

# Manual for Council Members



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Honored Councilor,

This manual is prepared exactly to provide as much as possible explanations on your role and function as a councilor. Being the second of his type, after the one prepared by IP-GITEC/GTZ, this is not only a needful material for each councilor, elected or reelected, but also necessary to be read and absorbed in order to serve as a guide before and during the Council meeting. Each problem has a solution and the experience has shown that this solution has been chosen somewhere else. You are in a privileged position to make changes in the good of the community. But you can not make those changes if you do not change yourself. This is something depending entirely on you. You can do it by reading more, to be trained any time you get the possibility and to cooperate with other communal or municipal councilors in the country or abroad. For this purpose there exist many institutions and associations. One of those is the Albanian Municipality Association, which in its scope has the training of the local elected people, and the provision of support regarding the problems local government may face. It is true that there is not written much enough about you and the issue of your training does not meet the desired expectations. Thus, this reason would have been enough to publish this manual. Furthermore, its value multiplies when it is in a simple language, precise description, logical fluidity and an elegant design. Apropos, it should be thanked the Swiss government, SDC and Interooperation for their support in consolidation of decentralization process in Albania, who made possible the publishing of this manual.

Special thanks to experts and especially URI for this material, simple and understandable, which for sure will not remain inside shelves, but will be folded inside the pockets of councilors.



# I. CITY COUNCIL AND COUNCIL MEMBERS ROLES AND DUTIES

## 1. Legal Framework

Local government constitutes an important part of the national legislation, included in the Albanian Constitution which was approved on 1998.

Part 6 of the Constitution defines communes and municipalities as the basic units of local government; selfgovernment in the local units is exercised through their representative bodies and local referenda.

According to the Article 113 of the Albanian Constitution, the councils of the communes, municipalities and regions regulate and administer in independent manner local issues within their jurisdiction; have the right to collect and spend the income that is necessary for exercising their functions; to establish local taxes etc., issue directives, decisions and orders.

The above definitions are elaborated on the organic law nr. 8652, date 31.07.2000, "Organization and Functioning of Local Government". This law focuses on the principles of local government establishment, definitions for the territorial administrative divisions of local government units and elected bodies, how are they established, functions and competences of elected

bodies as well as the relation between representative authorities and executive authorities. The law emphasizes the rights and duties of the councilor, elected from the local community, as well as the functioning of the council as a decisive collegial body.

*Does our legislation comply with the democratic standards?*

It's very important to mention that our legislation for the local government is oriented and achieves European standards. To argue, we can mention the fact that our local government legislation is based on and complies with European Charter for Self - Government (the Charter), approved by Albanian Parliament on 1999 and, according to the Constitution, it has the precedence to other country legislation. All confrontations and analysis undertaken on the following years after the approval show that there is continuous consistency with the European standards. Just to remind the readers, we see that our legislation reflects basic definitions of the Charter such as: subsidiary, which means bringing governance in the closest level to the citizens, decision making authority of the elected bodies in compliance with the functions and competences approved by law, autonomy on achieving the government mission by honoring the law and exercising administrative control from outside only

when it's foreseen by law, property rights and fiscal autonomy rights necessary to exercise governing, right of collaboration with other similar organs as well as to participate in local and international organizations and associations.

Based on above arguments, we conclude that *our legislation is a foundation on building a democratic local government*, not mentioning the need to reflect continuous development represented by increasing trends. In these conditions, the local democracy level is related to the implementation degree in the daily life not only by the local government structures but from the central government as well.



## 2. Municipal and Commune Council as a representative organ of the local community

Municipal and Commune Council position is elaborated in the Article 109, paragraph 1 of the Constitution:

“Representative organs of the local government units are the councils,..”

This definition needs the right interpretation and as well as a fair implementation in the daily dynamics of the local government business that is clearly part of the council authority to act on behalf of the community that represents.

*Has the council position as a representative organ been concretized?*

There are few arguments to answer this question;

-The law defines few areas in which the council acts on behalf of the community. Article 32, law nr. 8652, date 31.07.2000 identifies the areas of activities assigned to the council on behalf of the community that it represents such as: -administration, change of ownership or giving in use of public properties to the third party, -approval of local government units budget, type and rates of taxes and fees as well as the approval of

receiving/using loans, -adopts organizational and administration structure of commune and municipality and its budgetary institutions under the authority of the commune and municipality, - number of their personnel, the criteria for qualifications, salaries and criteria for compensation [bonuses] of the personnel or of the elected or appointed persons, -adopts norms, standards and criteria for the regulation and the enforcement of the functions granted to the council by law,

-Municipality/Commune Council is the only organ that on behalf of the community, in order to achieve its duties has the authority to make decision,

issue instructions and decrees. This authority of exclusive competences for the council can't be delegated to other organs / authorities.

