

A Templeton Freedom Award winning initiative

MUNICIPAL PERFORMANCE INDEX 2020

Comparing performance of local governments in order to improve quality of public services delivery, increase productivity for local economies and allow active civic participation in decision making.



2020 Municipal Performance Index for Albania

An Institute for Public Policy and Good Governance initiative implemented in cooperation with Lithuanian Free Market Institute

With generous support by Atlas Network

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Foreword

THE NEED FOR MEASURING PERFORMANCE OF MUNICIPALITIES IN ALBANIA

The gap between local governance institutions and citizens in all administrative areas of the country remains significant and constitutes one of the main barriers to impede the much-needed synergy and cooperation among municipalities and citizens. The absence of certain communication and information exchange produces multidimensional negative consequences reflected in poor local governance quality, low efficiency in offering public services, and weak advocacy of citizens' rights relating to decision-making

try. Measuring municipalities' performance and comparing results of local administrative units on a national scale under an effective research-based methodology creates a solid ground for wide inclusive citizens' informative system, transparency that would induce continuous improvements in terms of public services quality.

Projected in an agenda of Economic Freedom this is what the Institute for Public Policy and Good Governance in close collaboration with the Lithu-

“ Measuring municipalities performance and comparing results of local administrative units in a national scale under an effective research-based methodology creates a solid ground for wide inclusive citizens' informative system.”

in local institutions. If we count negative consequences: poor public transparency related to decision-making processes in local level caused by lack of efficient mechanisms that would grant access to citizens; citizens not represented in policy-making debates related to local public investments; uninformed public, as a consequence disengaged to contribute in improving public services provided by the municipality; poor public funds governance and not a realization of foreseen planned public investments.

Lack of an open public and transparent platforms that would make possible comparative analysis of municipalities' performances, leaves practically no room for encouraging public debates under the scope of improving level of service delivery quality in a local governance context in the coun-

anian Free Market Institute and with the strategic support of the Atlas Network are aiming to catalyze through the Municipal Performance Index. Being piloted for the first time in Albania, MPI will bring in a comparative perspective the performance of 16 municipalities in the country based on a list of 35 indicators measuring effectiveness of local governments in delivering results. The Index will help civil society organizations, media, business groups and the general public obtain a wide inclusive understanding of local public finances management in all its' complexity.

At the IPPM, we have set an ambitious goal to reframe the discourse in public policy debates by orienting and building credibility for citizens-focused solutions and the MPI will actively contribute to this perspective.

BENEFITS OF PERFORMANCE MEASUREMENT FOR MUNICIPALITIES

Helping Municipalities developing, implementing and using performance measures remains at the forefront of IPPM's mission to support good governance in Albania. However, this requires also a firm commitment from the side of elected municipal officials. Once this commitment is made, the benefits of performance measurement can be realized.

First, performance measurement can help a municipality set effective priorities. Activities can be prioritized and resources allocated according to the contributions they make toward meeting citizens' needs and expectations.

Second, performance measurement changes a municipality's whole outlook. Results become the focus, rather than the activities conducted in the past. Service delivery can be regularly altered or tuned to respond to current resident needs. A focus on citizens' needs causes organizations to rely more on co-operation and partnership.

Third, performance measurement encourages innovation. The primary focus for administrators is not on how the job is done but rather on what is achieved. This motivates municipalities to efficiently manage resources and motivate personnel to develop or try new ideas that will achieve the stated objectives.

Fourth, accountability in front of citizens and their representatives in Councils is improved because stakeholders can be informed regularly about service area's achievements. Municipal officials, therefore, have an enhanced ability to make more informed decisions. Performance measurement helps to improve municipal performance in local service delivery. It helps to set targets and allows those targets to be monitored effectively.



ECONOMIC FREEDOM AS AN AGENDA FOR GROWTH

The purpose of the municipal index is to cover the main lines of activity that create economic freedom and form a common understanding of freedom.

Firstly, it is measured how the municipality operates in serving to the population. It shall be assessed whether there is a competitive environment for private utilities providers (which in turn ensures lower prices for consumers). In focus will also be main public services areas such as transport, education, health and social care where are assessed conditions that municipalities create for supporting the private sector and fostering competition.

Secondly, the index assesses municipalities' contribution to creating a friendly environment for investors and business development. Municipalities should ensure the best possible tax environment, to eliminate the barriers that prevent new businesses from entering the market and provide all relevant information for them to ease this path.

Thirdly, the evaluation of the index will include also municipalities' ability to organize their activities on the pillars of a proper administration.

We encourage municipalities to implement their functions as efficiently as possible, using as little resources as possible. In this indicator, in the field of valuation, particular attention shall be paid to efficient asset management and transparency of activities.

Thus, high scores are achieved by those municipalities that:

- save taxpayers' money, operate based on their

own income, use budgetary resources transparently;

- their activities do not restrict consumer choice, promote competition between service providers or institutions;
- reduce the tax burden for citizens and businesses and provide favorable conditions for doing business;
- effectively manage assets in possession as necessary for the performance of the basic functions;
- use a more efficient private sector approach to carry out its functions;
- reduce administrative and bureaucratic burdens.

In summary, the index aims to indicatively measure the economic freedom in Municipalities. Economic freedom in municipalities is important because it identifies the most important factors determining the quality of life.

A comparative aspect of the study is of paramount importance. Thanks to the index, municipalities have the opportunity to see how they look in a national context according to the same indicators. The values of the indicators reflect the aspects in which the municipality performs better or worse than other municipalities, drawing lessons from respective solutions that would lead to greater economic freedom.

We would like to wish Albanian municipalities to choose the path of economic freedom and we hope that the Albanian Municipal Index will help in the adoption of pro-citizens and pro-business solutions.



METHODOLOGY

METHODOLOGY

INDICATORS AS BENCHMARKS FOR VALUES

With the aim to increase transparency, grow healthy peer-to-peer competition among municipalities and promote pro-growth and development policies Index also serves to quantify in terms of indicators the values of economic freedom we deem essential for citizens' welfare. Based on the logic of composite indicators the Albanian MPI will serve to inform the public opinion on the performance of their locally elected officials. We believe that public pressure becomes one more reason to make good decisions and avoid bad ones.

Composite', or sometimes also encountered as 'synthetic' indicators are: "formed when individual indicators are compiled into a single index, on the basis of an underlying model of the multi-dimensional concept that is being measured" (Nardo et al., 2005, p. 8); Essentially, a composite indicator might reflect a 'complex system' that consists of numerous 'components', making it easier to understand in full rather than reducing it back to its 'spare parts' (Greco, Ishizaka, Tasiou, & Torrisi, 2019).

As principal values determining our evaluation methodology, we focus on economic freedom principles viewing the private sector and entrepreneurship as the engine for growth while increasing effectiveness of public decision-making by optimizing resource allocation and reducing tax burdens on individuals and households.

INDEX COMPONENTS, WEIGHTS AND INDICATOR RATING

The municipal index consists of four groups of in-

dicators ("Municipality for Citizens", "Municipality for Businesses" "Municipal Administration" and "Transparency"). These four groups of indicators consist of the 11 areas (Utilities, Education, Social Welfare, Business Services, Building Permits, Expenditures, Revenues, Debt, Web information, Right to Information, and Budget transparency) which consists of 35 indicators. The weight of each area depends on the number of indicators analyzed and the overall weight of the group of indicators in the index is based on an expert assessment.

In the assessment section, the sign "↓↑" means that a lower result has a higher valuation. Sign "↑↑" indicates that a higher value for the quantification is assigned a higher estimate. The "Y/N" sign indicates that possible two response options are 'Yes' and 'No', and the arrows '↓↑' indicate that which answer gives greater significance. "Choice" shows that there are several answers that include a qualitative assessment of the indicator. The index indicators and the weights used are shown in the index in the table below.

EVALUATION OF INDICATORS AND SCORING

Indicators are measured in a 100-point system (0 is the worst 100 is the best rating). Overall assessment of the municipality performance is the cumulative result of respective weights of 4 categories: Municipality for Citizens, Municipality for Business, Municipal administration and Transparency. Each category has its' own weight based on category importance (e.g. "Municipality for Citizens" weights 35 points).

For each category each indicator's weights derive from the amount of indicators (e.g. 'Municipal Ad-

ministration' category consisting of 3 indicator areas: Expenditure, Revenue, Debt and 13 indicators in total where the weight of one indicator equals 7.8%). The result of performance in each category is scored on a 100 % scale, where the municipality with the lowest scores receives 0% and a maximum of 100 percent.

For detailed information on indicators, areas and categories weight please refer to the table in the following section.

ASSESSMENT OF MISSING DATA

Where municipalities have not provided the data needed to estimate the indicator, the indicator shall be assigned the lowest possible value, i.e. 0. The lowest value is attributed due to the lack of data seen as a lack of transparency in the municipality.

DATA SOURCES

The index was based on the data provided by municipalities, Ministry of Finance, Institute of Statistics, Territorial Development Agency, Ministry of Education, National Water Regulatory Authority and other official sources of information. We requested official information from municipalities as

well and received it from most of them. It should be noted that municipalities and their dependent institutions are obliged to provide information at their disposal upon request from citizens and in accordance with the Law on the Right to Information and principles of completeness, accuracy, legality and objectivity and, therefore, in the data provided by municipalities were not called into question, confidence in the fair assessment of their activities by municipalities. The information gathered from municipalities was requested based on the official form and was uniformly sent simultaneously to 16 municipalities' coordinators appointed as foreseen by Law. Municipalities had 3 weeks in their disposal, one more than a legal requirement, to come back with responses.

DISTRIBUTION OF MUNICIPALITIES

In the Albanian municipal index, municipalities are evaluated by taking into account the geographical criteria so that we would have a nationwide coverage in this piloting phase. From each "Qark" was selected at least one municipality and municipalities are assessed without doing differentiations. The reason of this was to challenge the public opinion for aiming highest performance from each municipality despite size or population.

Quantitative (in numerical) indicators in the index are measured using the formula below:

When the lower value of the indicator is better assessed (↓↑):








$$\text{Indicator estimate} = \frac{(\text{MAX-Indicator value})}{(\text{MAX-MIN})} * 100 \text{ (points)}$$









When the higher value of the indicator is better assessed (↑↑):

$$\text{Indicator estimate} = \frac{(\text{indicator value-MIN})}{(\text{MAX-MIN})} * 100 \text{ (points)}$$

MIN – possible minimal value out of all answers;

MAX – possible maximal value out of all answers.

CATEGORY	CATEGORY'S WEIGHT	INDICATOR'S AREA	INDICATOR'S SUBAREA	ASSESSMENT	INDICATOR
Municipality for Citizens 	35%	Utilities 	Heating	↓↑	What was the cost of the municipality's heating service?
			Property Tax Rate	↓↑	What was the rate of property tax applied by municipality?
			Water supply	↑↑	At what extent did the municipality manage to cover its' operating costs with own generated revenues?
				↑↑	How many hours per day did municipality supply water to citizens?
				↓↑	What is the price of water supply for families by end of 2019?
			↓↑	What is the price of water supply for businesses by end of 2019?	
		Education 	Education	↓↑	What is the number of pupils per class in elementary schools?
			↓↑	What is the number of pupils per teacher in elementary schools?	
		Social Welfare 	Social Welfare	↓↑	What is the ratio of the population receiving welfare payments in 2019?
				↓↑	What is the ratio of people receiving compensation for domestic heating in 2019?
			Waste Management	↑↑	What is the surface of the municipality's territory covered with the waste management service?
		↑Y/N↓	Did municipality realize the service of waste management by private companies?		
Municipality for Businesses 	15%	Business Services 	Business Services	↑↑	What was the number of businesses per 1000 inhabitants at the end of 2019?
			↑Y/N↓	Is there available public information to guide businesses on the procedures to gain permits from Municipality?	
			↓↑	Are there Administrative Court decisions finding irregularities from Municipality in relation to third parties?	
		Building Permits 	Number of building permits	↑↑	What was the number of building permits issued per 1000 people during the year?
			Obtaining Building Permits	↓↑	What was the number of days required to obtain a construction permit?
Municipal Administration	30%	Expenditures	Public Investments	↑↑	What was the per capita value of tangible investments made in year in municipality?
			operational Expenditures	↓↑	What were the transport related expenditures per total budget in the municipality?
			↓↑	What was the share of the total municipality budget taken by administration expenditures?	

CATEGORY	CATEGORY'S WEIGHT	INDICATOR'S AREA	INDICATOR'S SUBAREA	ASSESSMENT	INDICATOR
Municipal Administration 	30%	Expenditures 	Operational Expenditures	↑↑	What was the actual budget realization for the financial year?
				↓Y/N↑	Did Supreme Audit of State find violations in managing operational expenditures in the last 3 years?
				↓↑	What was the average in value of mismanagement of own funds by Supreme Audit of State in the last 3 years?
		Revenues 	Revenues	↓↑	Did the municipality manage to meet planned objectives on collecting property tax?
				↓↑	What is the number of municipality employees over 1000 inhabitants?
				↓↑	Was the municipality dependent on budgetary perspective from unconditional grants and transfers?
				↑↑	What was the level of municipality own revenues per capita?
				↓↑	What were the violations found by Supreme Audit of State on Tax Revenues collection in the last 3 years?
		Debt 	Debt Management	↓↑	What was the ratio of municipality debt to total expenses?
				↑↑	What was the ratio of own revenues to overall revenues of Municipality last year?
Transparency 	20%	Website information 	Website information	↑Y/N↓	Does the Municipality have a functioning website?
				↑Y/N↓	Is there available information on the Municipality website regarding annual budget?
				↑Y/N↓	Available information in website on support programs for citizens regarding public services offered by Municipality.
		Right to Information 	Right to Information	↑Y/N↓	Is it updated the information available in the Municipality website?
				↑Y/N↓	Is it public in the website the name of the dedicated person on the Right to Information for citizens?
				↑Y/N↓	Are public and accessible for citizens the records of Requests and Responses Register?
				↑Y/N↓	Did the municipality respond to the request for information respecting the Law on the Right for Information?
		Budget Transparency 	Budget Transparency	Procurements	↑Y/N↓
↑Y/N↓	Were there violations found in Public Procurements in the last 3 years. From Supreme Audit of State?				



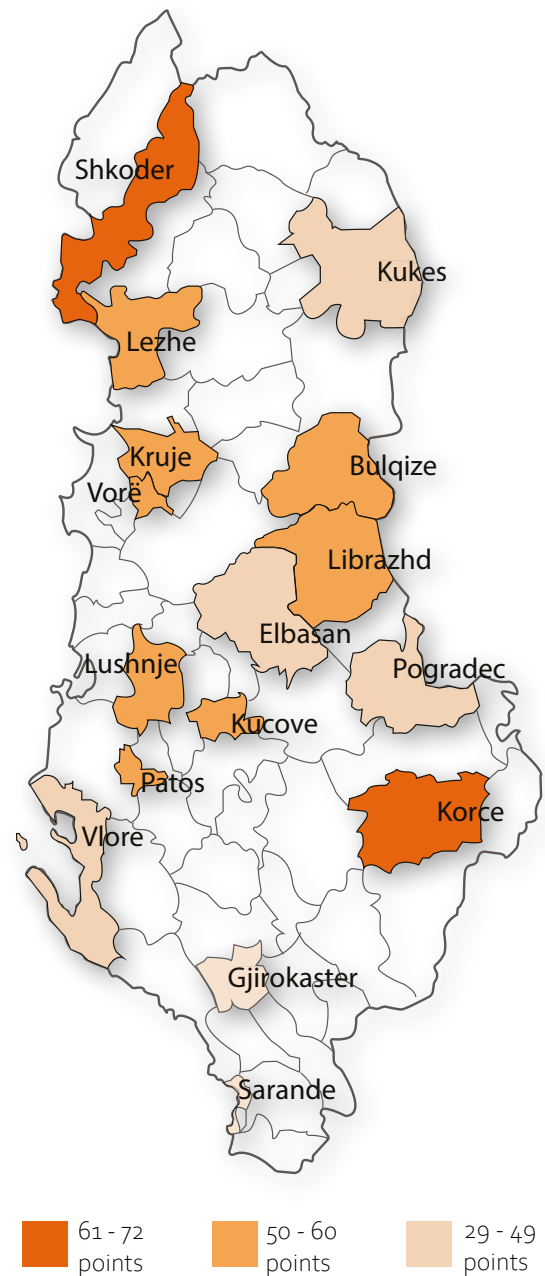
**OVERALL
MUNICIPALITY
RANKING**

OVERALL MUNICIPALITIES RANKING

In the general ranking of Albanian MPI where 16 municipalities' performance was measured based on 35 indicators which are composing 4 categories of Indicators: Municipality for Citizens, Municipality for Businesses, Municipal administration and Transparency, Municipality of Shkodra stands out as the top-performing municipality while Municipality of Saranda has the poorest performance with only 28 points from 100.

