing the reform in a comprehensive manner as well as the costs of several activities related to public information and consultation, various desk and field assessments and several piloting of activities that contributed to the transition phase. Almost all activities and expenditures were committed and carried out in a period of two calendar years and the final deliverables are voluminous, including the number of stakeholders outreached, the specific LGU reports (around 444 reports), the 26 Local Operational Plans, the pilots on OSS, Archives and the review of the new local administrative borders.

Generally, the necessary logistical inputs were provided to TAR implementing body after carefully examined and discussed with the implementing partners and after receiving official requests from the National Project Director. Expenditures were committed and made in full compliance with UNDP rules and procedures. Procurements exceeding the threshold of \$150,000 were reviewed and cleared by UNDP's regional Assets and Procurement Committee operating from UNDP's Istanbul Regional Hub.

Overall, the project budget structure composition included the following aggregated costs: 23% of budget spent on expertise, assessments, quality assurance for due diligence and piloting as well as capacity substitution for the MoSLI; 44% of budget spent on due diligence, administrative borders and other pilots' costs (OSSs, Archives document management system, etc.) most of them subcontracted to specialized entities; 15% of the budget spent public relations, public consultations and awareness raising; 9% of the budget went to logistic and other operational costs; and 3% of the budget was pure project management and coordination.

Impact

The impact of STAR was clearly evidenced by the legal adoption of a new territorial and administrative division of local governments in Albania and the last local elections around 61 municipalities replacing the 373 former LGUs. The above was a total confirmation of all actions supported by STAR during TAR designing, public information, and approval by the GoA and the Parliament.

In addition, most of the actions implemented during the transition support phase resulted to help the newly elected mayors in their day-to-day work and this is especially related to the approval of the 2016 municipality budget, adoption of standard institutional structures by many of them, definition of municipal borders, etc.

It can also be said that the project's impact in contributing to the attainment of the territorial and administrative reform was greatly influenced by its timing. The project started at the most appropriate time when the reform was launched, persistently helped the reform shaping and implementation and supported an intensive communication campaign led by the MoSLI.

Sustainability

STAR was to strengthen the technical and institutional capacity of MoSLI and providing financial support for realizing the territorial and administrative reform. In terms of HR capacities there were two options: strengthening MoSLI through supporting it with ad hoc additional staff or through the capacity building activities, such as training and TA. STAR had no choice and opted for the first option because MoSLI had only a very limited number of staff (6 persons altogether). Thus, the technical sustainability at MoSLI level is questionable because once the contracts for the ad hoc staff were to end, all related STAR support is "lost" and the necessity in attracting and retaining competent staff remains however a

problem. Nevertheless, STAR has provided a series of trainings and coached and consulted with all new LGUs on various reform and post-reform topics, therefore trying to build sustainable capacities at that local level.

From a legal point of view, STAR main outputs are made sustainable through legal provisions of the Law 115/2014 and the outcome of the last 2015 local elections producing 61 new local government units. Although the political sustainability seemed to be the major problem of the STAR outputs, related to the lack of political consensus on TAR at the central level and the opposition contestation of the actual number and configuration of LGUs, considered as unfairly for carrying out just elections, this is somehow overcome by the constitution of the new LGUs. Although it is difficult to predict in advance whether the current LGU configuration will remain intact in case of political rotation in 2017, a major contributor to sustainability will be the future support in consolidating the new LGUs and the progress made in the administrative and especially the fiscal decentralization.

4.2 Conclusions

Project design

In view of the situation of the local government in Albania at the moment of the original project design (heavy dependency on external financing and not clear commitment of government to further decentralize functions) the wider and immediate objectives were very realistic and clearly identified. Almost all the activities implemented under the program until the cut-off date of this report were closely related to the wider and immediate objectives. In this aspect, STAR could be considered a very good standard model of response to the local priority needs for other projects financed by international partners.

STAR project document was well adapted to the local needs and this was also achieved through revisions of the project document in close cooperation with MoSLI, the last one of May 2014. However, after finalizing the first phase of TAR, some actions of the transition phase support apparently were not directly related to the STAR objectives or were actions already initiated by other projects financed by the same international partners involved in STAR. This is in particular related to the one stop shop initiative already started 2 years ago to be implemented by USAID in Korce under the LGP project and about 3 years ago by SDC in Shkoder and Lezhe. In addition, the Agency for TAR implementation established by the GoA was not well considered by STAR during the second phase of the project. In fact, STAR continued to be implemented as the Agency was not yet established, while the contribution of the Agency was crucial in the transition phase to prepare the Guidelines for mayors. Thus, another project document revision could be useful in 2015 for this transition phase.

The identified risks proved to be relevant, especially the political risks related to the lack of consensus for TAR. Other risk: potential difficulty to realize good coordination of actors and activities was faced to the appropriate management approach applied by UNDP based on high flexibility and very fast decision-making procedures. The risk related to the resistance to reforms was not verified.

Project management

The management approach adopted by UNDP for STAR was very well defined and implemented: (i) *high flexibility in the selection of activities* - considering the day-to-day progress of reforms in Albania, the lack of a clear strategy for TAR, the very active contribution of the international partners in the local government issues, and the need to further developing the priority actions; (ii) *very fast decision making procedures* – the chairing of the STAR SC meetings by MoSLI and the ensuring of a high-level representation of stakeholders helped immediate decision-making; and (iii) *immediate reaction of UNDP to implement each SC decision* – this is related to the establishment of the STAR management

structure in UNDP, the proven fast reaction of this structure in several cases, and the correct implementation of the UNDP procedures.