*What is the relation between the right for community representation and the responsibility in front of the community, considering the council as whole and the councilors themselves?*

Of course, to be a municipality/commune council member is an honor and is a result of being selected from political subjects as the best individual that represents values for the contribution given or to give in the future for the prosperity of the community life. Because of that, each of the local elected remits the moral pleasure and it has a reason to be proud. However, the most important part is the “contract” that associates the councilor itself and the council as whole with the community during the election moment. In this case the councilors commit to contribute on behalf of and for the benefit of the community to address the problems/issues, mainly public ones, but not only theirs, on exercising governing legal functions. During this time, the council

and its councilors must be released from the personal and political viewpoints to address the issues, to qualify to be representative of the community opinion and needs as well as to contribute on addressing them on the ways that community is interested on. Saying that, the councilor should not be satisfied only with talks and asking for solutions because of the right to represent the community, or to talk on behalf of the community because he got this right when the community voted for him, but he needs to think further and solve the problems in compliance with interests, needs and the ways that citizens are looking for either as citizens or interest groups. Such a relation would lead to a high – tuned and effective representation from the council and each councilor.

### 3. Specifics on establishing the local councils

There are few traits attributed to the councilor that give him as a community representative democratic values that distinguish him from the councilors on the previous centralized system and offers to the councilor possibilities to actively contribute on governing role that they committed to.

-The local councils shall be elected through democratic process of elections. This is an important factor that makes the councilor feel comfortable, lawful and with authority to serve as a real community representative. The reason for that is that elections are democratic, secret voting, direct and general, in an open competition between different political parties or independent candidates involved in elections. Election process itself according to the rules and regulations establish conditions that the winner is the one who receives more votes. In our country, according to the actual law, the election of council members is based on proportional system, the number of members for each party is proportional to the total numbers of votes every political party or/and coalition win during the election, so they represent the electorate that supported them, mean-

while the mayor/head of commune is elected through majority system and is the one who wins more than 50% of eligible valid votes. Our election system for the local government units (either council members or mayors/head of communes) enables the independent candidates to run and be elected if they have the community support from a certain number of constituents in proportion with the required percentage to take a seat in the council, according to the level of local government and the number of councilors or to win the most votes for mayor. The electoral system according to the law requires that this process shall be accurate.

-According to the proportional system *the municipal/commune council is pluralist*. This makes this organ very democratic. On addressing the issues in the council, in pluralism conditions, it's possible to have an open debate for the

discussion and approval of various decisions. In the council there is a proper ground for each councilor or political subject to express their opinion and solutions in accordance with their viewpoint as well as opinions collected from the citizens.

*-In the council there is strong grounds to ensure an entire autonomy for decision-making, but always in compliance with the legal framework that regulates every activity in national level. This helps on achieving and increasing the council acting powers as well as acts as an important indicator on the responsibility measurement for the council in both cases*

when the council act or not.

*-The council as a body, in its jurisdiction has a full authority to control/audit, for the local issues under its competences, the progress made from the institutions that implement the council laws and decisions. Through the control the council feels more effective on exercising its legal functions and competences and altogether its government role. Thus the auditing from the council commissions related to the budget implementation or performing of expenses, planning of financial analyses in the council etc, are real possibilities to involve all council members on fulfilling the local government functions.*

### *Are the above mentioned precedence properly used?*

Beside the progress on utilizing the possibilities assigned by law through democratic system on which the council is established, there are quite a few potentials to be used.

Some of the directions to work on, without being limited, could be:

\* Fair competition during the elections in order to be more comfortable after the elections with the required credibility.

\* Entering the election competition as part of a political subject with clear and concrete programs, aiming on challenging actions they will undertake after elections. The election competition can't be entered with general slogans but it's necessary to have persuasive and programmed commitments.

\* Knowledge of the councilors on the legal framework for the functions, competences and the ways of dealing with the issues to have beneficial

decision making process in certain conditions of respective local government. Electoral promises and their implementation are achieved only through competences and procedures norms foreseen in legal framework.

\* More initiatives and self actions, staying away from inactivity, samples/molds and solutions from higher levels.

To make the best on rational ways of the local autonomy. The governance to be measured with outcomes and face/compare with the promises.

\* Systematic and continues control according to the competences of the council for administrative structures and institutions under local government to move from decision to implementation.