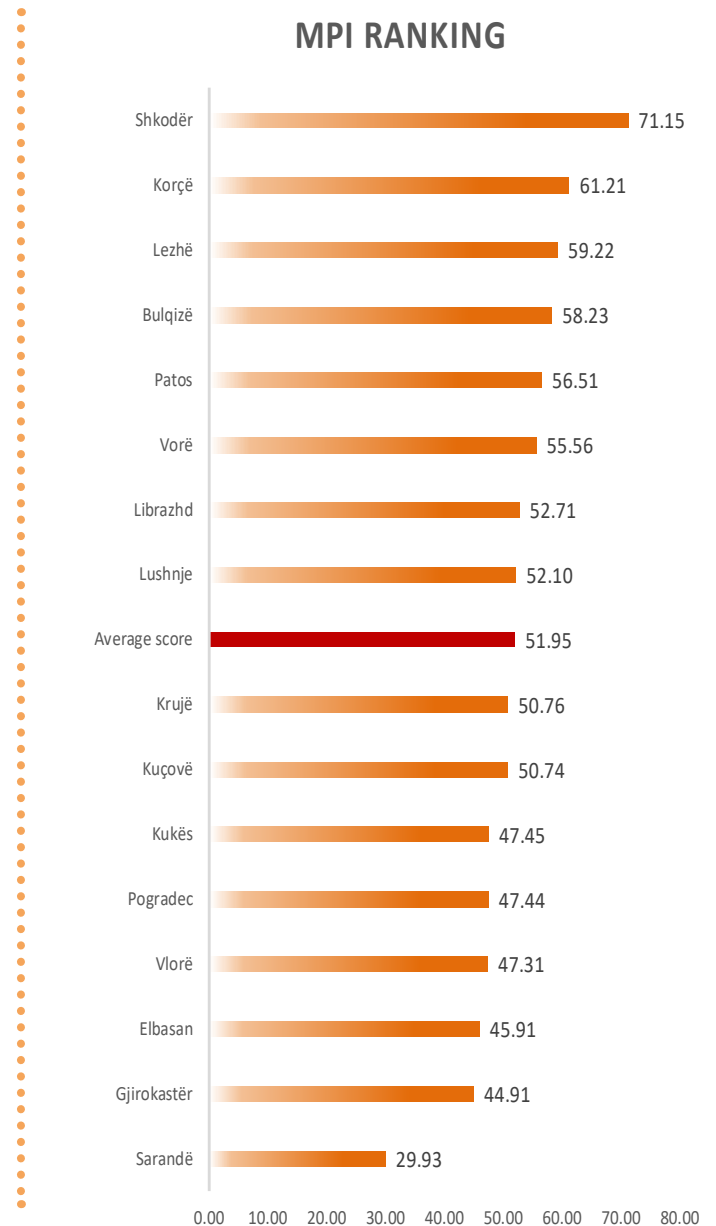
In the top 5 municipalities in the ranking, Shkodra and Korca are municipalities with more than 90'000 inhabitants, while Bulqiza, Vora and Patos are considered to be small municipalities in terms of their population. However, even the best performing municipality, Shkodra did not score a higher result than 65 points out of 100 showing that there is still considerable room for further improvement in municipality performance to deliver value for citizens. Compared to the average score, the piloting sample of 16 municipalities is divided in half meaning 8 municipalities managed to perform better than the average score while 8 other worse off.

In the 5 least performing municipalities are Saranda, Pogradec, Vlora, Gjirokastër and Kuçovë of which Vlora is considered among big municipalities in the country with a population 189'311. Saranda municipality overall score is 29.93 which came as a result of poor performance of this municipality in the four dimensions of the analysis, around 15 points lower than the pre-last worst performing municipality, the one of Gjirokastër.



Municipalities did not manage to score higher than 65 percent of points in the categories of indicators Municipality for Citizens and Municipality for Businesses, while the best performing one in Municipal administration scored 75 percent of points in disposal. These results show that there is an urgent need for municipalities to fundamentally review their performance in terms of serving to citizens and businesses. Further improvements are also necessary to be undertaken with focus on public finance management in the municipal level.

Our indicators are built on a comparative approach of top and least performing municipalities of the piloting sample of 16, based on the data gathered from official sources for each of the indicators. Results obtained clearly show that when it comes to the performance of municipalities size does not play a determining role in terms of the overall performance.



RANKING BY CATEGORY OF INDICATORS

1. Municipality for Citizens

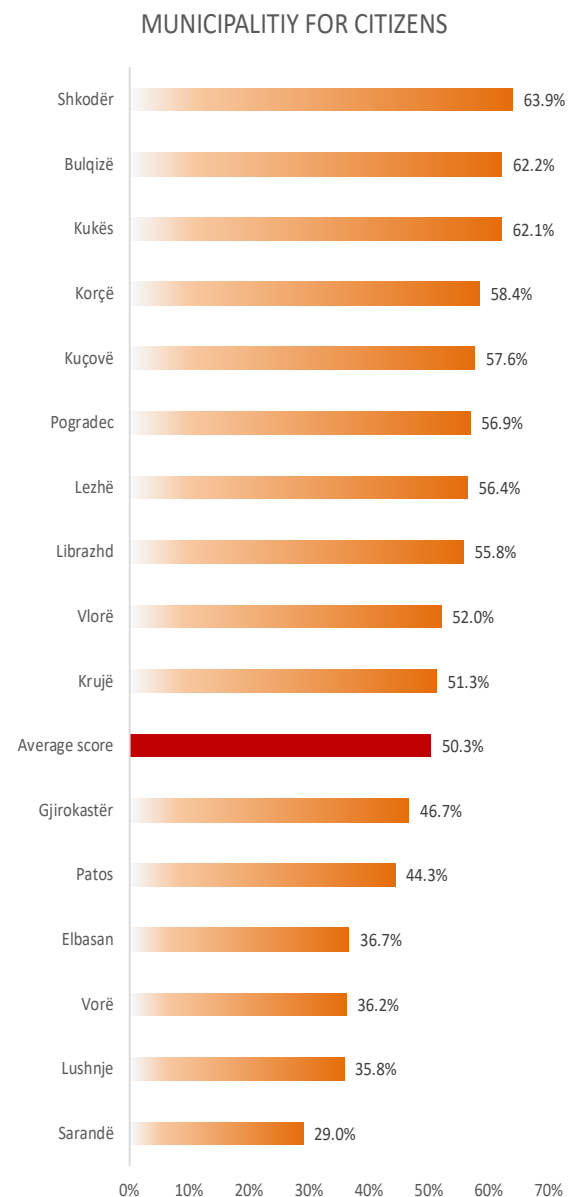
In the category of Municipality for Citizens it is Municipality of Shkodër taking the top of the ranking with 62 percent of the category points followed by municipalities of Bulqizë, Kukës sharing the same result, Korçë and Kuçovë in top five performers.

It is important to emphasize that in the Social Welfare group, municipalities of Bulqizë and Kukës did not score high in the area of Waste Management with the service being provided in part by public operators not allowing high effectiveness in delivery of this service, while municipalities of Korca and Kucova scored lower than average in the Utilities group.

In Utilities area top five performing municipalities are Kukës, Bulqizë, Librazhd, Krujë and Pogradec while worst performing ones Lushnje, Vorë, Gjirokastër, Patos and Sarandë.

In a comparative analysis in the area of Education, municipalities performing best are Librazhd, Shkodër, Bulqizë, Lushnje and Kukës while the end of the list are ranked Sarandë, Krujë, Vorë, Vorë and Patos.

On Social Welfare area consisting of four indicators, top-performing municipalities are Korçë, Vlorë, Shkodër, Lezhë and Kuçovë. Waste management and social welfare benefits administration need to be optimized in the worst-performing municipalities of Kukës, Elbasan, Librazhd, Lushnje and Bulqizë.



Five least performing municipalities in the category of Municipality for Citizens are Saranda, Lushnje, Vorë, Elbasan and Patos. These municipalities scored low in the Utilities group of indicators raising the need for considering significant improvements in this area. (more information on these area indicators is provided in the area of individual scorecards of each municipality)

MUNICIPALITIES' SCORES BY AREAS IN THE CATEGORY OF " MUNICIPALITY FOR CITIZENS"

MUNICIPALITY	UTILITIES	EDUCATION	SOCIAL WELFARE
Shkodër	46%	85%	80%
Bulqizë	73%	82%	36%
Kukës	91%	75%	12%
Korçë	36%	79%	87%
Kuçovë	39%	74%	78%
Pogradec	47%	74%	63%
Lezhë	39%	62%	79%
Librazhd	65%	100%	20%
Vlorë	31%	53%	83%
Krujë	50%	38%	59%
Gjirokastër	27%	69%	65%
Patos	28%	59%	61%
Elbasan	41%	65%	17%
Vorë	27%	40%	48%
Lushnje	27%	77%	29%
Sarandë	30%	14%	41%

RANKING BY CATEGORY OF INDICATORS

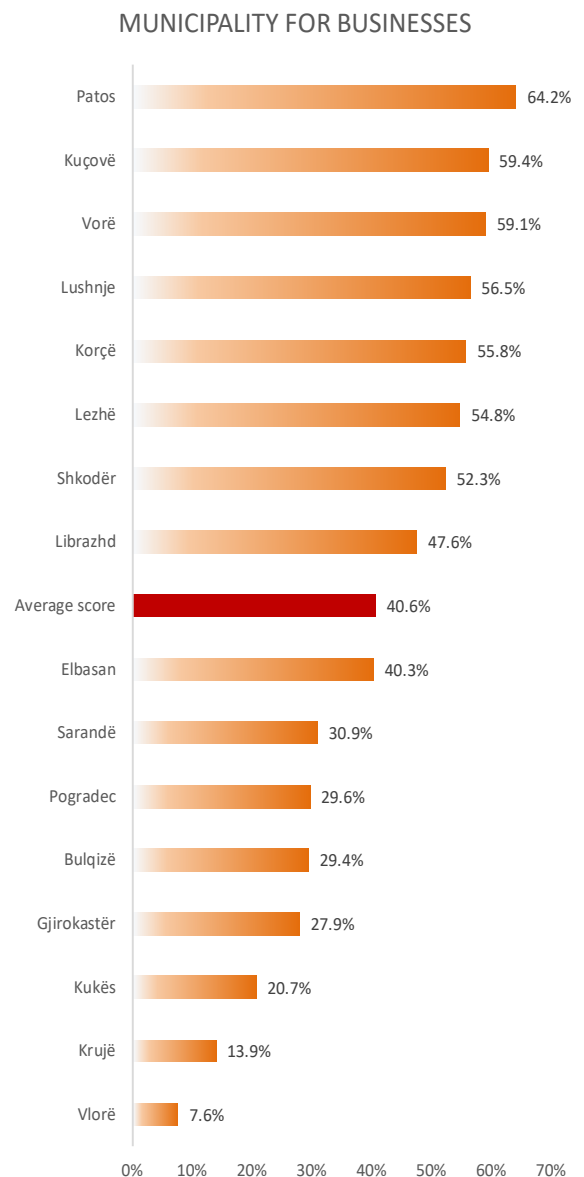
2. Municipality for Businesses

In the category of Municipality for Businesses, the five top-performing municipalities are Patos, Kuçovë, Vorë, Lushnje and Korçë. These municipalities are distinctively dedicated to the information and facilitation of doing businesses for enterprises in the respective administrative areas. With high number of enterprises per 1000 inhabitants and few to none Administrative Court decisions finding irregularities in their attitude to entrepreneurs, and quite effective issuing construction permits procedures these municipalities have managed to take the lead in this category.

Worse performing municipalities are Vlorë, Krujë, Kukës, Gjirokastër and Bulqizë, ranking which is determined by a low performance in providing services to businesses and remaining obstacles in issuing construction permits from these local governments.

Business Services group of indicators has as top five performing municipalities Lushnje, Kuçovë, Lezhë, Patos and Korçë, with Lushnja municipality scoring 89 percent out of 100, followed by Kuçovë and Lezhë qith 73 percent and Patos and Korçë with 71 percent. At the bottom of the ranking Vlorë, Krujë, Pogradec, Bulqizë, Kukës. Low scores are result of the absence of the information for businesses by municipality online and high number of decisions against municipality from the Administrative Court.

Issuing permits continues to be a major issue in



doing business landscape in Albania and this is also reflected in the municipal level. Municipalities, where it is easier to obtain a construction permit in Albania, are Patos, Vorë, Kuçovë, Pogradec and Bulqizë. Hard to have an easy and fast process of obtaining a construction permit in Albania remains in municipalities of Vlorë, Kukës, Krujë, Elbasan and Gjirokastrë that are the last in the list of our selected sample.

MUNICIPALITIES' SCORES BY AREAS IN THE CATEGORY OF "MUNICIPALITY FOR BUSINESSES"

MUNICIPALITY	BUSINESS SERVICES	BUILDING PERMITS
Patos	71%	54%
Kuçovë	73%	39%
Vorë	65%	50%
Lushnje	89%	8%
Korçë	71%	34%
Lezhë	73%	28%
Shkodër	69%	27%
Librazhd	68%	18%
Elbasan	65%	3%
Sarandë	36%	24%
Pogradec	25%	36%
Bulqizë	26%	34%
Gjirokastrë	43%	5%
Kukës	34%	0%
Krujë	22%	1%
Vlorë	13%	0%

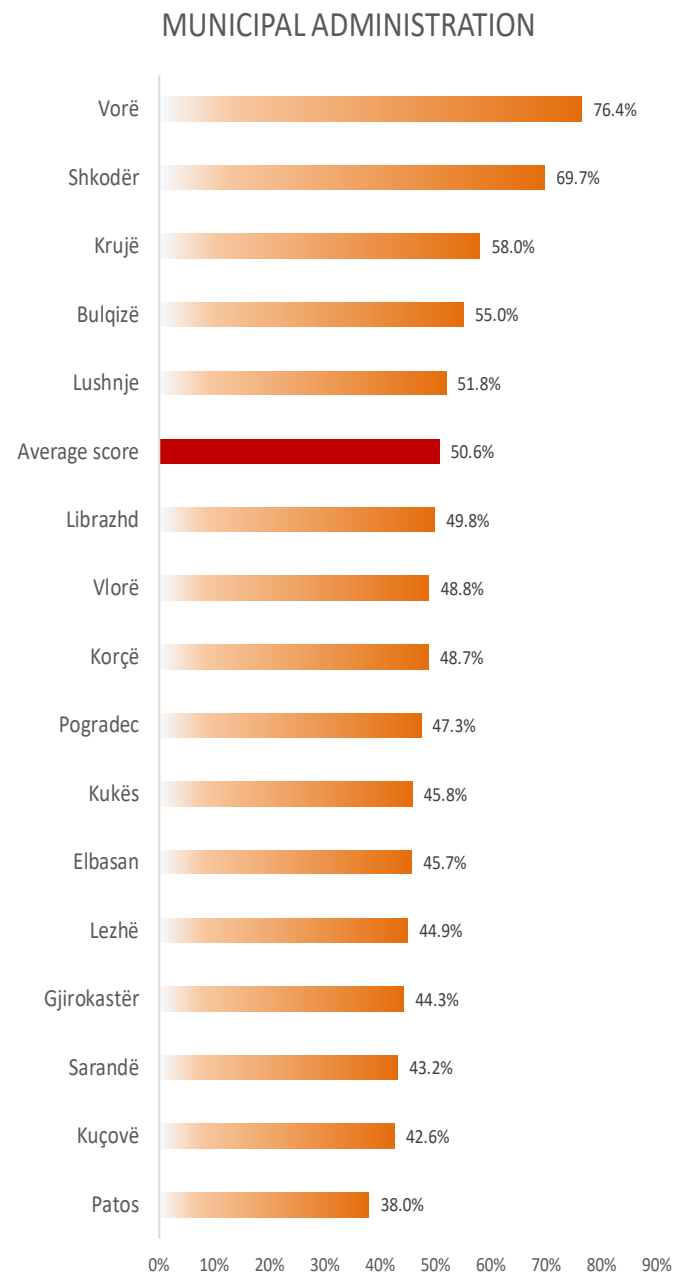
RANKING BY CATEGORY OF INDICATORS

3. Municipal Administration

Municipal administration is where it all starts the effectiveness of local governance in serving to citizens needs by optimizing resources allocation and delivering results. MPI ranking on the category of Municipal Administration for the piloted sample shows on the lead with best performance in this direction the municipalities of Vorë, Shkodër, Krujë, Bulqizë and Lushnje, all of them above the average score of 51 percent. These municipalities have managed to balance the level of public expenditures related to good performance in collecting revenues while keeping in low levels the local public debt. In the Municipal administration category worse performing municipalities are those of Patos, Kuçovë, Sarandë, Gjirokastër and Lezhë.