However, it seems that at the technical level more quality work and more exchange of information would be needed. Generally, STAR was not so attentive to the quality of documents/reports provided by contractors, especially individual experts, considering the quality control a responsibility of MoSLI. Thus, the monitoring of contracts were more focused on the financial and timing parameters. Thus, a quality control mechanism seems to be necessary in order to fully justify the achievement of the contractual targets by contractors. And monitoring quality of outputs must be considered as part of the monitoring contracts and brought closer to the management structure.

Financial and time management

The financial management was highly satisfactory in terms of commitment and spending. UNDP succeeded in dealing with the usual bureaucracy and implemented in a fast and correct manner all the financial procedures.

It is very important to underline that STAR was a project with time constraints. This is related to the fact that the local elections were decided to be held in June 2015 and it was necessary for the Albanian Parliament to adopt the new TAR before the local elections since such elections were to be held for 61 municipalities. Every failure in that deadline could easily cause the failure of the TAR. Thus, UNDP had to successfully implement the first phase of the project ahead of such deadline. This was not an easy task taking into consideration the normal timing of the project cycle, project design included, negotiating financial resources with international partners, managing the start-up actions, and implementing a variety of activities. This was accomplished by a dedicated management team and an optimal backstopping support from the specific departments of UNDP.

While there have been no significant issues between different financial contributors (i.e. GoA, UNDP, SIDA, USAID, SDC and Italian cooperation) a common formal Agreement or Memorandum of Understanding (MoU) for this project is missing. Indeed, the project document that includes the total financial amount required and the agreed financial allocation by contributors is already signed by MoSLI (on behalf of GoA) and UNDP Albania. In addition, each of the international partners signed a “bilateral” Agreement with UNDP that includes the donor responsibility to timely transfer to UNDP the amount foreseen in the project document. Clear targets to be achieved for each instalment are missing and no other document signed by each contributor was presented to the Consultant. Analyzing the Agreements and all related UNDP reports, it seems that the contributors were more interested in the financial terms than the related outputs. This was explicitly mentioned in the Management Agreements: UNDP is charged with reporting at a regular basis on the expenses, but not the outputs. The outputs are described in progress reports as regularly approved by the project SC. It is strongly recommended that such a document is signed in similar commitments to formally ensure acceptance of the management rules including reporting.

Project co-ordination

In general there was a good coordination within STAR (among the STAR management structure of UNDP and the Technical Secretariat/Amalgamation Team working closely at MoSLI) considering the very wide range of the STAR activities, and among STAR and the number of donors and projects operating in the sector. SC was the main coordination instrument for informing all interested parties on the local government reform progress and several ongoing activities of STAR and other projects. However, a stronger coordination would have been beneficial to specific similar activities undertaken by different partners as well as a more systemic technical information on STAR outputs to STAR partners. In addition, the coordination between STAR and the newly established Agency for TAR implementation was missing.

Contractor's performance

The contractors, in general, responded well as far as timing and respecting of what was required in their terms of references is concerned. This is especially related to the local and international contractors involved in the TAR design and the survey of citizens' opinion on TAR. However, monitoring of the quality check of the contractors' performance can be identified as a shortcoming.

Counterpart performance

The counterpart structure of the project was the staff of MoSLI. Their contribution in the STAR project was very significant in terms of the project design, negotiation with Government institutions and international partners for the STAR financing and UNDP management, follow-up of the approval procedures for TAR and adoption of the related law by the Parliament, organization of an adequately structured information flow for all stakeholders and the stakeholders, etc. In particular, the contribution of MoSLI was fundamental in coordination with Government and Parliament, and public information activities. The efforts made to ensure on time all the necessary approvals by GoA and Parliament and the arguments presented in the Albanian Constitutional Court may be considered as an irreplaceable contribution of MoSLI to TAR.

Project environment

The STAR project was born and successfully implemented due to a largely supportive environment mainly related to:

- (i) GoA commitment to the local government reform, as clearly declared in a number of documents, such as appointing MoSLI, co-financing STAR and promoting all the necessary approval decisions;
- (ii) USAID political commitment to co-financing STAR and inviting international donors' Agencies to participate in the STAR trust fund;
- (iii) UNDP that accepted to play the role of the management agency and to co-finance the STAR project;
- (iv) International partners that decided to co-finance the STAR trust fund, namely SDC and Italian Cooperation;
- (v) All the international community that considered TAR as fundamental for Albania and politically promoted the STAR adoption and implementation; and
- (vi) Albanian Parliament that was deeply involved in reaching a political consensus and adopting TAR in due course.

The political consensus on TAR was not reached. However, from the Consultant point of view, this process could be divided into two main parts: (i) *political consensus at the local level* – in fact, during the implementation of the STAR first phase the mayors, head of communes and specialists aligned with the political opposition actively participated in CMs and provided valuable opinions and comments on TAR, most of which were largely considered by the group of experts in charge of the TAR design. In addition, they formally responded to MoSLI by presenting their comments on TAR. Therefore, at such level the consensus may be considered acceptable; (ii) *political consensus at the central level* – in practice, the political opposition did not accept the reform based on two main arguments: GoA should have first submitted to the Parliament the decentralization reform and the division in 61 municipalities was suspected to have a political background related to electoral votes. As a result, the consensus at such level could not be reached.