#### 4. The Council – collegial organ. Organizing and functioning

-Municipal/commune council consists of councilors who won the elections for this organ, according to Commission of Elections for Local Government decision. In the first

meeting where municipality/commune council is constituted, every councilor's mandate is verified and approved from

the mandate commission which is elected in this meeting, and the councilor takes the oath:

*“I pledge in the name of the voters who elected me to protect the Constitution of the Republic of Albania and all its laws. I pledge in all my activity that I will be guided by the interests of citizens of [Name of Commune or Municipality], and I will work honestly and with devotion for the development and the improvement of their welfare.”.*

-Municipality/Commune Council activity is based on “The Statute of the Municipality or Commune Council” and “Internal Regulation for Council Functioning” which is approved by the Council.

-Municipality/Commune

Council, exercise its functions as a collegial organ since from its establishment. The meeting is the moment and the place where the representation of community takes place. Outside the meetings, council members as well as the

Chairman of the Council, deputy chairman of the council and the secretary are informed, assist and follow the progress of the decisions made, but

individually they can not undertake actions or intervene directly on adopting/changing the decision made by the council.

*What should be kept in mind when holding the Council meetings?*

**a.** The schedule for the regular [ordinary] meetings as well as extraordinary ones is called by the Chairman of the



## REPUBLIC OF ALBANIA POGRADEC MUNICIPAL COUNCIL

Announcement for municipal council meeting

Citizens of Pogradec!

We inform that on Thursday date, 01/12/2005, on 10:00, in the meeting room will be organized the Municipal Council meeting with the following agenda:

1. Draft decision "On economic assistance of October and November 2005"
2. Draft decision "On some changes in the budget"
3. Draft decision "On a regulation of Municipal Council Decision on employees salaries"
4. Draft decision " On an addition to Municipal Council Decision on Municipality Structure"
5. Draft decision "On assignment of a Municipal Council member in managing board of REC project"
6. Draft decision "On Honoured Citizen"
7. Draft decision "On transferring into a property a surface on legalization of extensions in construction"
8. Draft decision "On providing the scholarships for pupils and students"
9. On defining the land value on which is constructed the residences from RCE
10. Draft decision "On distributing the apartments constructed by RCE
11. Discussions on different issues

**Secretary**

Suat TOPCIU

Council itself, and in his absence from the deputy chairman of the council. The notice shall state the date, time, place and agenda of the meeting that was discussed before with the council. The notice for the meeting shall be posted / delivered to the councilors at least five (5) days before the meeting. Before the meeting, the council commissions should get together and according to the issues/topics they draft their opinions for the issues/topics included in the agenda



*A council meeting*

**b.** The meeting starts with the approval of the agenda. The meeting is official when more than half of the members are present.

**c.** Minutes are held for each council meeting. The manner the minutes and meeting reports are held should be clearly stated in the internal regulation approved by the Council. According to the rules, the minutes are kept by a secretary who is approved by the council (who can be administration staff as well).

At the end the minutes are approved by the council secretary and signed by the Chairman of the Council (or the chairman of the meeting).

The minutes are opened for changes to every single councilor who can have an opinion on its accuracy.

**d.** When a Council is unable to function due to a lack of a quorum for a period of three consecutive months, starting from the last meeting date, the Council is dissolved. In this case, procedures for

new elections start taking place. The Secretary of the Council notifies the Prefect ten (10) days after the three months of nonfunctioning, and the Prefect asks the Council of Ministers that proposes to the President to decide for the election date.

**e.** According to the agenda, approved prior to the meeting, the municipality/commune council discuss the issues/topics based on the materials presented in the meeting from the municipality/commune executive, and following with materials sent by institutions or prepared by the working groups within the council, council commissions etc. In case of a discussion of an issue required from the Prefect, a material sent from him is presented in the meeting. According to the rules, a topic from agenda is discussed based on a report and its respective project act. Before the councilor discussions take place on a certain issue/topic, the respective council commission should present its comments. After the discussions, the decision is made handling carefully the project act as well as different proposals for changes.

**f.** Municipality/commune

council, after every topic addressed must issue a document (decision, decree or order) which later on is approved with open or secret voting, based on the council decision about voting system. For the personal documents the voting is always secret. According to the rules the decision is made with the majority of council members present in the meeting. For important issues, the decision are made with defined majority e.g. adoption of decisions (such as deciding on new rates of local taxes and fees) requires three fifths (3/5) of the total number of the Council members.