On the Revenues area, best performing municipalities are Vorë, Korçë, Gjirokastër, Krujë and Sarandë manifesting good results in applying moderate levels of local taxes, satisfactory collection of revenues and covering own costs with internally generated income. On the opposite worst performing municipalities in this area of indicators are Kuçovë, Lushnje, Kukës, Pogradec and Elbasan.

In terms of Expenditures, the optimal performance was achieved by municipalities of Shkodër, Vorë, Lushnje, Elbasan and Kuçovë while least efficient in realization of expenditures are municipalities of Sarandë, Patos, Gjirokastër, Vlorë and Korçë. Debt wise, top five performing municipalities are Shkodër, Krujë, Lushnje, Bulqizë and Librazhd.



MUNICIPALITIES' SCORES BY AREAS IN THE CATEGORY OF " MUNICIPAL ADMINISTRATION"

MUNICIPALITY	EXPENDITURES	REVENUE	DEBT
Vorë	69%	88%	69%
Shkodër	77%	49%	100%
Krujë	43%	60%	98%
Bulqizë	50%	50%	84%
Lushnje	60%	26%	91%
Librazhd	50%	36%	84%
Vlorë	37%	49%	83%
Korçë	40%	65%	32%
Pogradec	50%	30%	81%
Kukës	51%	26%	81%
Elbasan	57%	32%	45%
Lezhë	41%	41%	67%
Gjirokastrë	29%	60%	50%
Sarandë	24%	59%	59%
Kuçovë	54%	12%	84%
Patos	28%	36%	72%

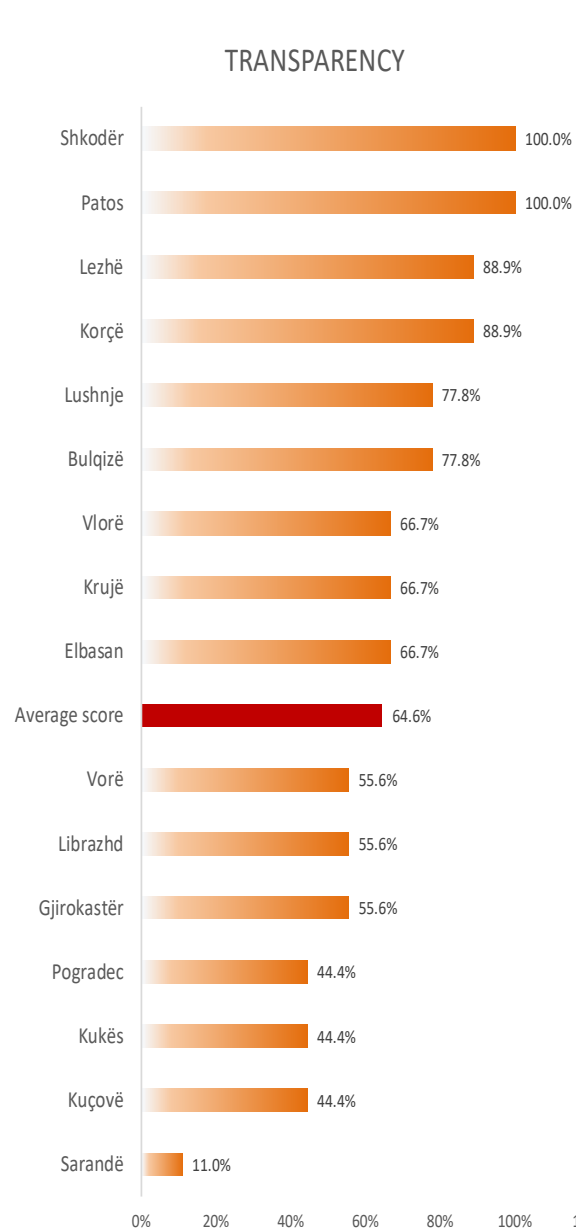
RANKING BY CATEGORY OF INDICATORS

4. Transparency

Transparency remains a cornerstone for the quality of municipal performance in Albania and this is why one of the four categories of the Municipal Performance Index is built on three areas, more specifically on information available in the website for citizens, responsiveness of municipalities in the framework of the Law on the Right to Information and Budget transparency as openness of budget implementation information towards the public opinion.

Most transparent municipalities in our sample appear to be Shkodër, Patos, Lezhë, Korçë and Lushnje scoring significantly higher than the average of the overall score achieved. These municipalities dedicate time and efforts to provide useful information to citizens and businesses related to local government activity, budget implementation activity and are prompt in responding to citizens' requests for information sent in address to the coordinator assigned in the frame of the Law on the Right to Information.

Least performing municipalities in the dimension of Transparency are Saranda, Kuçovë, Kukës, Pogradec and Gjirokastër. These municipalities either do not have a functioning website or no information dedicated to the public information is disponible neither accessible. Some of these municipalities do not make public information on budget implementation either discuss publicly budget planning and strategies with citizens.



MUNICIPALITIES' SCORES BY AREAS IN THE CATEGORY OF "TRANSPARENCY"

MUNICIPALITY	WEBSITE INFORMATION	RIGHT TO INFORMATION	BUDGET TRANSPARENCY
Shkodër	100%	100%	100%
Patos	100%	100%	100%
Lezhë	100%	100%	50%
Korçë	100%	100%	50%
Lushnje	100%	50%	100%
Bulqizë	67%	75%	100%
Vlorë	67%	100%	0%
Krujë	67%	75%	50%
Elbasan	100%	50%	50%
Vorë	67%	25%	100%
Librazhd	67%	50%	50%
Gjirokastër	67%	75%	0%
Pogradec	67%	50%	0%
Kukës	67%	25%	50%
Kuçovë	67%	50%	0%
Sarandë	33%	0%	0%

MUNICIPALITIES' PROFILES



MUNICIPALITY OF BULQIZË



TOTAL SCORE **58/100**

Overall performance

Municipality of Bulqizë has scored a total of 58 points out of 100 reaching fourth place in the overall ranking of the Municipal Performance Index. From four categories, the municipality has performed best in Transparency with 78 percent while the least performing category for it is the Municipality for Business with 29 percent.

In the area of Municipality for Citizens, the Municipality of Bulqizë has scored 62 percent high top performance of 82 percent on the Education area followed by Utilities 73 percent and Social Welfare with 36 percent. In terms of property tax collection the municipality could perform better while it manages to have a high efficiency in terms of covering operating costs with own revenues. Water supply with affordable prices for citizens and businesses is a municipality achievement ranking highest in the indicator. Waste management remains an area for improvement.

In the Municipality for Businesses area Bulqizë ranks 11th out of 16 municipalities in the sample with significant improvements necessary to be considered from the management relating to open information for businesses and administrative procedures related to doing business indicators.

In 4th place for category of Municipal Administration, there appears to be room for improving the indicators related to revenues collection and optimizing efficiency in the public expenditures. While applying a low property tax rate, municipality will need to improve their performance in terms of collecting revenues to reduce dependency on grants and increase capital investments in the administrative area covered by the municipality.

Under the Transparency category Municipality of Bulqizë ranks 7th out of 16 municipalities. Important remains to increase the information availability to citizens in the website of the Municipality and keep in up to date to enhance informed public debate on municipality performance.

Top performing indicators



Highly effective UKT with lowest prices for water supply to households and businesses.



A low and affordable property tax rate is applied creating room for necessary optimization in collecting and efficiency in administering the tax.



Well functioning online platform and timely response on the request for information from citizens

Areas for improvement



Municipality has to redesign and boost its' performance in revenues collection.



Waste management is an area where municipality should dedicate more attention.



Improve the effectiveness of socio-economic development programs to create more employment opportunities in the area.

#4

IN THE OVERALL RANKING

#2

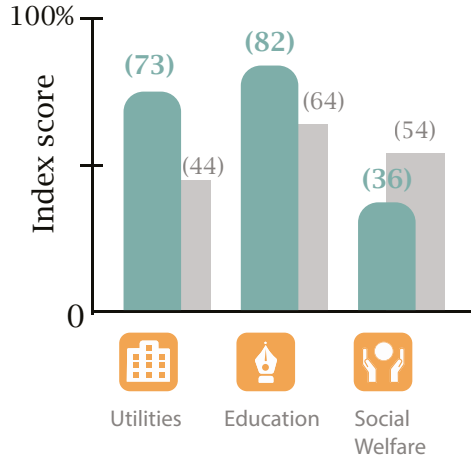
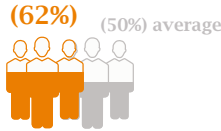
IN THE CATEGORY "MUNICIPALITY FOR CITIZENS"

29%

SCORE IN THE CATEGORY "MUNICIPALITY FOR BUSINESS"

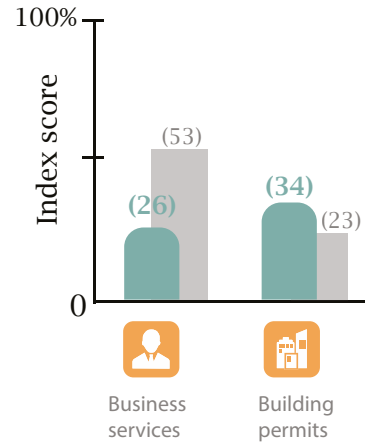
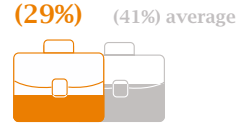
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Municipality for Citizens



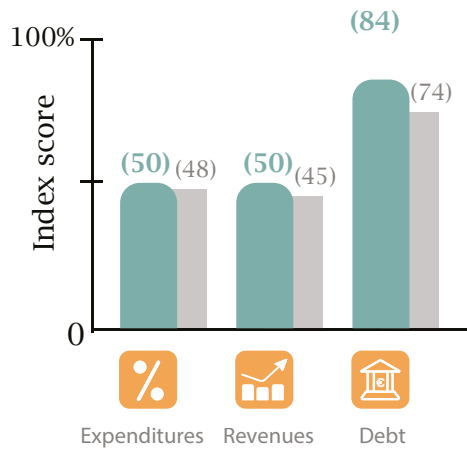
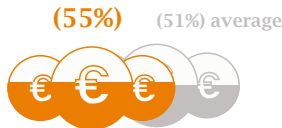
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Municipality for Businesses



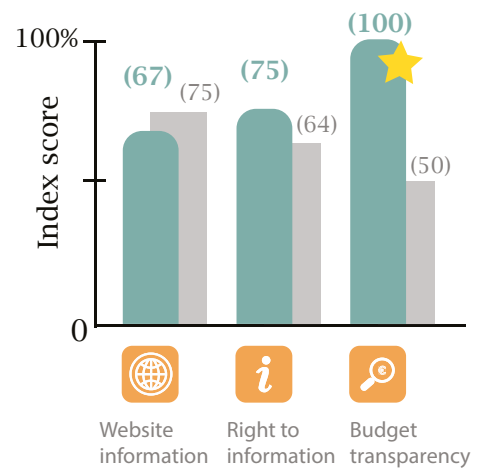
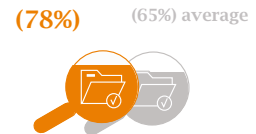
3

Municipal Administration



4

Transparency





MUNICIPALITY OF ELBASAN



TOTAL SCORE 46/100

Overall performance

Municipality of Elbasan in the Municipal Performance index has scored 46 points out 100 ranking in 14th place from 16 municipalities. Elbasan scores poorly in the category of Municipality for Citizens with 37 percent, 40 percent in the category of Municipality for Businesses, 46 percent in the Municipal Administration reaching its higher comparative performance in the category of Transparency with 67 percent.

In Municipality for Citizens category, Elbasan ranks in 13th place and scores 41 percent in the area of Utilities with water supply remaining a challenge along comparatively higher price applied for business. In the area of Social Welfare, Municipality of Elbasan has a high level of social benefits payments showing for a low efficiency in creating equal opportunities for employment and emancipation of low-income groups. No data or information shared by the municipality on the Waster Management service.

Regarding the score in Municipality for Businesses category, Municipality of Elbasan ranks 9th scoring 40 percent. If in terms of providing information to the businesses municipality appears to pay attention, then issuing construction permits is the worst performing indicator with comparatively highest number of days necessary for obtaining a permit.

Municipal Administration sees Elbasan in 11th place scoring 46 percent of points in the category. The administration is quite efficient in managing budgetary resources and realization of the budget, however own revenues remain low and effectiveness in collecting them as well.

In terms of public information for citizens through the website, Municipality of Elbasan scores highest, notwithstanding its' responsiveness on requests from citizens in the frame of Law on Right to Information remains vague and no data available on addressing their complains.

Top performing indicators



Municipality administration in Elbasan is at highly efficient levels the same as budget realization.



Public information provided through online sources is optimal and performance-related reports available.



Property tax collection realization according to the plan.

Areas for improvement



Tax revenues collection remains low in the Municipality restricting local public investments.



Instead of providing high levels of social benefits, economic empowerment programs tailored low-income families should be a priority.



Municipality should reduce the number of days to obtain a construction permit, liberalizing procedures and creating opportunities for more construction permits issued.

#14

IN THE OVERALL RANKING

#7

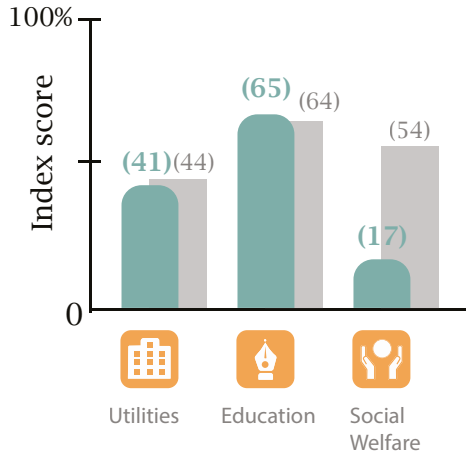
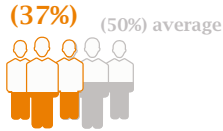
IN THE CATEGORY "TRANSPARENCY"

37%

SCORE IN THE CATEGORY "MUNICIPALITY FOR CITIZENS"

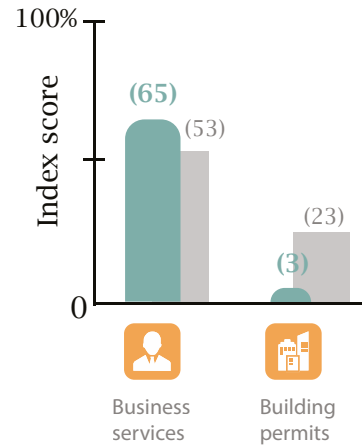
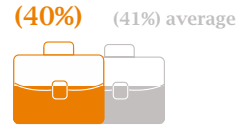
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Municipality for Citizens



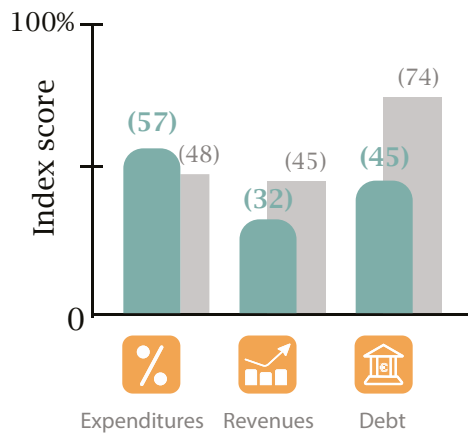
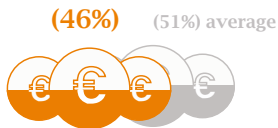
2

Municipality for Businesses



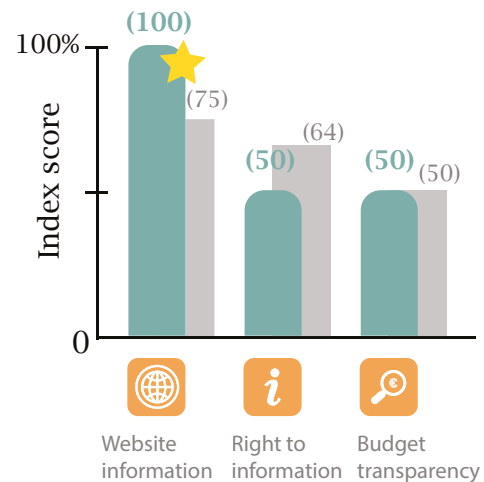
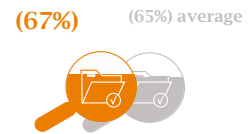
3

Municipal Administration



4

Transparency





MUNICIPALITY OF GJIROKASTËR



TOTAL SCORE 45/100

Overall performance

Municipality of Gjirokastrë ranked pre-last in the MPI ranking, 15th out of 16 with a total overall score of 45 points. On Municipality for Citizens, performed at 47 percent with Utilities area as low as 27 percent and Education and Social Welfare respectively 69 and 65 percent. On Municipality for Businesses category the municipality scored 28 percent with Business Services area at 43 percent. On Transparency it scored 56 percent.