In fact, local government in Albania has been closely influenced by electoral processes and politics over the transition years. Despite the fluctuations of relations between the main actors in the field of politics, it can be said that in essence there has been no difference of opinion with respect to *the process* and *the nature* of local government as far as political parties' electoral programs are concerned. The local government reform and the democratic basis for an effective local governance have been common elements in the platforms of all the government administrations in Albania along the transition period. However, at the same time, it can be said that the local government reform, indeed its effectiveness and operation, has been the victim of a bitter fighting and conflicts which have characterized the political life in the country throughout the transition. Therefore, it has been difficult for the Albanian politics to become used to the coexistence of central government and local authorities, and the latter have frequently been deprived of the powers provided by law. This was also evidently reflected in the process of TAR approval.

5. LESSONS LEARNED

- GoA was fully committed to TAR and openly demonstrating such commitment in a number of cases, starting from the electoral program, and appointment of MoSLI as part of Government structure, promotion of a prompt decision-making for TAR, and implementing TAR starting from the last local elections. In order to ensure the continuation of this reform, it is necessary to demonstrate a renewed commitment on the part of the Government. This new commitment could be confirmed by a clear declaration, further developing MoSLI into a Ministry of Local Government²⁸, considering the fundamental importance of the local government for citizens after the full decentralization of functions from central government to local government.
- The approval of the Decentralization Strategy can be considered an important step toward the strengthening of the local governance. However, the real question is: what is the next step? This is because the sustainability of the existing territorial and administrative division largely depends on the transfer of functions from central government and on the establishing and implementing of high quality standards for services. This is related in particular to the continuation of the short and medium term actions foreseen in the strategy, part of which were also supported by STAR, though they have to be fully implemented.
- TAR is already in place in Albania with an optimal number of LGUs. However, the functions already transferred to LGUs are not yet standardized, local HR is not capable of adequately responding to new tasks, other functions are expected to be decentralized, and the financial support from the state budget is insufficient, especially in the “rural” municipalities. Under the circumstances, a possible STAR project continuation could be fundamental to ensuring the sustainability of the achievements to date. In that case, some “unfinished business” of the existing STAR needs to be followed up, especially with regard to service quality and coverage and capacities of local governments to deal with the new responsibilities.
- As described in this report, the second level of local governance was not supported by STAR and is not yet considered by MoSLI and the Government. The region (*qarku*), however, is a local government unit that is not optimized in terms of size (surface, population and number of LGUs), lacking clear functions and representative composition. Thus, TAR is not yet finished and the Consultant was not able to identify the same enthusiasm from the Government as it was the case for the first level of local governments. On the contrary, it seems that GoA has no intention to start such a reform, at least in the short term.
- STAR was designed to support the territorial and administrative reform. Until now, STAR was focused on the territorial reform at the first level of local government and this reform was successfully finalized. STAR just started to support the administrative reform through supporting the consolidation of new LGUs and the quality and administrative performance of

²⁸This idea was carefully discussed with different stakeholders. While all of them agreed on the importance of such decision, the MoF did not agree presenting financial arguments only. In the Consultant point of view, this obstacle can be overcome establishing the Ministry of Local Governance and Urban Planning, considering that the existing Ministry of Urban Planning is in charge of a function directly related to the local governance only.

some necessary functions. However, this second part of the reform could be considered as having just started: forestry, water supply, land management, environment, etc. are new functions undefined in terms of the standards, financing and daily management practices. In addition, the strength of local human resources and the HR management capacity remains deficient. The future of the actual central government institutions at local level is not clear as well. Without addressing this aspect of the reform, the territorial reform itself could very soon be questionable, wasting all efforts and the financial support.

- STAR was not able to actively involve in its actions either the newly established Agency for TAR implementation or the two Associations of Municipalities. It is fundamental to consider the Agency as an implementing or complementing partner considering the functions for which this Agency was established by the Government. In addition, the role of the two Associations is crucial to achieve the missing consensus. It is already confirmed that consensus is easier to be reached at the local level, which might then gradually influence the central level.
- STAR was not a typical TA support project, it provided capacities to MoSLI to implement the reform. STAR could become a normal TA project only if MoSLI is transformed into a full Ministry of Local Government and Territorial Planning. In that case, STAR could establish a right balance between the central government (the new Ministry) and the local government (Municipalities).
- Fiscal decentralization is a fundamental reform to be implemented in a short term period. The Law on local government financing is under preparation with the support of USAID, and GoA is facing a historical decision: to endorse and bring such law to the Parliament for adoption. Indeed, this will be a big challenge for the Government since it will achieve a real transfer of power from central government to local governments. STAR should be prepared to support the implementation of such an important reform.

6. RECOMMENDATIONS

STAR was a very successful project, relevant, effective and efficient, and well managed by UNDP in terms of procedures. The shorter project cycle and the flexible approach to management ensured the timely implementation of the project responding to Albania's priority needs. It is recommended to replicate STAR experience of pooled funding and engaging management bodies, such as UNDP, in other international support projects.

The support to TAR was a necessity, not only from the financial point of view, but also from the political point of view. It is now clear that a very sensitive reform like TAR could not be finalized without a political support and the large backing of the international partners. As a result, the participation of the international partners in any future support must be crucial for the realization of reforms.