**g.** Three are the most important moments after approving an act in the council meeting. First the acts approved from the council are signed by the Chairman of municipality/commune council and in its absence from the deputy chairman of the council. Second, the acts must be published within 10 days from their approval using ways/tools designed by the council such as a public location which is well-known by the community, through local or national newspapers, media, meetings with the





Republic of Albania  
Dajç Commune Council

Decision  
No.77, dated, 14.12.2207  
On defining the taxes and fees level for the year 2008

Pursuant to Law no.8652, dated 31.07.2000 "On organization and functioning of local government", and the Law no.8435, dated 28.12.1998 "On tax system in the Republic of Albania" and to Law no.9632, dated 30.10.2006 "On local taxes system", and Instruction no.15 dated 24.07.2007 of Ministry of Transport and Telecommunication "On criterions and procedures of license, authorizations and certificates issuing to perform the activity in road transport" and of Instruction no.20, dated 10.10.2007 "On models of licenses, authorization and certificates models to perform the activity in road transport", the commune Council, in its meeting, dated 14.12.2008, by proposal of Tax office, with a majority of votes

**DECIDED**

The level of taxes and fees for the year 2008 will be as follows:

Nr.	Bussines title	fee and tax
<b>1.</b>	<b>Tax of registering for different activities</b>	
a)	Physic person, ambulant trader	2000 All/unit
b)	For a authentic physic person	20000 All/unit
<b>2.</b>	<b>table tax</b>	
a)	albanian	500 All/table
b)	foreing language	1500 All/table
<b>3.</b>	<b>Advertisement tax</b>	500 All/m2/year
<b>4.</b>	<b>Cleaning, removing and conserving tax</b>	
a)	For each country family	300 All/unit
b)	For trading different articles	5000 All/unit
c)	For Bar, buffet and restaurant	10000 All/unit
d)		...

community etc. Third, acts shall be effective ten (10) days from the date of their individual publication [notification]. Acts pertaining to an individual shall be effective from the date the person involved is notified.

**h.** The council meetings are opened to the public. According to the regulation adopted by the council, any citizen can be part of these meetings. Because of that, the notifications for the council meetings are opened to the public. The council can vote if they decide to have a closed meeting or not.

**i.** According to the issues in the agenda representatives from interest groups are invited to participate in the council meetings. First, the Mayor or Deputy Mayor are primary invited in these cases, heads of different departments or offices from the municipality/commune administration, or representatives from the institutions interested on the topic

as well as experts on the issues. According to the rules the guests are defined by the council chairman and nominated by the council secretary.

**j.** In order to have a successful council meeting, the meeting room arrangement is important. It shall meet some necessary requirements such as a table where the council chairman (meeting chairman) is positioned, in an essential position must stand the Mayor, and the council secretary shall sit near the meeting secretary. The meeting room must have enough space to accommodate all council members. The council members shall sit according to the political affiliation they represent. The setting is even between majority and opposition. Every council member shall feel valuable. According to the regulations, in the meeting room shall be enough space for the guests and the public as well, which can sit behind the council members.

### *When is the council responsible for its performance?*

The council as a collegial body:

\* *Responsible in front of law.* In any case, every performance of the council

must be defined by the rule of law. This doesn't exclude the possibilities to undertake initiatives on local public interest on the issues that are

not prohibited by law or that are authority of another government body. In case of the law disobedience the decisions are abolished according to the court decision and all consequences are corrected.

\* *Responsible in front of the community.* This is reflected on the confrontation with the governing mission fulfillment as a community representative.

Community expects from the council the functions performance and competencies exercising for the well administrating of local public everyday life, based on the commitments during the local elections. Usually, the confrontation is done by the end of term, even though confrontations and analysis with the community are required regularly.

### *Can the city/commune council dissolve earlier?*

City/Commune council can be dissolved by the Council of Ministers decision before the termination of regular mandate (Albanian Constitution, article 115 and Law nr 8652, article 38).

The council is dissolved earlier in the following cases:

-It doesn't meet for an uninterrupted period of three months;

-It is not able to adopt the budget three months after the deadline determined in the law;

-It commits various violations of the Constitution or other laws.

In case of dissolve before

the termination of regular mandate, city/commune council can complain at the Constitutional Court within 15 days from the notification of the Council of Ministers decision. The complaint is followed by the suspension of the Council of Ministers decision. The President of the Republic declares the date for the new partial local elections in the respective local government according to the definitions and procedures stated at the Election Code.

Beside the fact that the council acts as a collegial body, the councilor as an individual has a direct role on the performance of the local governance.

## 5. Role, rights and duties of the councilor

During all the time that he has the mandate he is required to be active, and engaged on exercising all the functions and competences attributed to the council as a collegial body.

Councilor's task is related to his contribution:

- i. during council meetings,
- ii. his active participation/ involvement in the commission he is part of; as well as,
- iii. in continues follow up

process on knowing the situation and following up the implementation of the council decisions.

The integrity of the council role depends on the role that each councilor plays in its own. This needs to be reflected in the activities organized in the council meeting as well as in following up with tasks accomplishments.