In Municipality for Citizens category, Municipality of Gjirokastrë ranks in 11th with Utilities area of 27 percent, Education 69 percent and Social Welfare 65 percent. In Utilizes municipality results show that it has to improve efficiency in providing water supply to communities at more affordable prices. In indicators related to social benefits effectiveness the municipality scores high while in Waste Management it manages to cover a significant area with services, but it is still public.

Municipality for Businesses area ranks Gjirokastrë in 13th place with 28 percent with no information for businesses publicly available and prolonged procedures to obtain a construction permit. Regarding Municipal Administration the municipality ranks 13th with a poor performance related to Expenditures area significantly lower than the average for the category. High management expenditures and low public investments compared to peers in the Index resulting from non highly performing revenues collection. Municipality funds its operations in considerable extent with grants.

Also in Transparency category Municipality of Gjirokastrë is in 5 least performing ones with missing information on budget implementation, operational performance and publicly available information sources for citizens.

Top performing indicators



Municipality of Gjirokastra applies a low rate on property tax for households.



Functioning coordination in the framework of requests received for Law on the Right to Information.



Efficient management of social benefit programs.

Areas for improvement



Municipality of Gjirokastrë should improve its own revenues collection in order to create room for sustaining more public investments.



Improve the water supply and in lower prices for households and businesses.



Municipality should consider a more amicable relation with businesses providing useful information online and facilitating procedures for them. Financial performance information is missing in the website.

#15

IN THE OVERALL RANKING

#10

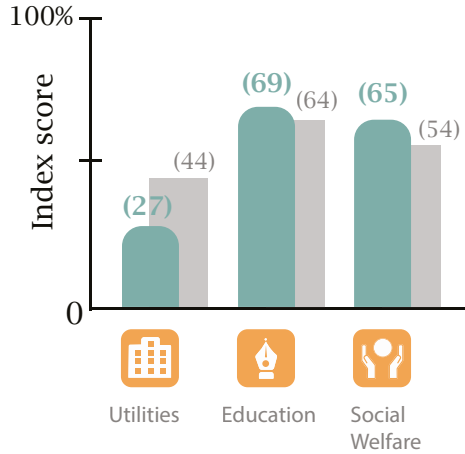
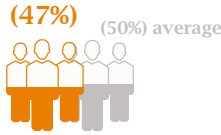
IN THE CATEGORY "TRANSPARENCY"

28%

SCORE IN THE CATEGORY "MUNICIPALITY FOR BUSINESS"

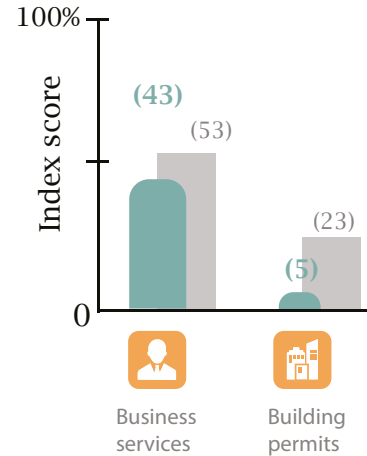
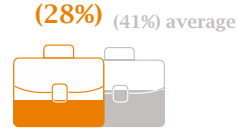
1

Municipality for Citizens



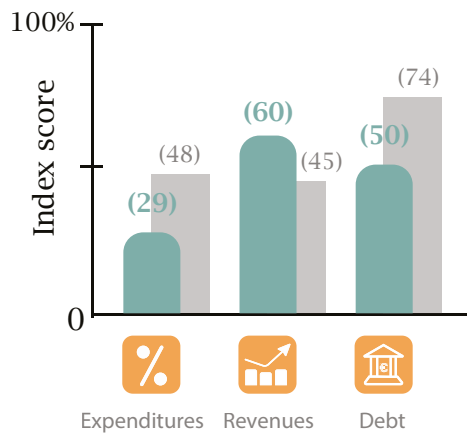
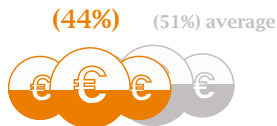
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Municipality for Businesses



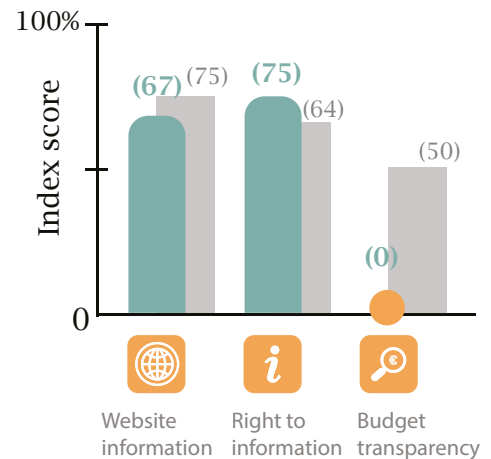
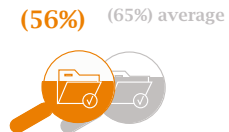
3

Municipal Administration



4

Transparency





MUNICIPALITY OF KORÇË



TOTAL SCORE 61/100

Overall performance

Municipality of Korçë ranks 2nd in the overall performance from the group on 16 municipalities in the Index with a total score of 61 points. From four categories of indicators, it scores highest in Transparency with 89 percent followed by Municipality for Citizens with 58 percent, Municipality for Businesses with 56 percent and Municipal Administration with 49 percent.

In the Municipality for Citizens category, Municipality of Korçë ranks 4th with 36 percent in the Utilities area, 70 percent in Education and 87 percent in Education Welfare. In Utilities seems that in relation to the Heating Systems provision efficiency could be improved while Property Administration and Water Supply remain above the average performance in the Index. While citizens of this municipality benefit from 24 hours water supply, the price of this utility is among highest compared to other municipalities.

With a number of businesses registered significantly higher than the average of the group in focus and information related to business services easily accessible, Municipality of Korçë has been subject to Administrative court decisions in the past three years raising the issue of more necessary prudence in relation to business community. In Building Permits area there might improvements in the number of days necessary to obtain a permit.

Municipal Administration area total score is 49 percent, lower than average performance in the category, ranking 8th in the Index and areas' respective scores 40 percent in Expenditures, 63 percent in Revenues and 32 percent in Financing through Debt. Performance improvement could be possible in indicators related efficiency in administration operational costs and budget realization. With a relatively high property tax rate, municipality could improve its' performance in revenue collection and reduce dependency on grants. On Transparency, Municipality of Korçë ranks in top 5 municipalities with equal score with Municipality of Lezha and Lushnje. A well functioning online information platform easily accessible for the citizens and providing prompt replies to requests for information it scores highest in these two related indicators. Reports of Supreme Audit of State show for the need for more open transparent Procurement processes to be considered by the municipality.

Top performing indicators



24 hours of water supply for households in the administrative area of Korçë.



A dynamic entrepreneurial environment supported by the enabling environment created by the Municipality.



A well functioning online information platform easily accessible for the citizens and providing prompt replies to requests for information

Areas for improvement



Increase efficiency in water supply management in order to pave the way for reducing utility prices for households and businesses.



Focus in growing levels or revenue collection in order to grow public investments and reduce dependence on grants and debt.



Simplify procedures and reduce number of days to obtain a building permit.

2

IN THE OVERALL RANKING

3

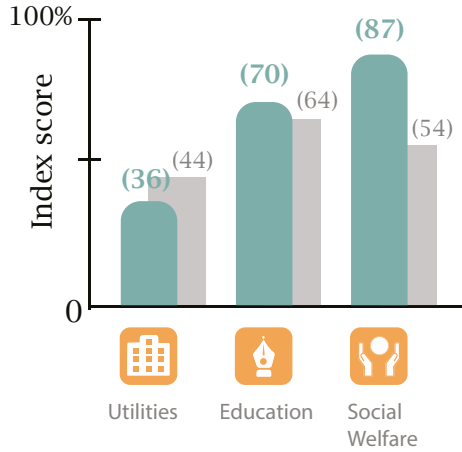
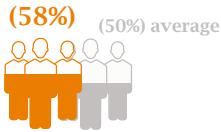
IN THE CATEGORY
"TRANSPARENCY"

49%

SCORE IN THE CATEGORY
"MUNICIPAL ADMINISTRATION"

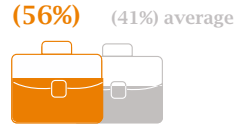
1

Municipality for Citizens



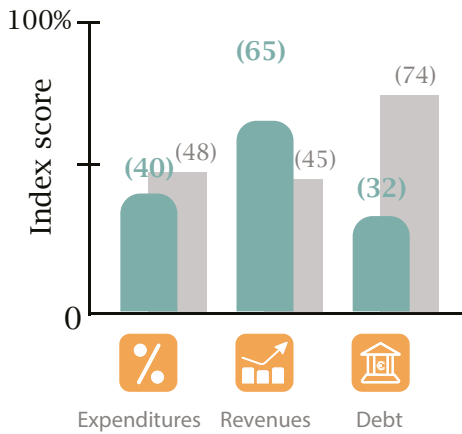
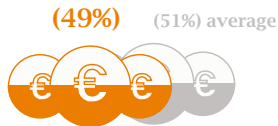
2

Municipality for Businesses



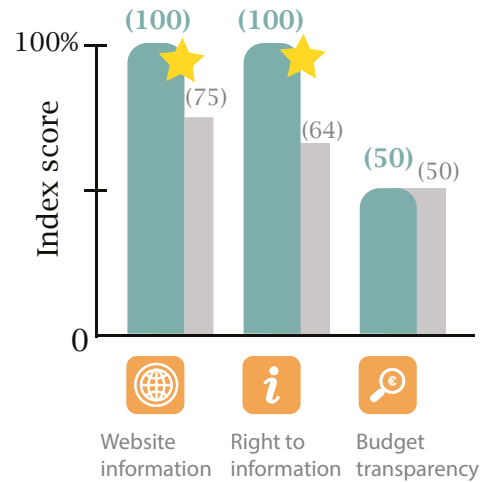
3

Municipal Administration



4

Transparency





MUNICIPALITY OF KRUJË



TOTAL SCORE 51/100

Overall performance

Municipality of Krujë ranks 8th in out of 16 municipalities in the MPI with an overall score of 51 points (50.76) from 100. In terms of categories, it performed best in Transparency with 67 percent followed by Municipal Administration with 58 percent, Municipality for Citizens score of 51 percent and Municipality for Businesses with 14 percent.

In Municipality for Citizens category, Municipality of Krujë ranks in 10th place out of 16. It reached a score of 61 percent in Transparency, 58 percent in Municipal Administration, 51 percent in Municipality for Citizens and only 14 percent in Municipality for Businesses. On Utilities data show for potential improvements in the optimization of the UKT management relying more on own revenues generated while it is important for the municipality to dedicate high attention to improving the water supply for citizens. Waste management is provided by a private operator which is positive. Krujë scores its lowest performance in the category of Municipality for Businesses with 14 percent ranking pre-last, 15th place. This comes as a result of low on-line publicly available information for businesses' needs and high waiting time to obtain a building permit.

Municipal Administration category sees Kruja ranked 3rd best performing municipality with a total score of 58 percent. Highest budget realization in the selection of municipalities and a higher than average realization of public investments, the municipality can work to improve its' efficiency in administration management and reduce operational costs. Relatively low property tax rate and above average related property administration revenues collected. Municipality of Krujë does not have debt but benefits from grants. In Transparency, Municipality of Krujë ranks 8th with a score of 67 percent. More information should be provided openly to citizens via the website on budget implementation, monitoring and performance.

Top performing indicators



Municipality of Krujë relies on own revenues and grants to sustain its operations.



On the Right to Information the administration of Municipality is responsive and collaborative to share requested information from citizens.



Highest budget realization in the selection of municipalities and a higher than average realization of public investments

Areas for improvement



Improve water supply to citizens and optimize efficiency in resources allocation for efficiency in water supply from UKT.



Provide more information online regarding the budget implementation and monitoring.



Potential improvements in growing efficiency in administration management and reduction of operational costs.

8

IN THE OVERALL RANKING

3

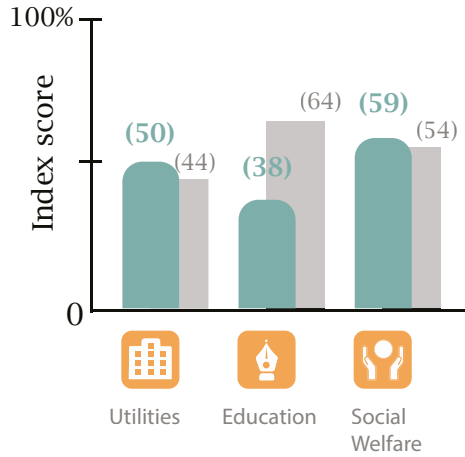
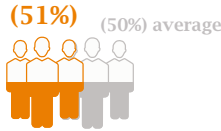
IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

14%

SCORE IN THE CATEGORY "MUNICIPALITY FOR BUSINESS"

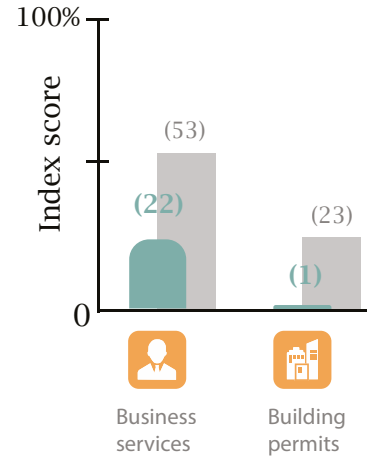
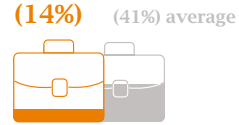
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Municipality for Citizens



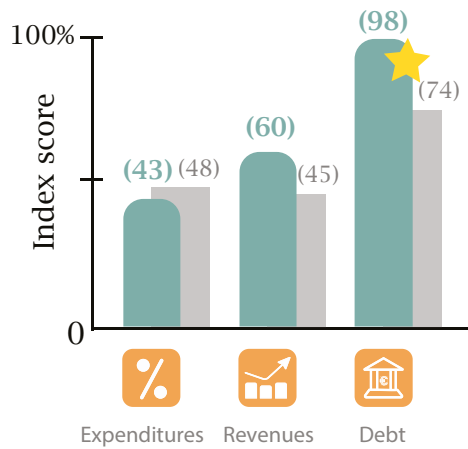
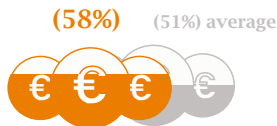
2

Municipality for Businesses



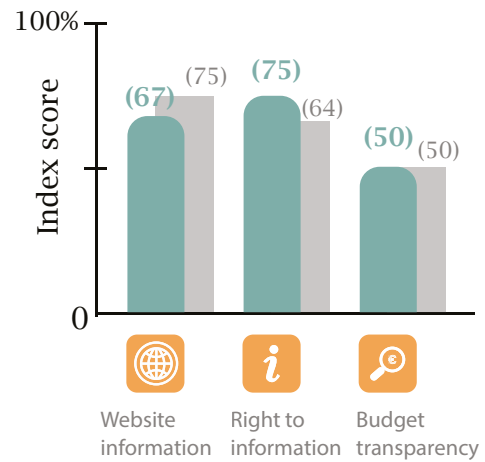
3

Municipal Administration



4

Transparency





MUNICIPALITY OF KUÇOVĚ



TOTAL SCORE **51/100**

Overall performance

Municipality of Kučově has scored a total of 51 points (50.74) out of 100 ranking in 10th place. It scored 59 percent in the category of Municipality for Businesses, 58 percent in Municipality for Citizens, 44 percent in Transparency and 43 percent in Municipal Administration.