Any future support to TAR must respect at least the following criteria:

- (i) *Continuity* – halting the financial support to such a national reform when TAR was so far successfully implemented at the first level of local government would be not efficient: some of the achievements made so far in may lose sustainability because a successful territorial and administrative division largely depends on ensuring more capable and empowered local governments and improved quality services for citizens.
- (ii) *Phasing* – A STAR like project could provide support in two phases, in line with the Decentralization Strategy: *phase 1* must be an immediate phase until June 2017 and *phase 2* could be a medium term phase that includes further support for the next two-three years.
- (iii) *Commitment* – The Government of Albania should clearly demonstrate its commitment to the continuation of TAR local government reforms. It is recommended to upgrade the

position of MoSLI by establishing the Ministry of Local Governance and Territory Planning, as well as the finalizing as soon as possible of the Law on Local Government Finances that will definitely confirm the will of the central Government to decentralize the power towards LGUs.

- (iv) *Content* – Any future support to TAR must be primarily focused on the unfinished actions of the existing STAR. This is especially related to the activities aimed at further strengthening of the existing LGUs in order to guarantee some quality public services for citizens. Later on and possibly after the Parliamentary elections of 2017, the focus might be on the support for reforming the second level of local governance and HR capacity building at the municipal level.
- (v) *Approach* – any further support for TAR must be based in a new management approach: while phase 1 could be considered as transitory and managed with the same approach as in the previous support, phase 2 could totally change the approach transforming STAR into a “classic” TA project that would support the newly established Ministry of Local Governance and Territory Planning for advancing the implementation of decentralization.
- (vi) *Agreement* – With respect to any further support for TAR, it is recommended the signing of a common agreement between financing partners, promoting their interests in monitoring the quality of STAR outputs.

The TA reporting process must be further improved to include clear indicators of achievement in any contract and evaluate the performance of NE in selected stages.

Any further financial support for TAR must consider as precondition the complete involvement of the Agency for TAR Implementation and the large involvement of the two existing Municipality Associations.

For any further support, more synergy and less competitiveness with other projects’ activities are needed. This is related to some improvements in the programming phase and during the implementation of the activities.

7. ANNEXES

7.1 Evaluation Terms of Reference

TERMS OF REFERENCE

Project:	Support to Territorial and Administrative Reform (STAR)
Host Agency:	UNDP Albania
Position:	Evaluator
Type of Contract:	IC Consultant
Duty Station:	Home-based with travel requirements
Expected Starting Date:	February 1, 2016
Duration:	22 working days within a period of 40 days
Educational Background:	Advanced University Degree in Economics, public administration, political or a development related field
Work Experience:	Minimum 10 years of experience in program design, M & E Familiarity with local governance developments in Albanian and related local government project evaluation experience is highly preferable.
Deadline for Application:	January 22, 2016

Background

The need for territorial and administrative review and consolidation of local government units had emerged in national policy debates since early 2003 and the importance of its considerations have been growing increasingly as a necessity to change the pace and quality of local development and strengthening of public administration.

Such developmental and governance concerns found a central place in the program of the new Government taking power September 2013, with a full understanding that the reform would be critical for reviewing and improving institutional capacities and fiscal systems in place and making them more efficient and responsive to development and further decentralization challenges. In 2013, Local Government in Albania was composed of 373 LGUs of the first level that in many cases were not economically sustainable. 55% of the communes and 15 % of the municipalities comprised less than 5, 000 inhabitants and 230 LGUs used to spend 60% of the budget on their own salaries. About 80

smallest LGUs did not provide any public service to their communities. LGUs lack capacities to offer quality services and need to get reorganized to tackle new tasks and responsibilities in the context of decentralization and amalgamation.

Undertaking of a territorial reform became a priority for the Albanian Government as a first step for a larger comprehensive package of changes to strengthen local administration and capacities to assume a better development role. Albania held local elections in June 2015 and in quite a different context from the past, confirming to a radical territorial and administrative reform (TAR) legislated in 2014, from 373 to 61 new local Government Units.

In response to the new Government commitment and resolve to undertake the reform under a tight schedule, several donors agreed to provide immediate support to the leading government institution, the Minister of Local Issues and arranged to contribute to a pooled donor contribution funding (total of \$3,672,460) under UNDP management for the provision of input support to the process, i.e. logistics, procurement, recruitment, and the like. This pooled funding includes to date contribution from Sweden, USAID, Switzerland, Italian Cooperation, Albanian Government and UNDP. Donor arrangements around this government commitment have been put in place in a record short time between October and December 2013. The contributing arrangement, under the name of Support to Administrative and Territorial Reform – STAR, was operational by 10 December 2013.

Becoming active at the same time of the launch of the reform, the STAR project has been instrumental in supporting the development and implementation of the entire reform sequence and represents an innovative donor contribution and coordination platform around the reform and in the dialogue with the government. Regardless of the funding sources, the Government/ Minister of Local Issues has an active and leading role in shaping the reform and coordinating assistance and expertise for developing the reform content.

The identified key areas requiring support, to which STAR project contributes financially and managerially, relate to mobilization and management of human resources, procurement of services and goods as well as various coordination and monitoring running costs.