### *How can the municipal/commune councilor perform its own tasks?*

The council member can perform his task through the knowledge and correct use of his rights and achievement of respective tasks.

\*Upon his request, the Councilor is informed or is given for his use at any time, from the administration of his commune / municipality, any kind of documents. This right is executed on regard of the definitions that must be

emphasized on the regulation for the administration functioning, which is approved by the council.

\*The Councilor has the right to professional training, according to the program adopted by the council. In such cases, financing is performed in compliance with the legislation and rules in force. Since the councilor's tasks include a wide range scope in their activities, which some-

times are new due to their background, the professional training is a necessity in order to improve the councilor's skills on exercising their mission.

\* A Councilor shall be paid for his work. Criteria determined by the respective Council shall be used to establish the compensation of Councilors.

Among the councilor *tasks* we can mention the following:

\* To take the oath according to the formula explained above. Any Councilor who refuses to take and sign the oath is considered to have given his resignation and his mandate is not given to him. Taking the oath seems a formal act but it consists on the councilor's commitment to achieve his mission and constitution and law abiding, and it initiates formally the contract between the councilor

and the community.

\* To participate regularly in the council meetings. In these meetings, the councilor express his opinion as a community representative as well as a representative of the political subject he represents, but in the other hand the councilor contribute with his vote on the decision making process in the interest of the community.

\* To be part of the municipal/commune council commissions according to the appointments approved with the council decision. The councilor can be part of activities organized by the other council commissions.

\* The councilor is responsible to keep continues and open relationship with the community. He gets feedback and opinions from the community or the groups of interest in organized manners and introduces them during the council or commission meetings.

### *Are there incompatibilities of councilor functions?*

Function of councilor is incompatible with the function of Chairman, Deputy Chairman of Commune and Mayor or deputy Mayor of a municipality, the Council Secretary, employee of the executive

organs of the respective commune and municipality and with the function of a Member of Parliament. This means that if a councilor is engaged in one of the above functions, the mandate is

cancelled right away with the decision of the council, or if an individual is recognized

with the councilor mandate he must resign from the functions mentioned above.

***Watch out Mr. Councilor, your mandate can expire earlier!***

The cancellation of the mandate of Councilor is adopted by the majority of the votes of all the Councilors for the following legal reasons:

- change of residence;
- resignation from the Council;
- creation of conditions of

incompatibility;

- death;
- absence from the council meetings for a period of six months;
- condemned for a penal act by a final decision of a court;
- dissolution of the council by the competent organ.

The council beside the meetings functions through its commissions as well. We have to emphasize that the commissions can be permanent or ad-hoc, created for a specific issue.

## **6. Organizing and functioning of municipal/commune council commissions**

Commission's appointment is adopted by the council and it's included in the regulation. The number and the type of commissions are defined through the council decision and it's included in the regulation as well. The Organic Law nr.8652, date 31.07.2000, enforce the appointment of two commissions, mandate commission and finance commission which

with function during the council mandate, while other commissions as well as their number, designation, as well as the duration are competence of the council decision itself.

The chairman and deputy chairman of the council are not involved in the commissions. Meantime the commissions through its members elect the head of commission.

The number and the members of the commissions are elected from the council members with open voting, nominated by the council chairman after the consulta-

tions with the heads of political groups that participate in council, and in compliance with the nature and activity of the commissions.

*What issues can be addressed to the omissions?*

- Commissions discuss reports, project proposals sent to the council for discussion by the executive or the enterprises or institutions under the municipality/commune dependence.

- The commissions can prepare themselves the project decisions, project regulations or project decree accompanied

by relevant reports.

- The permanent council commissions analyze during the process the effectiveness of the decrees issued by the council and according to that generates the conclusions which are introduced in the council during the discussion of the issues or separately.

Sample: Approval process for financing a project, road construction.

The mayor and the the technical staff introduce to the council the project proposal.

The Public Service Commission and the Finance and Budget Commission study the project proposal and draft the objections if there is any, all in principle for issues such as funds amount, etc...

The council analyse the project and the objections made by the commissions.

The council makes the decision after the project is reviewed, which after is signed by the chairman, it's notified and 10 days after that it comes effective for implementation.

### *How does the commission functions?*

The permanent commissions meet according to its own approved program, with the request of the commission chairman or deputy chairman. The commission may meet with the request of 1/3 of the commission members or with the request of the council chairman. The commissions meetings are valid if there is present more than half of the commission members. In these meetings can participate ordinary citizens that are not council members, interest groups, administration staff, or from other interested institutions which can give their feedback/opinion, but they have no rights to vote.

The permanent commissi-

ons can attend joint meetings with other commissions as well. In these cases the meeting is leaded by one of commissions chairman agreed upon before the meeting. In the joint meetings the commissions can make a united decision or separated ones.