In the Municipality for Citizens category, the Municipality of Kučově ranks in 5th place out of 16 municipalities scoring 78 percent in Social Welfare area, 74 percent in Education and 39 percent in Utilities. Municipality performed well in administering property revenues and efficiently operating UKT, however it is necessary to increase the water supply and offer lower utility prices making it more affordable for households and businesses. Worth to emphasize the effective administration of the social benefits schemes from the side of Municipality.

In the Municipality for Businesses category, Municipality of Kučově ranked 2nd with a score of 59 percent. With a relatively low number of businesses for 1000 citizens and offering full information necessary to orient them it contributes in creating an enabling environment for enterprises. Obtaining a building permit in Kučově will require you less than the average number of days compared to the group of municipalities included in the Index.

When it comes to Municipal Administration category, Municipality of Kučově ranks in 15th position manifesting some obstacles in need of being addressed. With low capital expenditures per capita and highest property tax applied compared to other peers, municipality struggles to collect revenues and is heavily dependent on grants.

On Transparency the website of municipality is not updated with latest information and citizens find it hard to find and read information relating to budget and financial performance. Supreme Audit of State has also found irregularities from the municipality in the last years.

Top performing indicators



Municipality of Kučově has performed well in administering property revenues and efficiently operating UKT.



Effective management of the social benefits scheme optimizing allocation of resources to the most needy ones.



Less than average number of days to obtain a building permit while full information for businesses online

Areas for improvement



Necessary to increase the water supply and offer lower utility prices to households and businesses.



Potential improvements in growing efficiency in administration management and reduction of operational costs.



Municipality struggles to collect revenues and does not make budget transparency.

#10

IN THE OVERALL RANKING

#2

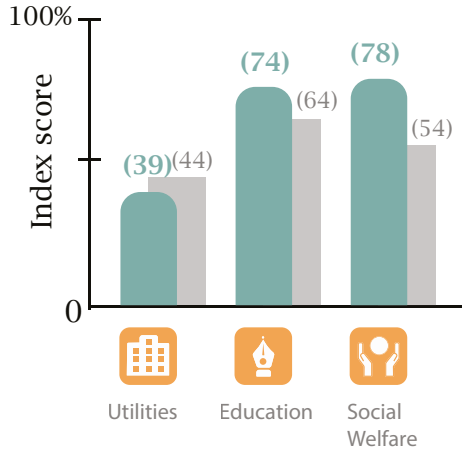
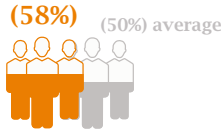
IN THE CATEGORY "MUNICIPALITY FOR BUSINESS"

43%

SCORE IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

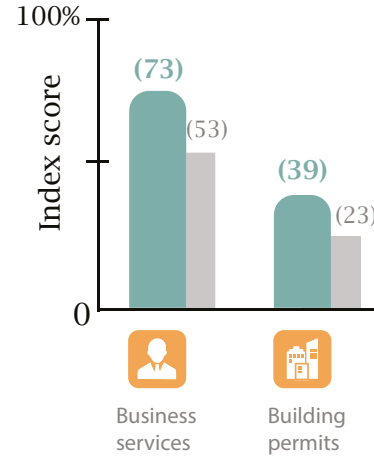
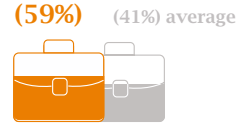
1

Municipality for Citizens



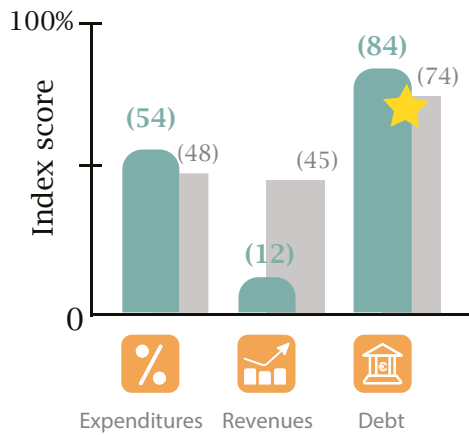
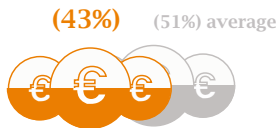
2

Municipality for Businesses



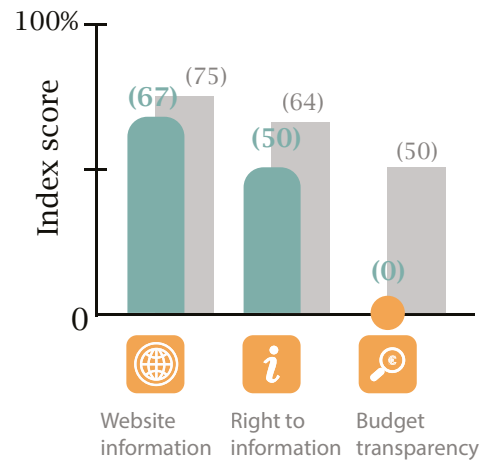
3

Municipal Administration



4

Transparency





MUNICIPALITY OF KUKËS



TOTAL SCORE 47/100

Overall performance

Municipality of Kukës ranks 11th in the overall Performance Index, scoring a total of 47 points (47.45) out of 100. It scored 62 percent in the category of Municipality for Citizens, 46 percent in Municipal Administration, 44 percent in Transparency and 21 percent in the category of Municipality for Businesses.

In the Municipality for Citizens category ranked 3rd from 16 municipalities scoring 91 percent in the area of Utilities, 75 percent in Education and 12 percent in the Social Welfare. Highest performance comparing to peers in the indicator of collecting building revenues and efficiently managing the heating service while covering 100 percent of costs in managing UKT with own revenues. Municipality provides 24 hours of water supply to households and businesses with affordable prices. Higher effectiveness in managing social benefit schemes would contribute to empower citizens in need to overcome poverty trap.

Ranked 14th in the Municipality for Businesses category scoring 21 percent the municipality should dedicate attention to create an enabling environment for businesses by providing them with the necessary information easily accessible and creating conditions to reduce the number of days needed to obtain a building permit.

On Municipal Administration, Municipality of Kukës has a low level of public investments per capita and comparatively the lowest level of own revenues compared to total expenditures while nearly fully dependent on grants from the central government.

Website of the municipality should be up to date and provide an easily accessible information for citizens who are willing to be part of the public debate on the quality of governance. No information regarding the designated coordinator on the Right to Information neither response given to questions asked.

Top performing indicators



Highly efficient management of utilities services and UKT covering expenses with own revenues.



24 hours of water supply to households and businesses with affordable prices



High level of budget realization.

Areas for improvement



Higher effectiveness in managing social benefit schemes needed.



Reduce the number of days needed to obtain a building permit.



Update the open information platform of the municipality for citizens and businesses.

#11

IN THE OVERALL RANKING

#3

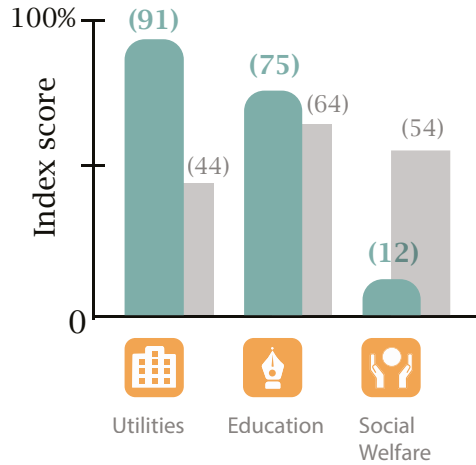
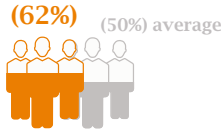
IN THE CATEGORY "MUNICIPALITY FOR CITIZENS"

44%

SCORE IN THE CATEGORY "TRANSPARENCY"

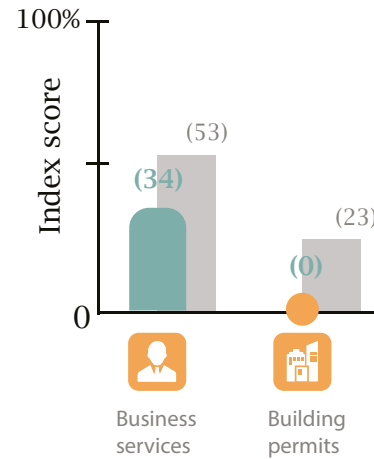
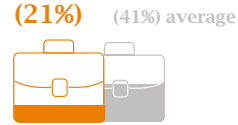
1

Municipality for Citizens



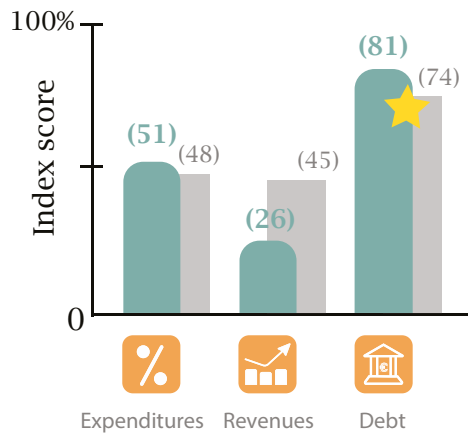
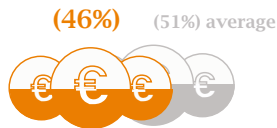
2

Municipality for Businesses



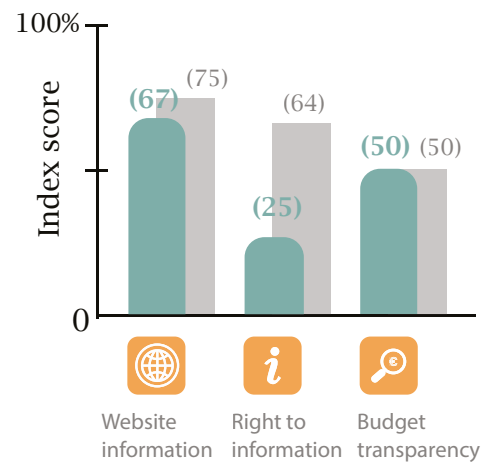
3

Municipal Administration



4

Transparency





MUNICIPALITY OF LEZHË



TOTAL SCORE 59/100

Overall performance

Municipality of Lezhë ranked 3rd in the overall ranking of the MPI for this year with a total score of 59 out of 100. Its performance peaked in the category of Transparency with a score of 89 percent, followed by categories of Municipality for Citizens and Municipality for Businesses with respectively 56 and 55 percent and Municipal Administration with 45 percent.

In the Municipality for Citizens, Municipality of Lezhë ranked 7th scoring 56 percent with 39 percent in Utilities, 62 percent in Education and 79 percent in Social Welfare. Efficient in managing the Heating Service and water supply, improvements could be made in lowering prices for water supply to households and businesses. On waste management the municipality covers all administrative areas and the service is provided by private operators allowing for higher performance.

Municipality for Businesses category performance ranks Lezhë in the 6th place with a score for category of 55 percent. Necessary information for businesses are easy to be found in the information web-platform of municipality while the number of days to obtain a building permit is at the lower end on comparative basis. In Municipal Administration category Municipality of Lezhë ranks 12th with a score of 45 percent. With respective score of 41 percent in Revenues and Expenditures areas of indicators, municipality has a comparatively low debt. Comparatively lowest capital expenditures per capita, and growing own revenues collected the municipality counts for nearly half of the budget on central government grants.

On Transparency category, Municipality of Lezha ranks 4 with an equal score with 3rd and 5th place out of 16. A well-functioning website and prompt replying to requests of citizens for information make this municipality a top-performing one.

Top performing indicators



Waste management service covers all administrative areas and is provided by private operators allowing for higher performance.



Easily accessible information for businesses and low time of waiting to obtain a building permit.



A well-functioning website and prompt replying to requests of citizens for information.

Areas for improvement



Improvements could be made in lowering prices for water supply to households and businesses



Low level of public investments per capita and dependence on grants



Increasing the effectiveness of tax and its own revenues collection remains important to create room for more socio-economic development programs.

#3

IN THE OVERALL RANKING

#4

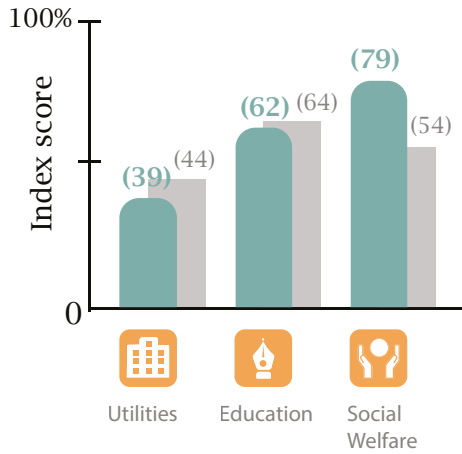
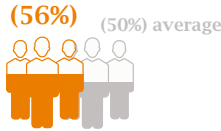
IN THE CATEGORY
"TRANSPARENCY"

45%

SCORE IN THE CATEGORY
"MUNICIPAL ADMINISTRATION"

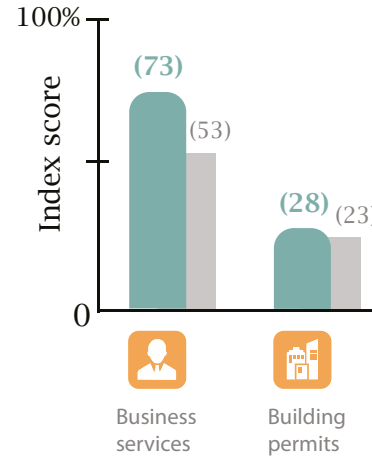
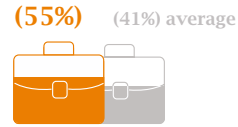
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Municipality for Citizens



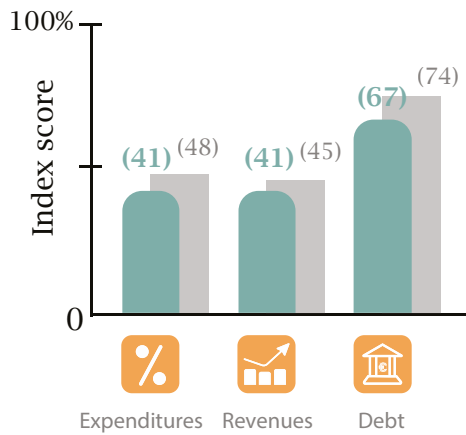
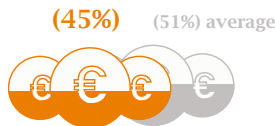
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Municipality for Businesses



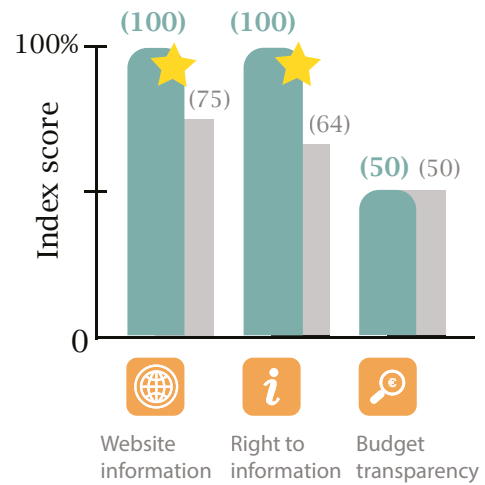
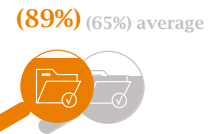
3

Municipal Administration



4

Transparency





MUNICIPALITY OF LIBRAZH D



TOTAL SCORE 53/100

Overall performance

Municipality of Librazhd has scored a total of 53 points out of 100 ranking 7th out of 16 in the overall Performance Index. It scored 56 percent in categories of Municipality for Citizens and Transparency, 50 percent in Municipal Administration and 48 percent in Municipality for Businesses.