Key Project Results to Date:

The project is designed around four major components:

- (i) Technical and institutional capacity support to the MSLI to manage the reform process
- (ii) (ii) Facilitation of information sharing and public consultations with public and civil society including women groups.
- (iii) (iii) Provision of technical services in support of the transitional and consolidation phase
- (iv) (iv) Provision of timely logistical inputs at all stages of the process

From its commencement in December 2013, the key results achieved to date by the STAR Project include:

- The establishment and support of a reform Technical Secretariat attached to the Minister of State for Local Issues, which has grown during 2014 to become the Amalgamation Team of Experts, a unit in charge of identifying and developing the details of each action to be undertaken in the framework of the reform implementation, monitor the implementation progress and provide quality assurance on behalf of the Minister of State;
- Hiring of international and national expertise; an expert analytical work on determining optimal options for consolidation based on transparent and simple criteria;
- Organization and facilitation of knowledge transfer and sharing platforms where best practices are discussed and experiential learning is generated (E1);

- An extensive public consultations campaign to correct and adjust the proposed solutions and seeking buy-in and support from the beneficiary citizens and the current LGUs (E2);
- The development of the approach and modalities (based on piloting in Pogradec and Ura Vajgurore) for implementing the consolidation in practice, in conformity with the legal and administrative frameworks in place, including necessary amendments and revisions of such frameworks; (E3)
- The adoption of the legal framework legitimizing and enabling changes to happen; preparing of a practical guide for newly elected mayors (E4);
- The capacity development and mobilization of the necessary human resources to engage in the reorganization and consolidation of local administrations; 61 working groups established at local level;
- The undertaking of the due diligence/assessment process of 381 LGUs including financial and operational and human resources aspects (E5);
- Undertaking of an assessment of the document management and archiving situation in all the LGUs (E6);
- Developing One-Stop- Shop Model and implementing it in two municipalities (E7)
- Provision of technical assistance to the new municipalities to prepare short-term (three years) Local Development Operational Plans including specific projects fiches for capital investments;
- Support provision of the definition of the administrative borders of 61 of the new local government units; (please find in the Annex 1 linkages of provided evidences according to numbers)

Specific evaluation objectives are:

The object of study for this evaluation is the STAR Project understood to be the set of components, outcomes, outputs, activities and inputs that were detailed in the project document and in associated modifications made during implementation. The evaluation aims at the followings:

1. Measure to what extend the STAR project has implemented the activities, delivered outputs and attained outcomes and specifically achieved development results;
2. Generate substantive evidence based knowledge, by identifying best practices and lessons learned and make recommendations for improved future assistance in the relevant area.

More specifically the evaluation will:

1. Analyze the project 's design quality and internal coherence (needs and problems it sought to solve);
2. Analyze the sustainability of project interventions;
3. Provide feedback on the soundness (defined as relevance, effectiveness, efficiency, impact and sustainability) and impact of its approach;
4. Based on the analysis conducted over the experience of STAR, extract lessons learned and provide recommendations for follow-up and adjustments in working methods if necessary. Provide recommendations on strengthening gender components in the future interventions.

The conclusions and recommendations generated by this evaluation will be addressed to its main users, participating agencies, the Project Steering Committee, the Agency for the implementation of the Administrative and Territorial Reform, the 61 municipalities and other partners involved in the project implementation.

Suggested Analytical Framework

The evaluator can include other aspects in accordance with the purpose of the evaluation and in agreement with the executing agency (UNDP). The evaluation will follow the Standards and Norms of United Nations Evaluation Group, UNEG Ethical Guidelines for Evaluation, 2008, UNEG/FN/ETH (2008). The key evaluation criteria revolve around the following aspects:

- **Relevance:** The evaluator will assess the degree to which the project takes into account the local context and development problems. The evaluation will review the extent to which the objectives of the project are consistent with beneficiary requirements and needs, and assess whether the approach was coherent with the Country's policies. The evaluation will also review the extent to which the project design was logical and coherent, and it will assess the link between activities and expected results, and between results and objectives to be achieved.
- **Effectiveness:** The evaluation will assess the extent to which the project's objectives have been achieved, compared to the overall project purpose. In evaluating effectiveness it is useful to consider: 1) if the planning activities are coherent with the overall objectives and project purpose; 2) the analysis of principal factors influencing the achievement or non-achievement of the objectives.
- **Efficiency:** To which extent is the intervention efficient in terms of resources and input committed when delivering outputs and immediate results?
- **Impact:** The evaluation will assess the main impact effectively achieved by the STAR Project in the context of reference.
- **Sustainability:** The evaluation will assess the project capacity to produce and to reproduce benefits over time. In evaluating the project sustainability it is useful to consider to what extent intervention benefits will continue even after the project is concluded and the principal factors influencing the achievement or non-achievement of the project sustainability.

Outputs and deliverables

The evaluator shall produce the following deliverables through the course of the assignment:

Work plan – within two days of the start of the assignment. The evaluator will submit the work plan which will include a detailed approach and methodology and schedule. In particular, the work plan will require a clear approach to data collection and work organization to examine the project in its full scope.

Preliminary findings report – within 13 days of the start of the assignment, the evaluator will share a draft report indicating the scope of assessment in key components. The purpose of this report is to demonstrate progress on the assignment and adherence to the TORs, and will identify any evaluation issues that may need further clarification before completion.

Final evaluation report – within 5 days of receiving the consolidated comments from stakeholders, the Evaluator will submit a final document that addresses relevant comments and provides comprehensive reporting on all elements of the assignment. This report will be submitted to the STAR project Steering Committee for clearance.