For every project or decree discussed by the commission, a report is drafted which is introduced to the council by the commission chairman or a commission member authorized, during the time for the discussion. The report includes all the opinions regarding the issue. After the debates and analysis the project or decree is voted through opened voting.

Municipality/commune council is chaired by the council chairman who is elected among the council members. The election and discharge of the chairman is initiated by the majority of council members.

### **7. The Chairman of Commune/ Municipal Council**

The chairman duties are limited without having authentic competences, according to article 36, law nr. 8652, date 31.7.2000.

Deputy Chairman exercise above duties in absence of the chairman, and it's clear that in the council is not a chairman.



## 8. Secretary of Commune and Municipal Council

The role of the secretary of commune or municipal council is very important on the council performance, mentioning here organizing the council meetings or commissions activities as well as on the relationship between the administration and the community.

### *How is the council secretary appointed?*

The council secretary is appointed with the proposal of the council chairman and upon the council decision. To be appointed the decision has to be taken upon the majority vote of all the councilors. No less than one-third (1/3) of the council members can propose the discharge of the secretary.

### *Is it necessary to reappoint a new council secretary after new council elections?*

The secretary doesn't have a mandate, as result it doesn't have timeline on exercising its functions. His functions are simply administrative. Continuity or not of his duty depends on the evaluation of his performance from the council. The council can review and discuss the discharge or appointment of the council secretary anytime.

### *What are the responsibilities for the municipal/commune council secretary?*

A secretary of the commune or municipality council is responsible to:

- maintain the official documents of the Council;
- prepare the notice and agenda of the Council meetings;
- sends the notifications for the Council meetings;
- publish any notice and decision taken by the Council;
- prepare the public hearings with the municipality;
- supervise the regulation of the functioning of the Council.
- other duties assigned to him by the Council.

The municipality/commune council exercises competences and duties:

- a. according to the legislation,
- b. in case of agreements between the council and another competent institution according to the legislation.

## 9. Duties and Competencies of Commune and Municipality Councils

a. Competencies and duties defined by the legislation are an obligation that must be fulfilled by the local government bodies. The implementation of the competences and duties from the council is performed according to the standards defined by law, which are articulated based on relevant communes or municipalities (article 32, law nr. 8652, date 31.7.2000 “Organizing and functioning of the local governments”)

b. Competences and duties of the council when the last one is involved in two or more parties agreements. Such agreements are based on the implementation of the

- legislation:
- in case of cooperation with other local government units on establishing a joint subject e.g. a common landfill,
  - in case of co-ownership with other bodies, e.g. ownership for water enterprise,
  - in case of delegation of competences from another body of local government or from central government bodies, e.g. constructions and urban planning
  - in case when the council delegates competences to another body, e.g. the construction inspections to the regional council,
  - any other cases stated by the law.

## 10. Relations between the municipal/commune council and other bodies or structures

Municipal/commune council is independent in fulfilling its own legal governing functions.

However, this can't and shall not be understood that the council acts independently from other central or local, public or private bodies that exercise their activities within the jurisdictions, as well as those who exercise their activities outside the respective municipality or commune. The municipality/commune

council acts according to their options and offer in the conditions of exercising their legal duties, with these bodies or structures. It's council's obligation to cooperate with these bodies and structures in order to get the best out of their services for the community on different areas and mutual benefits.

### *a. What are some of main relations between the council, the mayor and the respective administration?*

In general these relations are institutional and accurate based on legal competences and duties fulfillment, municipality status as well as the regulation of functioning of the council in one hand and the municipality regulation in the other hand.

\* The mandate of Mayor or chairman of commune shall be verified by the court, which has jurisdiction over the municipality and commune where the Mayor was elected, and after that, the validity of

Mayor's mandate shall be made in the following scheduled meeting of communal or municipal Council in which the Mayor shall take and sign the oath. This moment is very important; since the council represents the community, but this shall not be understood as an inferiority relation of the mayor toward the council. The mayor is independent body of the local government elected directly by the electorate. Their relations are regulated through the law and each of these bodies' acts in compli-

ance with law regulations, on exercising their functions, competences and the duties attributed by the law.

\* The council is responsible for decision making, decrees and bylaws issuance for the issues within its competences mentioned above and that can't be delegated to the mayor or the head of commune. In these cases the mayor/head of commune is obligated to implement council's decisions. However, according to article

44, "h", law nr. 8652, date 31.7.2000, the mayor has the right to only once ask the council for reconsideration of a decision of the Council that he deems harmful to the interests of the community. In this case the council is obligated to review the decision to be implemented by the mayor/head of commune, even if it hasn't reflected the concerns. If there is a conflict involved, the mayor/head of commune can appeal to the court for a final decision.