In the Municipality for Citizens category, Municipality of Librazhd scored 56 percent ranking 8th in the category leaving behind 8 other municipalities that performed worse. With 100 scores in Education, 65 percent in Utilities and only 20 percent in Social Welfare area. In Utilities municipality appears efficient in managing the Heating Service and manages to secure 24 hours of water supply for households and businesses, however related price could be brought lower. In Education area municipality has created conditions to have an optimal number of pupils per classroom and consequently pupils per teacher. It remains important that the municipality improves the effectiveness of social benefit schemes.

On business relations, Municipality of Librazhd scores 48 percent in the area of Municipality for Businesses ranking 8th. With a low number of businesses per capita, it ensures that businesses have easy and free access to information regarding doing business in the area and has improved quality of decision-making reducing the number of cases in the Administrative Court. In terms of Building Permits related indicator, municipality should reduce the number of days necessary to obtain a permit.

Municipal Administration category results rank Municipality of Librazhd in 6th place with a score of 50 percent. With comparatively highest public investments per capita and a high efficiency in managing resources, municipality should significantly improve its' performance in revenues collection. Necessary to reduce level of central government grants and collect own revenues to sustain socio-economic development in the area.

On Transparency, Municipality of Librazhd has scored 56 percent ranking 10th among 16 municipalities. With a functioning website it is important to make the platform more citizen-centric and update frequently the information available for the public as well as respond to citizens requests in the framework of the Law on the Right to Information.

Top performing indicators



Highest public investments per capita and a high efficiency in managing resources



Municipality has created conditions to have an optimal number of pupils per classroom



Businesses have easy and free access to information on doing business in the area and lower number of cases in the Administrative Court.

Areas for improvement



Important to lower the number of days necessary to obtain a building permit.



Municipality should significantly improve the performance in revenues collection being less independent on grants.



Update public available information for citizens and respond to their requests for information.

#7

IN THE OVERALL RANKING

#6

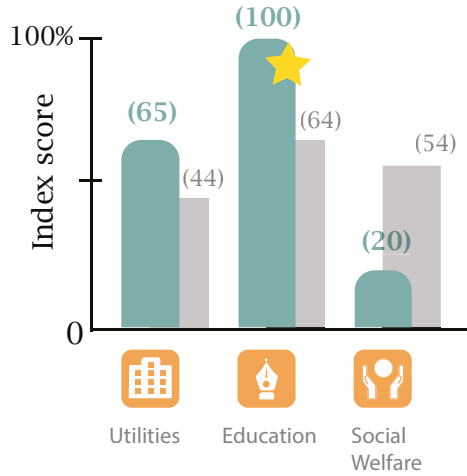
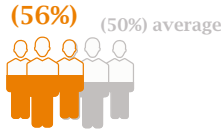
IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

56%

SCORE IN THE CATEGORY "TRANSPARENCY"

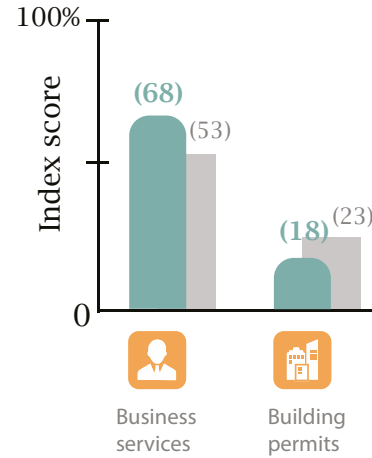
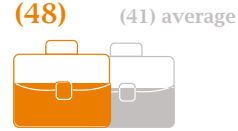
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Municipality for Citizens



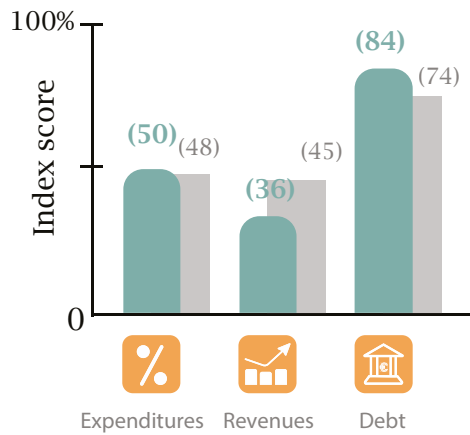
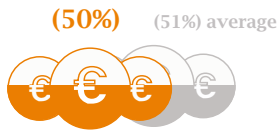
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Municipality for Businesses



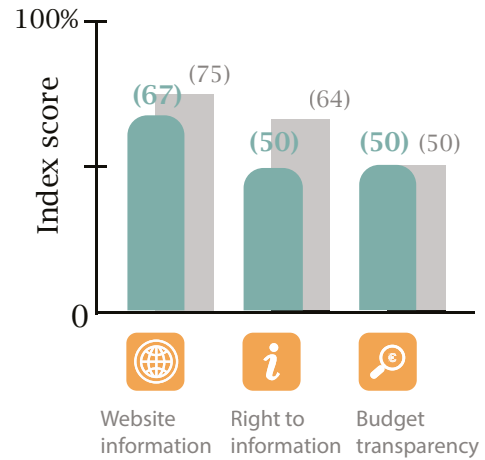
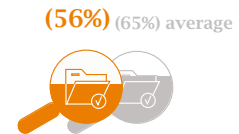
3

Municipal Administration



4

Transparency





MUNICIPALITY OF LUSHNJE



TOTAL SCORE **52/100**

Overall performance

Municipality of Lushnje ranks in 8th place in the Municipal Performance Index scoring a total of 52 points. By category it scored respectively 78 percent in Transparency, 56 percent in Municipality for Businesses, 52 percent in Municipal Administration and 36 percent in Municipality for Citizens.

In Municipality for Citizens category, it scored 36 percent out of 100 ranking in the 15th place with quite a low performance. Essential for the municipality it is to increase the number of water supply in the administrative areas under its management, lower prices applied for households and businesses and improve efficiency. Waste management service should also be enhanced by the municipality. Municipality of Lushnje has comparatively the highest number of businesses for 1000 citizens and ranks 4th in the Municipality for Businesses category. Despite responsive to businesses needs for information number of days to obtain a Building permit remains one of the highest in the selection of 16 municipalities making it necessary to take immediate action.

On Municipal Administration, Municipality of Lushnje scored 52 percent ranking 5th out of 16. With a low level of public investments per capita and a high budget realization, municipality should improve its overall effectiveness and increase the level of own revenues collection coming from property tax and other local taxes under municipality authority.

Municipality scores 78 percent in the category of Transparency ranking 3rd after municipalities of Shkodër and Patos. Despite having a top performing and user-friendly website providing all the necessary information for citizens to follow municipality activities and performance, it is worth to mention that municipality did not respond to the request for information in the framework of the Law of Right to Information. Supreme Audit of State found minor issues in auditing procurement procedures of the municipality.

Top performing indicators



Fully functioning web-platform providing all the necessary information for citizens to follow municipality activities and performance



Highest number of businesses per 1000 inhabitants.



Full information and support to businesses requests on municipality designated procedures.

Areas for improvement



Increase the number of water supply in the administrative areas under its management, lower prices applied for households and businesses.



While improving level of revenue collection, waste management service should be improved.



Reduce number of days necessary to obtain a building permit.

8

IN THE OVERALL RANKING

5

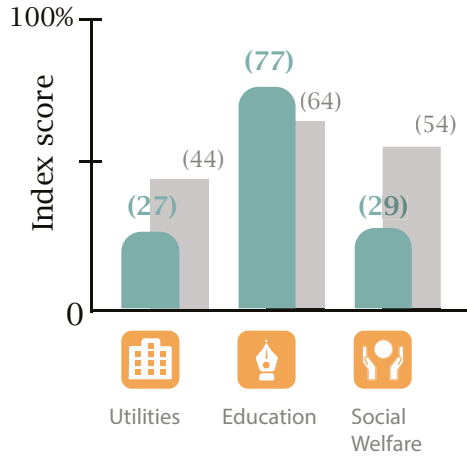
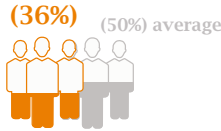
IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

36%

SCORE IN THE CATEGORY "MUNICIPALITY FOR CITIZENS"

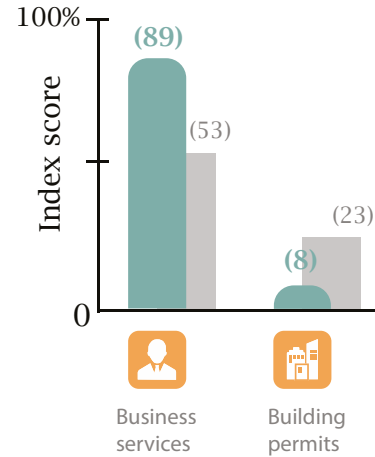
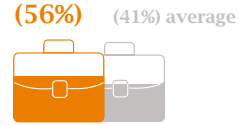
1

Municipality for Citizens



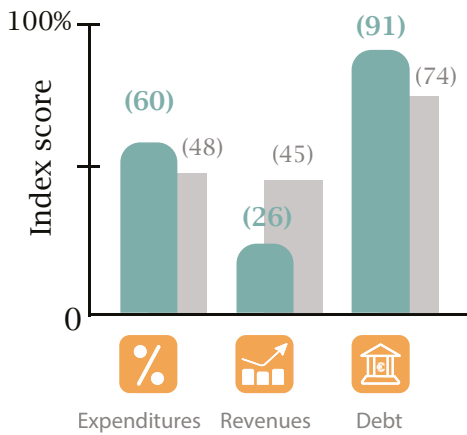
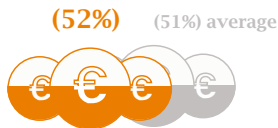
2

Municipality for Businesses



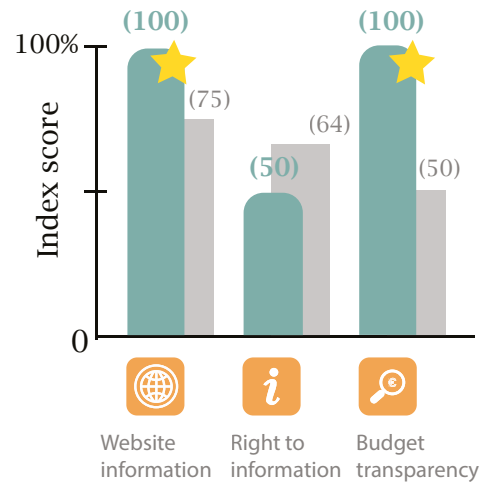
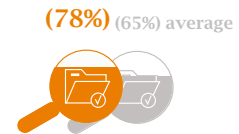
3

Municipal Administration



4

Transparency





MUNICIPALITY OF PATOS



TOTAL SCORE **57/100**

Overall performance

Municipality of Patos ranks 5th out of 16 with an overall score of 57 points. Municipality scored 100 percent in Transparency, 64 percent in Municipality for Businesses, 44 percent in Municipality for Citizens and 38 percent in Municipal Administration.

In Municipality for Citizens category, Municipality of Patos ranks in 12th place with a score of 44 percent. In respective areas, municipality's performance has been evaluated Utilities 28 percent, Education 59 percent and Social Welfare 61 percent. Municipality has to concentrate its' performance improvement efforts in substantially increasing the water supply for citizens and demanding a higher efficiency on UKT management. Social benefit schemes appear to have an effective management while the waste management service remains public.

Top performer in Municipality for Businesses category, Municipality of Patos ranks 1st with a 64 percent score, respectively 71 percent in Business Services and 54 percent in Building permits. Despite having the lowest number of days in obtaining a building permit municipality is not being capable in generating enough interest in developers to invest. Despite low number of businesses per capita municipality actively plays its role in providing the necessary information on services related to it.

On Municipal Administration, the Municipality of Patos ranks last with significantly low performance compared to peers in revenue collection and management. With a high level of administration costs and dependency on central government grants, Municipality of Patos will need to redesign the management model of its operations aiming to optimize resources generation and allocation. On Transparency, Municipality of Patos ranks 2nd sharing the same number of points with Municipality of Shkodër. It reached highest score in the three areas of this category Website Information, Right of Information and Budget Transparency.

Top performing indicators



Effective management of social benefit schemes.



The lowest number of days in obtaining a building permit.



100 percent of budgetary transparency.

Areas for improvement



Increase water supply for citizens and demand a higher efficiency on UKT management.



Significant low performance compared to peers in revenues collection and management



Redesign the management model to optimize resources generation and allocation

#5

IN THE OVERALL RANKING

#1

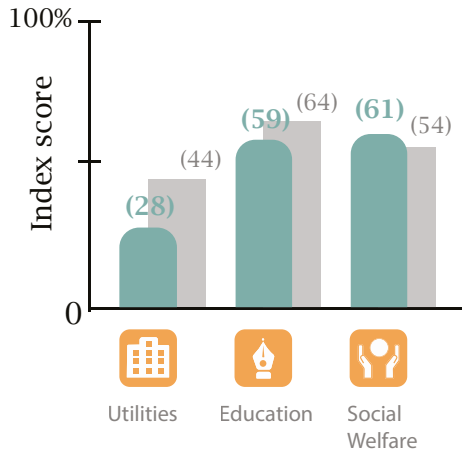
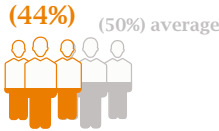
IN THE CATEGORY "MUNICIPALITY FOR BUSINESS"

38%

SCORE IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

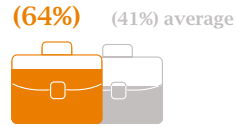
1

Municipality for Citizens



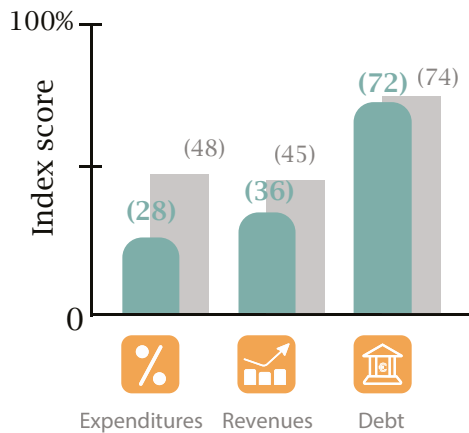
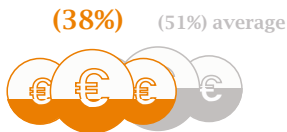
2

Municipality for Businesses



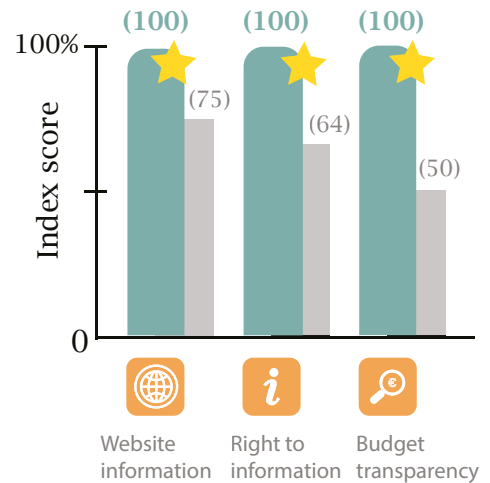
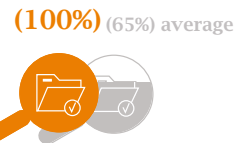
3

Municipal Administration



4

Transparency





MUNICIPALITY OF POGRADEC



TOTAL SCORE 47/100

Overall performance

Municipality of Pogradec ranks 12th in the overall ranking of the MPI with a total score of 47 from 100. In terms of categories respective scores are 57 percent in Municipality for Citizens, 47 percent in Municipal Administration, 44 percent in Transparency and 30 percent in Municipality for Businesses.

In Municipality for Citizens category Municipality of Pogradec ranked in 6th place with a score of 57 percent for the category while scoring 47 percent in Utilities, 74 percent in Education and 63 percent in Social Welfare. Low revenues from property administration and not a high performing UKT, municipality manages to provide comparatively high volume of water supply to its' citizens. Optimal ratio of students in classroom, municipality has entrusted the waste management service to a private provider covering 100 percent of the territory.

Municipality for Businesses category brings in evidence some weak points of Municipality of Pogradec performance related to poor support for businesses and low number of businesses registered. Being a touristic municipality with an untapped potential for growth partnership with businesses seem to be a necessity to advance socio-economic development in the area. Administrative Court decisions in 2019 have seen a rise compared to one year ago, nearly doubling.