Evaluation Report Outline

As a minimum, the Evaluation Report (draft or final) shall include the following components (the exact structure of the report may be influenced by the project components and components of the Evaluation TOR):

- i. Executive Summary

- ii. Introduction
- iii. Project outline
- iv. Methodology
- v. Analysis
- vi. Findings
- vii. Best Practices and Lessons Learned
- viii. Recommendations
- ix. Relevant Annexes, for example:
 - a. List of people interviewed
 - b. List of acronyms
 - c. Evaluation work plan and TOR
 - d. List of key reference documents

Evaluation methodology

The evaluation will be carried out through the analysis of various sources of information including desk analysis, survey data, as well as interviews/group interviews with governmental counterparts and project partners, direct beneficiaries, municipalities, civil society and other donor community (besides those involved with STAR) with relevant programmes in the country, such as for example CoE, EUD, etc.

Management arrangements, work plan and time frame

1. Desk review	Review of key project documents	(3 working days)
2. Field visit	The evaluator visits project sites, interviews stakeholders and beneficiaries and gathers additional information.	(6 working days)
3. Report drafting	The evaluator drafts the evaluation report	5 working days
4. Stakeholders comments and feedback	The draft report is circulated to stakeholders for comments and feedback. These are consolidated and sent to the evaluation team	3 working days
6. Final report	The evaluator finalizes the report embedding the comments	5 working days

It is expected that the evaluator will conduct consultations and meetings with representatives of the following institutions, but not limited to:

- UNDP Albania
- Minister of State for Local Issues
- Amalgamation Team
- Newly elected mayors
- Partner agencies (Sweden International Development Agency, Swiss Development Cooperation, Italian Cooperation, USAID) and other donors with similar implementing projects

- Other actors involved in the sector such as Co-Plan, Institute for Democracy and Mediation, Urban Research Institute, and other civil society organizations including women NGOs, etc

Implementation arrangements:

The Evaluator will work under the supervision of the UNDP programme officer and STAR project manager, which will provide guidance in the development of the work plan and ensure the monitoring of satisfactory completion of evaluation deliverables. UNDP may provide office space and access to standard office services as needed.

In consultation with the Evaluator and as requested, UNDP/STAR personnel will make available all relevant documentation and provide contact information to key project partners and stakeholders, and facilitate contact where needed.

Corporate Competencies:

- Demonstrates integrity by modelling the UN's values and ethical standards;
- Promotes the vision, mission, and strategic goals of UNDP;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- Treats all people fairly without favouritism.
- Awareness and knowledge on gender issues

Functional Competencies:

- Demonstrated experience in programme design, monitoring and evaluation.
- Knowledge, experience and understanding of the Local Governance and Territorial Reform;
- Familiarity with local governance developments in Albanian and related local government project evaluation experience is highly preferable.
- Proven record in analytical thinking and concise writing and reporting in English language;
- Demonstrated ability to write comprehensive reports;
- Experience in applying adult learning methodologies and workshop facilities skills;
- Strong analytical and conceptual thinking;
- Fluency in spoken and written English;
- Ability to work in an independent manner and organize the workflow efficiently;

Qualifications:

- Advanced University Degree in Economics, Public Administration, Political or a Development related field;
- At least 10 years of experience in program design, monitoring and evaluation;
- Experience in conducting evaluations from a governance based perspective and thematic/sector evaluations;

Duration and remuneration

UNDP will fund the costs of the consultancy work and all costs of travel, as per UNDP regulations. The duration of the consultancy is 22 working days within a period of 40 days.

Evaluation of Applicants

Individual consultants will be evaluated based on a cumulative analysis **taking into consideration the combination of the applicants' qualifications and financial proposal.**

The award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

a) responsive/compliant/acceptable, and

b) having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

Only the highest ranked candidates who would be found qualified for the job will be considered for the Financial Evaluation.

Technical Criteria - 70% of total evaluation – max. 70 points:

- Demonstrated experience in programme design, monitoring and evaluation (30 points).
- Proven ability and experience in governance and development issues; (30 points).
- Proven record in analytical thinking and concise writing and reporting in English language (10 points)

Financial Criteria - 30% of total evaluation – max. 30 points

Applications procedures:

Qualified and interested candidates are requested to apply on-line through this site, no later than January 22, 2016.

The application should contain:

- **Cover letter** explaining why you are the most suitable candidate for the advertised position. Please paste the letter into the "Resume and Motivation" section of the electronic application.
- **Filled P11 form** including past experience in similar projects and contact details of referees (blank form can be downloaded from http://www.undp.org.al/index.php?page=bus_center/vacancies ; please upload the P11 instead of your CV .
- **Financial Proposal*** - specifying a total lump sum amount for the tasks specified in this announcement. The financial proposal shall include a breakdown of this lump sum amount (number of anticipated working days, travel, per diems and any other possible costs).
- **Incomplete applications will not be considered. Please make sure you have provided all requested materials**

Please note that the **financial proposal is all-inclusive and shall take into account various expenses incurred by the consultant/contractor during the contract period (e.g. fee, health insurance, vaccination and any other relevant expenses related to the performance of services...). All envisaged **travel costs** must be included in the financial proposal. This includes all travel to join duty station/repatriation travel.*

Payments will be made only upon confirmation of UNDP on delivering on the contract obligations in a satisfactory manner.