**Example: The council has decided to participate in a study tour in a neighbor country, while the administrative expenses are pretty high considering this local government finances. In this case, the mayor may ask the Council to review the decision if these funds can be used for the community issues instead of the study tour.**

\* The council requires from the mayor/head of commune the preparation of the council meeting materials except for those that are council's competence e.g. election of the council leaders, council secretary, region representatives, etc. This is a legal obligation for the mayor/head of commune and he must act according to the notifications for these meetings and different issues on the agenda, documented by the secretary,

and signed by the council chairman.

\* The council requires by the mayor/head of commune and the administration reports on the performance of governing functions and competences on implementing the council decisions. Especially, the mayor/head of commune reports to the council at least every 6 months or more often, anytime that the council asks for, on the municipality/commune economic - financial situation.

\* The council can't exercise mayor's competences. In this context the relations between the mayor/head of commune and the council are made clear. The mayor/head of commune is the executive body that exercises all the competences on performing municipality/commune functions, except those that are council's functions. The mayor/head of commune exercises the rights and duties imposed to the municipality/commune as a juridical person.

\* The municipality/commune administration functions as a structure with a certain number of staff and it exercises the duties imposed by law through the regulations approved by the municipality/commune council. To exercise the functions and duties, the administration reports to the mayor/head of commune and it's lead/managed by the last one. Meantime, the council has the rights to audit the admi-

nistration performance and to do that, beside the daily routine controls the council can ask reports for administration performance anytime. In these conditions, based on the analysis of the performance on certain issues and if there are irregularities and direct responsibility to the staff the council may propose to the appointment body to exercise disciplinary measurements according to the respective legislation.

In practice, there are rare cases where the relations between the council and the mayor are sometime confliction. That happens mostly because of the different political views between both bodies but this is not always true. In these cases the relationship balance must be retained through the problem solving according to the competences which are assigned by law, otherwise the good governance and the community are affected.

*b. Relationships between the municipality/commune council and the depending institutions.*

According to the legislation the council respects all the standards in relations with the depending institutions, which

defines the state enterprises or institutions functioning based on the model approved by the council itself. This means that

if the council established a cleaning company, which functions as a commercial company, the standards approved on the respective law might be considered. If it's accepted the establishment of

a body of the same competences in another local government unit, than the decision making process has to be done by both local government units according to the founding act.



*Discussion among municipal staff during a training session*

### *c. Relations between the council and the prefect.*

The relations between the municipality/commune council and the prefect are regulated by law nr. 8652, date 31.7.2000 “Organization and functioning of the Local government” and with law nr. 8927, date 25.7.2002, “For the prefect”. It's a reciprocal interest to have good partnership between the council and the prefect as a representative

of the Council Of Ministers in the region.

In the relations between the municipal/commune council and the prefect there are no depending relations. The law regulates those relations in order that each of them exercises and accomplishes its own mission.

### *How is proceeded with the council decrees?*

According to Chapter III of law “For the prefect”, within 7 days after the decree has been notified, the council must send to the prefect the normative decrees, e.g. the decisions for local fees and taxes, decision for the budget and the amendments, bylaws which regulate the public services and their standards, etc, which are acts/decrees of a general nature that affect the community in general. Prefect’s task is to verify the legitimacy of those acts. But he can’t suspend the acts; he reacts with an answer within 10 days. If there are incompatibilities between the act and the law, the prefect has the right to send it back to the council for review (only one time) based on arguments. In this case, the council discusses the decision one more time, reflecting on the prefect’s comments/arguments. The council makes the final decision, and sends it back to the prefect. The verification (by the prefect) process doesn’t interfere with the decision implementation. This means that if the council has approved a new level of the tax, this will be implemented

according to the notification timeline (10 days) and effective date, which implicates immediate implementation. In the other side, the council can suspend the implementation till it has reviewed prefect’s comments. If the prefect doesn’t agree with the decree legitimacy after the council review, he has the right to appeal in court, and the last one reviews it and makes the final decision. The prefect can send the decree in the court even without sending it for review in the council, when he is sure that council reviewing does not improve the decree.

The prefect has the right to know and verify anytime at the municipality or commune other decisions made by the council, especially when the community or organization and institutions that are affected by the decisions file complains at his office. In these cases, when there is no compliance with the law, the prefect requires a review of the decision by the council which reviews it and makes a final decision. Likewise the above mentioned, the prefect can appeal in the court.