On Municipal Administration, with a score of 47 percent, Municipality of Pogradec ranked 9th in the category with scoring in areas such as Expenditures 50 percent, Revenues 30 percent and Debt area with a score of 81 percent. Municipality should dedicate focus on increasing revenues collection and reducing dependency on central government grants, while increasing efficiency in operations management.

In the category of Transparency, Municipality of Pogradec scored 44 percent ranking in 14th place with potential improvements in keeping up to date the web-platform to inform citizens on local government decision-making processes and involving them actively.

Top performing indicators



Optimal organization of the social benefits scheme focusing on the needy ones.



Highly effective waste management service privately operated.



Abundant water supply for citizens at affordable prices.

Areas for improvement



Poor support for businesses and low number of businesses registered



Increasing number of Administrative Court decisions against the Municipality.



Dedicate focus on increasing revenues collection and reducing dependency on central government grants.

#12

IN THE OVERALL RANKING

#6

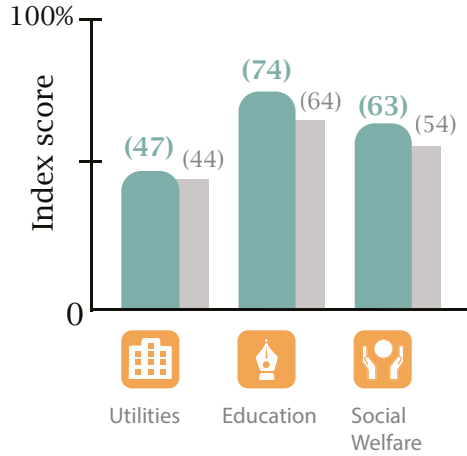
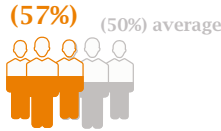
IN THE CATEGORY "MUNICIPALITY FOR CITIZENS"

44%

SCORE IN THE CATEGORY "TRANSPARENCY"

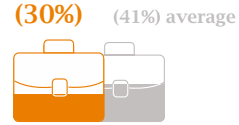
1

Municipality for Citizens



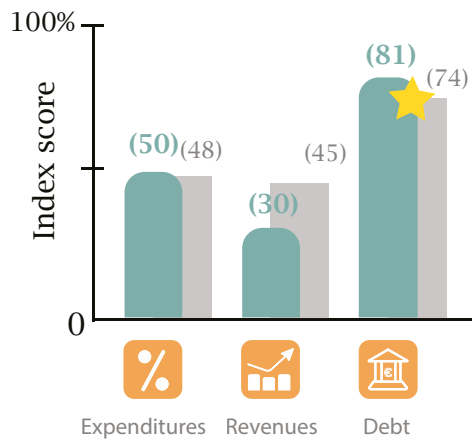
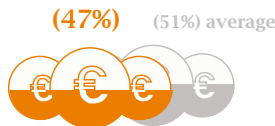
2

Municipality for Businesses



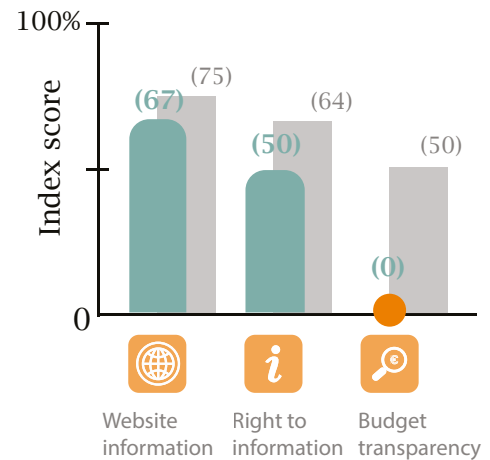
3

Municipal Administration



4

Transparency



13

MUNICIPALITY OF SARANDË



TOTAL SCORE 30/100

Overall performance

Municipality of Sarandë ranks last in the overall ranking with 30 points scored from 100. By categories 43 percent in Municipal Administration, 31 percent in Municipality for Businesses, 29 percent in Municipality for Citizens and 11 percent in Transparency.

On Municipality for Citizens, Municipality of Sarandë ranks last in the category ranking with 30 percent in Utilities area, 0 score in Education and 41 percent in Social Welfare area. In terms of Water Supply municipality needs to focus on increasing citizens' access while improving performance of the management and lowering prices for households and businesses. More focus should be given to Education where the municipality scored worse than all other peers with highest concentration of pupils per classroom.

In the Municipality for Businesses category, Municipality of Sarandë ranked in 10th place with a category score of 31 percent. With a relatively high number of businesses per 1000 inhabitants municipality does not provide openly information on guiding them though the procedures. Despite a higher than average number of new building permits issued, municipality should lessen the number of days to obtain a building permit which is at higher end on comparative terms.

In the category of Municipal Administration, Municipality of Sarandë ranks 14th scoring higher in the area of Revenues with 59 percent performing higher than the average for the area with a high revenue collection performance reflected in the covering own expenses and dependency on grants lower than the average. On Expenditures it manages to perform comparatively more efficiently than the average performance of other municipalities.

Municipality of Sarandë ranks last in the Transparency category underperforming every municipality in the Index. With a poorly functioning website, municipality does not make available for citizens' information on its' decision-making and did not respond to request for information. Municipality has not published in the web-platform budgetary performance report.

Top performing indicators



Higher performance than the average for the Revenues area with a high collection performance.



Efficient expenditures management compared to the average of the Index in the area.



A high number of businesses for 1000 inhabitants.

Areas for improvement



Municipality should lessen the number of days to obtain a building permit.



More attention to the Education area in order to lower number of students per classroom.



Poorly functioning website and no response to arequest for information from citizens.

#16

IN THE OVERALL RANKING

#14

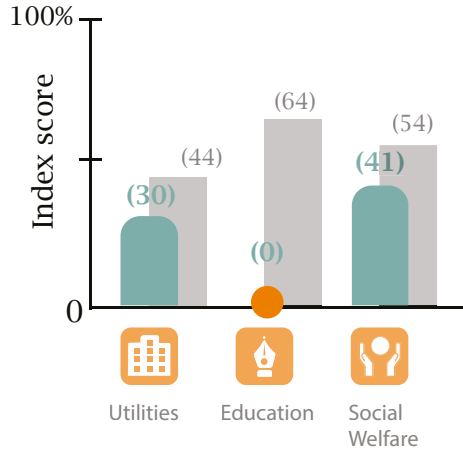
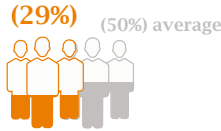
IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

11%

SCORE IN THE CATEGORY "TRANSPARENCY"

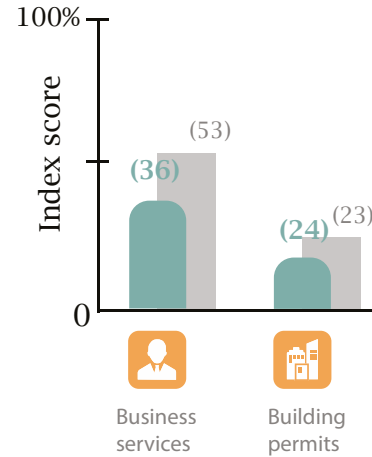
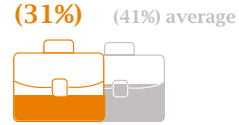
1

Municipality for Citizens



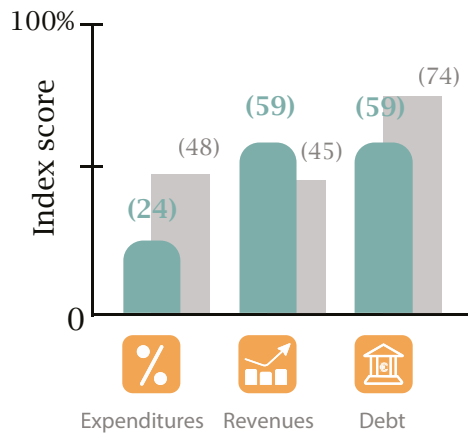
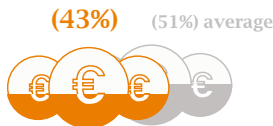
2

Municipality for Businesses



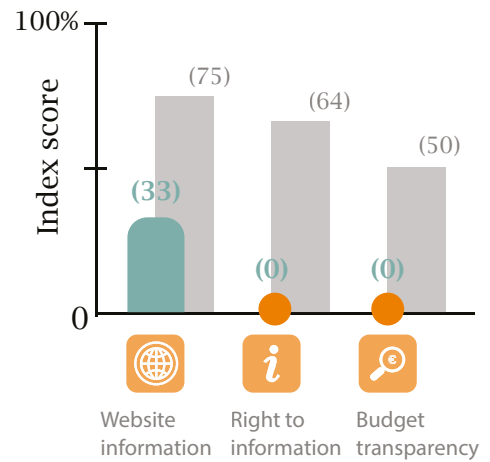
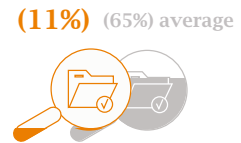
3

Municipal Administration



4

Transparency





MUNICIPALITY OF SHKODËR



TOTAL SCORE 71/100

Overall performance

Municipality of Shkodër ranks 1st in the overall ranking of the Municipal Performance Index with a total score of 71 points out of 100. In the categories' performance it scored 100 percent in Transparency, 70 percent in Municipal Administration, 64 percent in Municipality for Citizens and 52 percent in Municipality for Businesses.

In the Municipality for Citizens category, Municipality of Shkodër ranks 1st with a performance scoring 46 percent in Utilities, 85 percent in Education and 80 percent in Social Welfare area. Municipality manages to provide a running water supply with affordable prices for households and businesses while sustaining operations with own resources. Optimal student per classroom size in comparable terms with other municipalities gives Shkodër a solid performance in the Education area while all the administrative areas are covered with waste management service provided by a private operator.

On facilitating the doing business environment, Municipality of Shkodër ranks 7th in the Municipality for Businesses category scoring higher than the average performance. With a number of businesses per 1000 inhabitants higher than average of municipalities in focus, it provides full publicly available information for business procedures relating to local government while the number of decisions against in Administrative Court has been rising for 2019 compared to 2018. Municipality could lower further the number of days necessary to obtain a building permit.

Municipality of Shkodër ranks 2nd in the category of Municipal Administration manifesting a prudent management of public expenditures while having low capital investments per capita for the year in analysis. Municipality depends for more than half of its' annual budget on grants and has lower revenues per capita among peers included in the Index. With no debt, municipality manages to provide all services to citizens by maintaining a small administration in size.

A champion in Transparency category, Municipality of Shkodër ranks 1st with 100 percent score. Open and transparent local governance featuring an informative updated web-platform with a dedicated attention to promptly responding requests for information from citizens interested to participate in policymaking processes. Transparent budget implementation process and no findings of irregularities in procurements from Supreme Audit of State in the last 3 years.

Top performing indicators



Running water supply with affordable prices for households and businesses while sustaining operations with own resources.



Optimal student per classroom size in comparable terms with other municipalities.



Open and transparent local governance featuring an informative citizen friendly updated web-platform. Provides all services to citizens by maintaining a small administration in size.

Areas for improvement



Number of decisions against municipality in Administrative Court has been rising in last years.



Municipality depends for more than half of its' annual budget on grants and has lower revenues per capita among peers.



Low capital investments per capita.

#1

IN THE OVERALL RANKING

#1

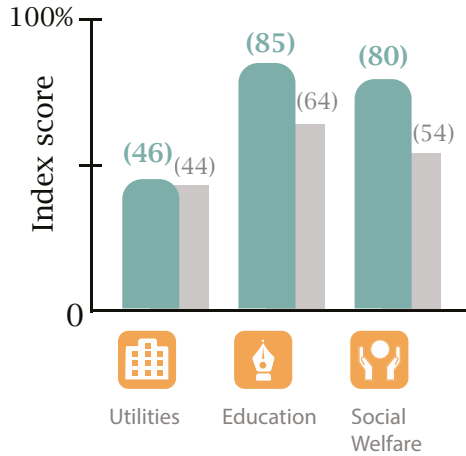
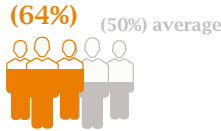
IN THE CATEGORY "MUNICIPALITY FOR CITIZENS"

52%

SCORE IN THE CATEGORY "MUNICIPALITY FOR BUSINESS"

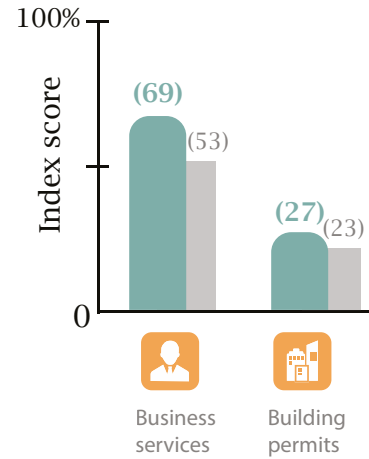
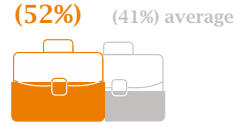
1

Municipality for Citizens



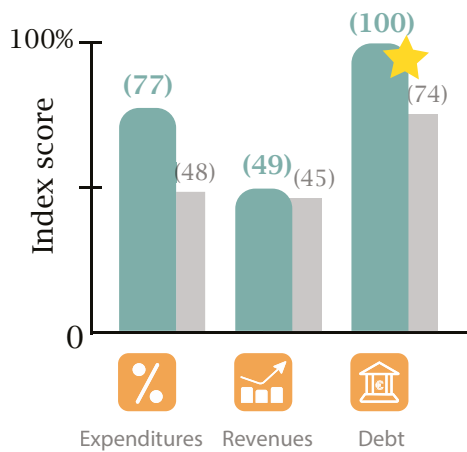
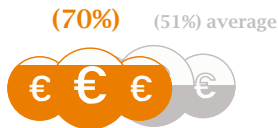
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Municipality for Businesses



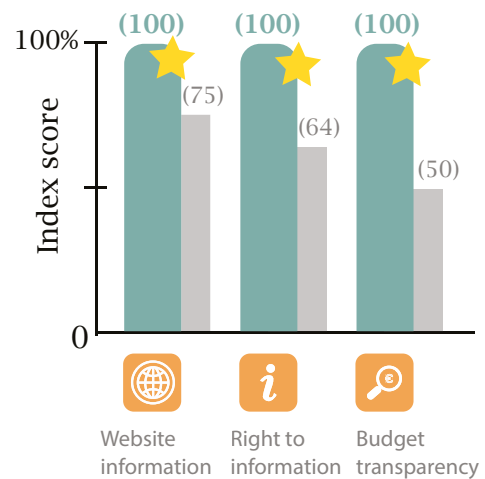
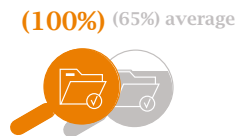
3

Municipal Administration



4

Transparency





MUNICIPALITY OF Vlorë



TOTAL SCORE 47/100

Overall performance

Municipality of Vlorë ranks in 13th place in the Municipal Performance Index with an overall score of 47 points. In terms of categories the municipality scored 67 percent in Transparency, 52 percent in Municipality for Citizens, 49 percent in Municipal Administration and 8 percent in Municipality for Businesses.

In the Municipality for Citizens category, with a score of 52 percent Municipality of Vlorë ranks in 9th place. In the area of Utilities municipality score is 31 percent, 53 percent in Education and 83 percent in Social Welfare. Municipality should dedicate attention in improving infrastructure capacities to increase water supply to the administrative areas it serves and improve efficiency in the management of the UKT. Number of pupils per classroom could be reduced to create better learning conditions. On Waste management municipality should aim to extend service to include all the administrative areas.

Municipality has its worst performance in comparative terms with other peer municipalities in the category of Municipality for Businesses, ranking last with a score of only 8 percent. With a relatively high number of businesses per 1000 inhabitants, it is missing the public information to guide businesses through procedures relating to local government. Municipality of Vlorë counts comparatively the highest number of Administrative Court decisions against it while number of days to obtain a building permit is highest compared to other municipalities in focus.

On Municipal Administration category, municipality ranked in 7th place scoring 69 percent in Revenues, 88 percent in Expenditures and 68 percent in Debt related area of indicators. Municipality continues to be dependent on central government grants despite a relatively cumulative high number of businesses registered while improvements in effectiveness of revenue collection remain important.