*Qualified **women** and members of **minorities** are encouraged to apply.*

Due to large number of applications we receive, we are able to inform only the successful candidates about the outcome or status of the selection process.

List of linkages of provided evidences

- **E1: Study tour to Kosovo report**
- <http://www.reformaterritoriale.al/images/study%20tour%20in%20Kosovo%20April%202015.pdf>
- **E2: Survey/Videos/meetings organised as part of the awareness campaign**
- <http://www.reformaterritoriale.al/en/news-information/videos>
- <http://reforma.idra.al>
- **E3: Guidelines on Local Development Units due diligence**
- <http://www.reformaterritoriale.al/images/presentations/Guidelines%20on%20Local%20Government%20Unit%20Due%20Diligence%20.pdf>
- **E4: Practical Guide**
- <http://www.reformaterritoriale.al/en/roadmap/documents>
- **E5: Due diligence reports for 381 LGUs**
- https://finance.partneragencies.org/psp/UNDPP1FS/EMPLOYEE/ERP/c/UN_CUSTOM.UN_PROJLP.GBL?PORTALPARAM_PTCNAV=UN_PROJLP&EOPP.SCNode=ERP&EOPP.SCPortal=EMPLOYEE&EOPP.SCName=EPCO_GRANTS&EOPP.SCLabel=Project%20Management&EOPP.SCFName=PROJECT_MANAGEMENT&EOPP.SCSecondary=true&EOPP.SCPTfname=PROJECT_MANAGEMENT&FolderPath=PORTAL_ROOT_OBJECT.EPCO_GRANTS.PROJECT_MANAGEMENT.UN_PROJLP&IsFolder=false
- **E6: Document Management System protocol and Archives Inventory**
- <http://www.reformaterritoriale.al/images/document%20management%20system%20protocol%20and%20archives%20inventory.pdf><http://www.reformaterritoriale.al/images/STAR%20Progress%20Report%20Jul%20-%20Dec%202015%20Vers%201335%20222.pdf>
- **E7: OSS-MIS Conclusions and Recommendations**
- <http://www.reformaterritoriale.al/images/OSS-MIS%20Conclusions%20and%20Recommendations%2002122015.pdf>

7.2 List of interviewed persons

Nr	Name	Institution	Contact
1	Bledi Cuci	Minister of State for Local Issues	+355 69 40 59 150
2	Vladimir Malkaj,	UNDP /Program Manager	
3	Enea Hoti	STAR/ Project Director	+355 69 40 38 540
4	Altjon Paloka	Amalgamation Team Leader/ STAR Project	+355 69 70 80 716
5	Anila Shehu	STAR project Coordinator	+355 69 40 41 720
6	Fabiola Zeqiri	STAR Finance Assistant	+355 69 40 01 920
7	Julia Babalia	STAR/Administrative Assistant	+355 69 20 95 163
8	Qazim Sejdini	Major of Elbasan	+355 68 20 34 095
9	Bashkim Fino	Member of Parliament /Co-Head of the ad-hock TAR Parliamentary Commission	
10	Adelina Ferrici	Executive Director Association for Local Autonomy	+355 68 20 99 889
11	Artan Shkembi	Director TAR Implementation Agency	+355 68 20 20 242
12	Drita Llolla	Communication Specialist /STAR project Amalgamation Team	+355 68 45 78 060
13	Asim Sula	Regional Coordinator, Elbasan STAR Project	+355 69 72 88 117
14	Zhani Shapo	National Expert,STAR Project	+355 69 20 91 853
15	Ardiana Fusha	Archive's Specialist, Elbasan Region STAR Project	+355 68 21 63 414
16	Linda Gjermani	Program Officer, Embassy of Sweden	+355 69 20 80 887
17	Marcus A Johnson	USAID Representative in Albania	+355 68 20 20 221
18	Suzana Cullufi	Democracy and Government Specialist USAID Albania	+355 68 40 30 187
19	Peter Clavelle	Chief of PartyTetra TECH ARD(USAID Contractor)PLG Project in Albania	
20	Engjellush Serjani	Regional Coordinator, Gjirokastra, STAR Project	+355 69 65 12 383
21	Flamur Bime	Prefect of Gjirokastra	
22	Mikel Hysometaj	Chief of Juridical Sector, Municipality of Gjirokastra	
24	Floriana Koka	Major of Saranda	
25	Debora Kern	Head of Governance Sector, SDC	