On Transparency, Municipality of Vlorë ranks 9th scoring 67 percent, with 100 percent on the Right to information area, 67 percent on website information but with minimum comparative performance on Budget transparency.

Top performing indicators



A functioning and updated web-platform of easily accessible information for the citizens.



High responsiveness on the Right to Information



Municipality manages to cover all its territory with waste management service through a private company.

Areas for improvement



Dedicate attention in improving infrastructure capacities to increase water supply to the administrative areas



Improve the doing business environment and ease procedures to obtain a building permit by primarily lower the number of days necessary.



Important to improve effectiveness of revenue collection in order to reduce dependency on grants.

#13

IN THE OVERALL RANKING

#7

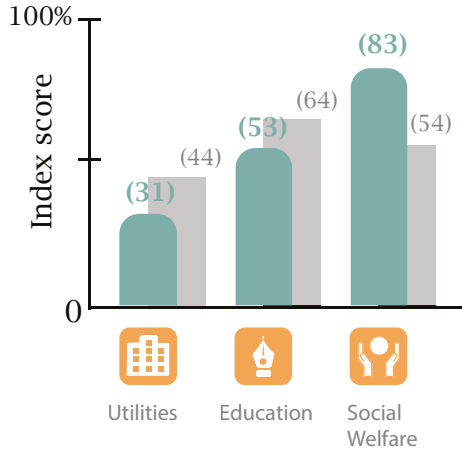
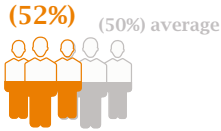
IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

8%

SCORE IN THE CATEGORY "MUNICIPALITY FOR BUSINESS"

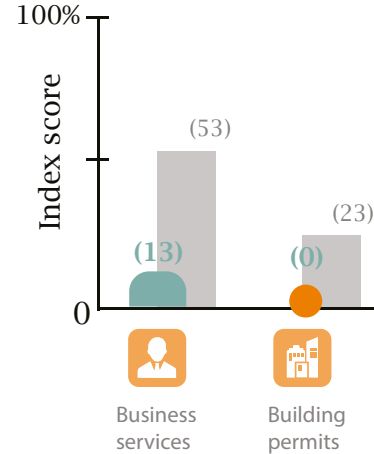
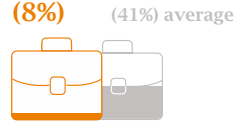
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Municipality for Citizens



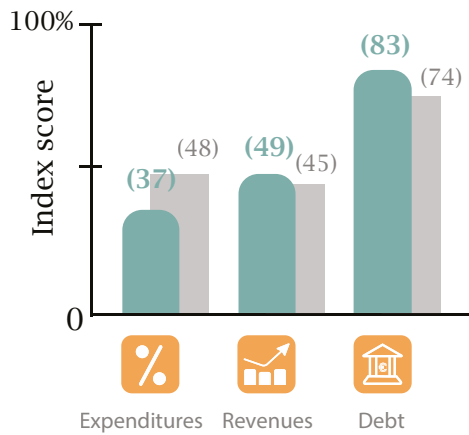
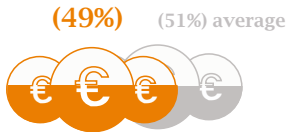
2

Municipality for Businesses



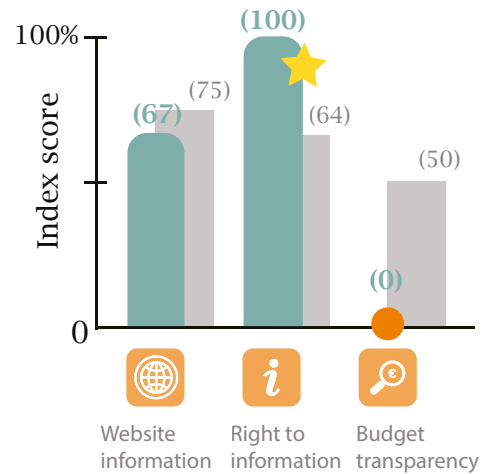
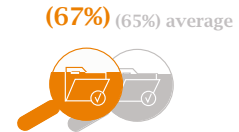
3

Municipal Administration



4

Transparency





MUNICIPALITY OF VORË



TOTAL SCORE 56/100

Overall performance

Municipality of Vorë ranks 6th in the Municipal Performance Index with an overall score of 56 points. In category level it scored 76 percent in Municipal Administration, 59 percent in Municipality for Businesses, 56 percent in Transparency and 36 percent in Municipality for Citizens.

In Municipality for Citizens category, the Municipality of Vorë ranked 14th, below the average score for the category with a performance in Utilities area of 27 percent, Education 40 percent and Social Welfare of 48 percent. Water supply shortage continues to bother citizens of Vorë while prices applied by UKT are relatively high compared to other municipalities in the Index. A highly effective social benefits scheme managed by the municipality, Education related indicators require more attention from municipality for further improvements.

In Municipality for Businesses category, Municipality of Vorë ranked 3rd with a score of 59 percent (59.04%) with Business Services area score of 65 percent and Building Permits of 50 percent. Municipality provides a wide information on related procedures to businesses however it is seen an increase in Administrative Court cases against it in the last year. Despite a poor performance in terms of days necessary to obtain a building permit, Vorë has the highest number of new construction permits per inhabitant compared to other municipalities.

Municipal Administration results rank Municipality of Vorë as the top performer in the category with 76 percent with respective areas results 69 percent in Expenditures, 88 percent in Revenues and 69 percent in the Debt area. It champions the performance in collecting revenues and financing activities with own resources having a minimal dependency from central government grants. With no external debt Supreme Audit of State found minor irregularities in their audits of the last three years taken into account for the Index.

On Transparency, Municipality of Vorë ranks in 8th place lower than the average performance of the municipalities in focus. Areas for improvement are updating of the information in the website to be accessible for citizens with interest in participating in local governance matters and municipality is non responsive to requests on the Law on Right to Information.

Top performing indicators



A highly effective social benefits scheme managed by the municipality.



Wide information on related procedures to businesses and highest number of new construction permits per inhabitant.



Top performance in collecting revenues and financing activities with own resources.

Areas for improvement



Water supply shortage continues to bother citizens while prices applied by UKT are relatively high compared to other municipalities.



Municipality should consider with priority the right of citizens to information and be responsive to their requests.



Growing number of Administrative Court cases need more attention from municipality in dealing with the business community and third parties.

#6

IN THE OVERALL RANKING

#1

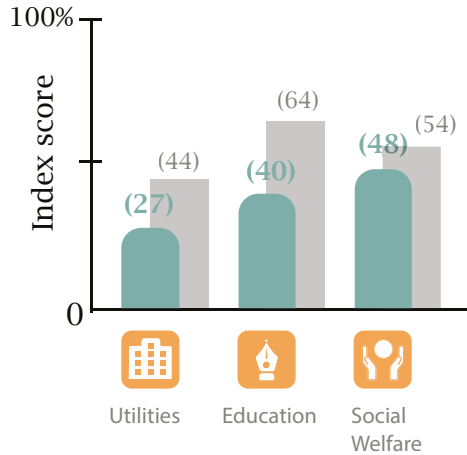
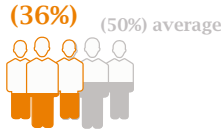
IN THE CATEGORY "MUNICIPAL ADMINISTRATION"

36%

SCORE IN THE CATEGORY "MUNICIPALITY FOR CITIZENS"

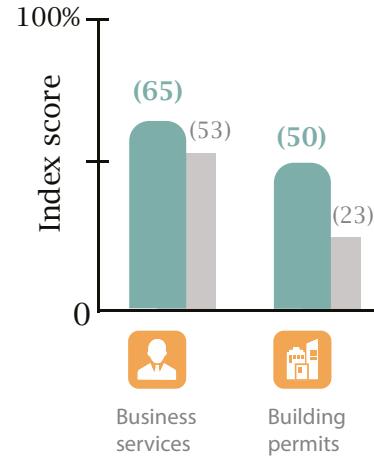
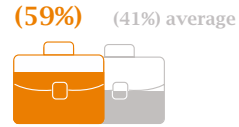
1

Municipality for Citizens



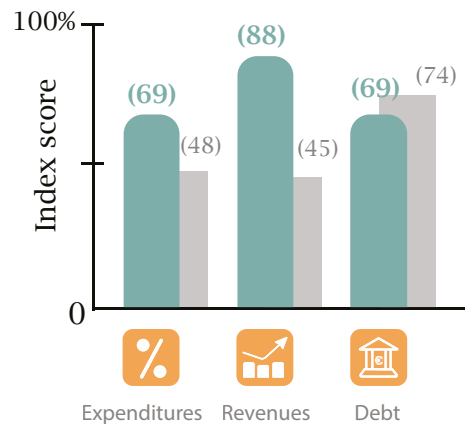
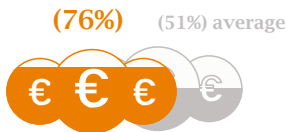
2

Municipality for Businesses



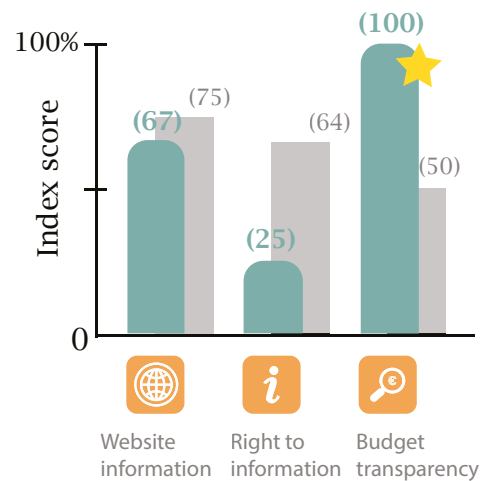
3

Municipal Administration



4

Transparency



**FINAL
RECOMMENDATIONS**

FINAL RECOMMENDATIONS

Our analysis of municipalities' performance results is based on the latest publicly available official data and on our teamwork on investigating individual effectiveness of local government administration. Organized in four categories of Indicators: (i) Municipality for Citizens addressing the efficiency of municipalities in providing citizens with services in areas of utilities, education, and social welfare; (ii) Municipality for Businesses assessing the dedication of local governments in serving enterprises in areas of services to facilitate doing business and obtaining building permits an area in which Albania has scored lowest in World Bank Ease of Doing Business reports; (iii) Municipal Administration where efficiency in managing expenditures and collecting revenues determines financing to fulfill budgetary objectives of municipalities; and (iv) Transparency dimension analyzing web-platforms operability in terms of openly providing to citizens information on local governance performance, response to Right to Information which by law is a requisite to be followed by every municipality and budget transparency assessing openness of municipality in implementing the budget.

Overall results show for some key areas in need for improvements on municipalities performance:

- Limited water supply remains the main concern for some of the municipalities in focus given limitations in terms of hours of access to water for citizens and enterprises. Continuation of essential improvements in the water infrastructure is important to increase supply and

allow lower prices for households and enterprises relying on water for most of their everyday activities. Higher efficiency in UKT's management appears to be a matter of importance for municipalities consideration taking into account the nature of these companies.

- Education is an area not directly related to municipalities' performance but we would like to stress out the decisive role that municipalities have in upgrading school infrastructure focusing on creating conditions by increasing classroom size by optimizing a relative number of students.

- Businesses' access to information is still not at the very center of municipalities' work and appears to be difficult for entrepreneurs to get full information on related procedures through municipalities' websites while dedicated business services within municipalities are still missing. Municipalities should play an active role in creating an enabling environment to empower startups and SME's. Ease of procedures and reduction in the number of days necessary to obtain a building permit remains a crucial issue to be addressed by some of the municipalities in our Index.

- An increase in efficiency of municipal administration is a matter of primary importance when it comes to financial management of local governments and should take necessary attention from elected officials. Most of municipalities in focus continue to remain heavily dependent on central government grants while performing poorly in collecting own revenues and financing their needs

with their own funds. Municipalities personnel size is another important dimension of efficiency in the allocation of resources emphasizing here that given budgetary limitations some of municipalities should manage to fulfill all basic functions in serving citizens with a compact team of professional staff. Performance-related indicators could be introduced to determine a commonly accepted benchmark for continuous improvement of local governments. Municipal Performance Index is an endeavor to contribute in this direction.

- Higher efficiency in managing social benefits schemes. Municipalities have to increase the efficiency in managing social benefits schemes by creating in parallel more opportunities for job creation, entrepreneurship and upskilling of helpless individuals. Closer collaboration with related state agencies would create synergy and create more value in reallocating resources to boost productivity and generate economic activity by households.

- Transparency towards citizens is an area where some of municipalities in focus should dedicate attention in. Development of web-platforms with useful information for citizens in order to allow them to follow municipalities' performance in implementing budgets and strategic plans is essential to allow citizens to become an active part of decision-making by monitoring the full cycle from planning to implementing of municipalities priorities. Some of municipalities have to improve their responsiveness to requests of citizens for information based on the Law on the Right to Information and make public necessary information on how to reach out to designated coordinators.

Municipal Performance Index first edition is a committed endeavor to build a comparative platform on evaluating the municipalities performance in serving citizens, businesses, and public interest through delivering value to communities and stakeholders. Synergy with central government in parallel with further decentralization of powers remains essential dimensions to project an effective and sustainable local governance that is primarily driven by citizens' needs and collaborative actions to address them with highest efficiency.

Data availability has to be improved on general performance of local governance in the country in order to allow researchers and academics to contribute through their analytical work in further sharpening thematical debate in the theme. This initiative aims to create a benchmark in the standards of governance and create the foundations for developing a local governance database with performance-related data contributing to narrow the existing gap in municipality level statistics.

Institute for Public Policy and Good Governance aims to expand the analysis in all the 61 municipalities of Albania on the purpose to address the pressing necessity of performance measurement of local governance in the country, increase accountability of elected local officials and make citizens an active part of the decision-making process by facilitating their access to analytical performance based on official information.

FREQUENTLY ASKED QUESTIONS

Why are major municipalities such Tirana or Durres left out of the sample?

Tirana and Durres and the two biggest municipalities in the country and in terms of budget in disposal and population concentration they would behave as outliers in the sample making it difficult to build comparisons on the differences in related municipalities' performance.

Why do the index measure indicators that are not directly affected by the municipality?

There are two types of index indicators— those that reflect the direct municipalities (as tax rates) and those that reflect the indirect influence, i.e. shows the effectiveness of municipal decisions. For example, the assessment of number of pupils per classroom as schools are built by the municipality.

Why does the index not take into account other functions entrusted to the municipality, such as cultural, sporting or other activities?

The index does not aim to cover all activities of the municipality, only the areas most closely related to the economic life. Nor is it intended to determine in which municipality the best place to live, or where people are happiest – deliberately assess economic factors and decisions.

Why the municipal index lowers the municipalities where municipal enterprises are owned commercial activities?

A better assessment is obtained by municipalities where transport, public utilities, health, etc. ensures business participation. The involvement of the private sector allows for lower prices and higher quality. According to the economic development path chosen by Albania, activities must be carried out by entrepreneurs and enterprises, not by the State or municipalities. There are no justifiable reasons why municipalities still own waste management, funeral homes, etc.

Notwithstanding this value, if some municipal enterprises (providing utilities) act at a loss, or provides services to consumers for price, this is positively reflected in other indicators.

How the index assesses the profits/losses received by companies?

Whatever size of the municipal enterprises the indicator shall be measured by a flat-rate score. Higher the lower the valuation is obtained. The significant loss reflects the company's management's inability to manage the company effectively. In addition, the grants used to cover this loss are credit guarantees, etc. funds that are included in municipal budgets even those who do not use the services of loss-making companies.

Why are municipalities that conduct public procurement in open ways (public procurement) are better valued, although certain procurements are other procedures can be used?

Although the legislation does not require the

publication of public procurement at all times, however, their publication ensures that all interested market participants have the opportunity to decide whether to participate in the exchange. The municipal administration does not use its own money, but taxpayers' money. Therefore, a transparent monetary Use, finally, a number of surveys show that open tenders lead to lower prices and taxpayers' money Saving.

When drawing up the index, part of the information is collected from municipalities to ensure that municipalities correct information?

All data is carefully checked, in case of doubts about the correctness of the data, we contact each municipality separately. For our part, we remind municipal workers that deliberate provision of false or false information contrary to the laws of the Republic of Albania.