7.3 Interview guiding questions

Criterion	Evaluation Question	Related sub-questions
Relevance	To what extent was the project, as designed and implemented, suited to context and needs at the beneficiary, local, and national levels?	<ul style="list-style-type: none"> • Were the objectives of the project in line with the needs and priorities for democratic development, given the context? • Should another project strategy have been preferred rather than the one implemented to better reflect those needs, priorities, and context? Why? • Were risks appropriately identified by the projects? How appropriate are/were the strategies developed to deal with identified risks? Was the project overly risk-averse?
Effectiveness	To what extent was the project, as implemented, able to achieve objectives and goals?	<ul style="list-style-type: none"> • To what extent have the project's objectives been reached? • To what extent was the project implemented as envisaged by the project document? If not, why not? • Were the project activities adequate to make progress towards the project objectives? • What has the project achieved? Where it failed to meet the outputs identified in the project document, why was this?
Efficiency	To what extent was there a reasonable relationship between resources expended and project impacts?	<ul style="list-style-type: none"> • Was there a reasonable relationship between project inputs and project outputs? • Did institutional arrangements promote cost-effectiveness and accountability? • Was the budget designed, and then implemented, in a way that enabled the project to meet its objectives?
Impact	To what extent has the project put in place processes and procedures supporting the territorial reform process or contributed to consolidation of LG in the country?	<ul style="list-style-type: none"> • To what extent has/have the realization of the project objective(s) and project outcomes had an impact on the specific problem the project aimed to address? • Have the targeted beneficiary's experienced tangible impacts? Which were positive; which were negative? • To what extent has the project caused changes and effects, positive and negative, foreseen and unforeseen, on democratization? • Is the project likely to have a catalytic effect? How? Why? Examples?
Sustainability	To what extent has the project, as designed and implemented, created what is likely to be a continuing impetus towards local government development?	<ul style="list-style-type: none"> • To what extent has the project established processes and systems that are likely to support continued impact? • Are the involved parties willing and able to continue the project activities on their own (where applicable)?
UNDP value-added	To what extent has UNDP and its management support to the project, ensured what was expected timely and quality logistical support?	<ul style="list-style-type: none"> • What was UNDP able to accomplish, through the project that could not as well have been achieved by alternative projects, or other stakeholders (Government, NGOs, etc.).

7.4 Sources consulted

Author	Date	Name the document
STAR Project	May 2014	Implementation Progress Report December 2013 – April 2014
STAR Project	September 2014	Implementation Progress Report May – August 2014
STAR Project	September 2014	Implementation Progress Report January – December 2014
STAR Project	December 2014	Implementation Progress Report May – August 2014
STAR Project	June 2015	Implementation Progress Report January – June 2015
STAR Project	July 2015	Implementation Progress Report July – December 2015
STAR Project	December 2014	Implementation Progress Report January – December 2015
STAR Project	January 2014	Minutes of the SC Meeting No 1
STAR Project	April 2014	Minutes of the SC Meeting No 2
STAR Project	June 2014	Minutes of the SC Meeting No 3
STAR Project	September 2014	Minutes of the SC Meeting No 4
STAR Project	February 2015	Minutes of the SC Meeting No 5
STAR Project	December 2015	Minutes of the SC Meeting No 6
STAR Project	February 2016	PPP of the SC meetings
STAR Project	February 2015	Newsletter September 2014 – January 2015
STAR Project	May 2015	Newsletter February – April 2015
MoSLI	July 2015	National Crosscutting Strategy for Decentralization and Local Governance 2015 – 2020
Albanian Parliament	July 2014	Report “On administrative and Territorial Division of Local Government Units in the Republic of Albania”.
Albanian Parliament	May 2015	Law No 30/2015, “Some changes in the Law No 8652, date 31.07.2000 on the organization and functioning of the local governance in Albania”
UNDP	December 2014	ToRs for Experts in support of TAR Albania
UNDP	December 2014	Contract for the services of the individual contractor ALB – 038 – 2014
STAR Project	April 2014	Report “On Consultation tour for TAR in Albania”
KPMG	December 2015	STAR Project – final report
STAR Project	November 2015	Guidelines on Local Government Units – Due diligence

STAR Project	April 2014	Administrative and Territorial Reform – General Report to the Committee of Reform
STAR Project	April 2014	Technical Criteria for the new division of territory
STAR Project	June 2014	Konsultimet me Komisionin e Posacem Parlamentar – Pril - Maj 2014
URI	September 2014	Raundi i dyte i konsultimeve publike Qershor – Korrik 2014
Konfindustria	September 2014	Raundi i dyte i konsultimeve publike Qershor – Korrik 2014
UNDP	February 2015	STAR Project Document (Budget Revision 3)
MoSLI	July 2014	TAR Functional zones – General Report
Partners Albania	July 2014	Consultation Meetings with Civil Society on the TAR
URI	July 2014	Organization of the public events to ensure participation of the civil society in support of the TAR
IDRA	January 2015	Citizen's voice on territorial reform
STAR Project	September 2014	Study visit of members of ad-hock Parliamentary Commission and other Albanian Government institution to Ireland – Report on the Study Tour of June 30 – July 4, 2014
STAR Project	December 2014	Communication Strategy for TAR
Grand Thornton	September 2015	Durres Municipality – Consolidated Report of Control
MoSLI	June 2015	Practical Guidelines for Mayors
USAID Albania	January 2013	Newsletter – Planning and Local Governance Project – No 1
USAID Albania	June 2013	Newsletter – Planning and Local Governance Project – No 2
USAID Albania	June 2014	Newsletter – Planning and Local Governance Project – No 4
USAID Albania	June 2015	Newsletter – Planning and Local Governance Project –No 5
USAID Albania	January 2016	Newsletter – Planning and Local Governance Project – No 6
USAID Albania	September 2015	PLGP – Dokument Politikash – Krijimi i nje formule te drejte, transparente dhe te parashikueshme per transferen e pakushtezuar
Swiss Cooperation	January 2014	Swiss Cooperation Strategy, Albania 2014 - 2017
KPMG	2015	STAR project, Municipality of Pogradec, Consolidated due diligence report
KPMG	2015	STAR project, Municipality of Ura Vajgurore, Consolidated due diligence report

UNDP	April 2015	Guidelines on Local Government Unit, Due Diligence.
STAR Amalgamation Team	2015	Evaluation Report regarding training of 61 WG-s of Municipalities