*How about the other activities, the ordinary ones?*

The partnership between the council and the prefect means that the council must keep continues contacts with the prefect and inform the last one about the activities that will take place including the meetings where the prefect or his representative participation is required. Meantime the prefect needs to ask the participation or inform the council about the prefecture

activities, especially the ones related to the council jurisdiction, moreover for the ones related to council competences. If there are conflicts between the council and other central bodies or institutions, the council must call on the prefect. In this case the prefect must pay attention to the addressed issues and follow up with the other institutions.

*d. Relations between the municipality/ commune council and the business.*

On the economy market conditions the municipality / commune council must see the main partner at the businesses on exercising its functions, competences or tasks for the interest of the community. The council must consider as important that the business is a very important factor for the material and financial resources through the fiscal obligations, which can benefit the community, which means the businesses fees and taxes become part of the local budget and are spent for the community and the businesses on local public services improvement (cleaning, roads,

greening, transportation, water etc).

\* According to the law, the council must set as objectively as possible the level of the taxes and fees for the businesses, establish regulations for equality related to the obligations and their fulfillment.

\* Meantime the council needs to take measurements to motivate standard but yet legitimate progress of the businesses that operate within the unit territory. The council must bring the business close and identify the key elements that make businesses to be more active and effective for the local government unit





*Taken from a budget training with Municipal Council of Shkodra*

development. Especially, the council must set priorities for public service improvements in order to create optimal infrastructure for business development.

\*The council must discover new ways/forms of the public – private partnership. Through the private sector a lot of local government duties assigned by law can be accomplished.

Through the private sector a lot of public services can be accomplished more effectively. Private sector can be a co-financier on different activities organized for the community as well as a good investiture for local public investments. There is wide range of areas to be covered and all is needed is cooperation.

#### *e. Partnership with nonprofit organizations.*

Nonprofit organizations must be considered as serious partners that contribute effectively on the community development.

\* The council needs to find ways to be supported by the nonprofit organizations. They need to be involved as much as possible in order to facilitate and increase the communication with the community as

well as the interest groups that are their target group.

\* The nonprofit organizations must be closer to the council especially during the analyses and researches, when drafting development programs, during pools on getting the citizens feedback on the governance, as well as data compilation for the feedback etc.

## II. TRANSPARENCY, COMMUNICATION AND CITIZEN PARTICIPATION IN GOVERNING

The best part of the democratic system of governing, especially seen on local government point of view, is that the government is closer to the citizens, the top priorities of development processes are the citizen's aspirations and priorities.

The transition process in Albania requires the local governments to involve citizens in democratic governance, and these create a transparent and reliable environment.

### *Why is the citizen participation in decision making important?*

During the last decade, Albania has undergone lots of changes in economic and political system. Often, citizens don't understand their rights and responsibilities thus they are not able to raise their voice for their opinions and concerns.

Public Participation is a key element for the democracy. Public Participation increases transparency in decision

making process. If the citizens are involved when drafting development policies, they will be able to encourage the municipality/commune staff to be more responsible in their decisions. Individuals can be involved in decision making process, and they can contribute on finding better solutions for issues such as housing or education, which are integral part of their daily life.

### *Who must participate?*

Individuals and the groups involved in the decision making process or that may influence the decision making process are called stakeholders (participants). These are

people who are interested in development policies and like to give their opinion. Every citizen must participate in local decision making process because somehow he/she will

be affected by the policies implemented by the government.

But the citizens can't participate if they don't know the participation tools and techniques, the staff needs to inform and communicate with them. The municipality/commune council in order to be able to serve its citizens and

to act for community benefits as a community representative needs to find the tools, ways and possibilities to involve the community in governing process. Being informed about the government activity, being active and involved, they are aware of their commitments on fulfilling their obligations as citizens.

### *What are some of the approaches to the transparency and citizen participation?*

There are two main approaches to citizen participation in governing: passive participation which is limited just in informing the citizens and the active participation which means citizen participation in decision making and imple-

menting process. The community must be involved in governing processes. It becomes useful when it's involved during the process of finding better solutions, but meantime it can contribute effectively during the implementation phase.

### *When shall we organize the public participation?*

Citizen participation must not be required in special occasions; it must be part of citizen's daily life. Citizen participation is not a seasonal event. It's everyone's responsibility to participate in governing not only during the elections but in between elections as well. The information dissemination on the policies and developing issues can be directed from bottom – up (citizens express their concerns) and from top – down (the staff informs the citizens on polices and their rights and responsibilities).

### *What does a good management of citizen participation requires?*

The activities for the public participation have a cost to finance the communication tools. This requires that the elected bodies to maintain a constructive attitude on facing the cost. The council must have a fair attitude on the excuses about the lack of funds or materials that can be represented by the technical staff, shall disagree with the laziness to face the concerns, shall disagree with thinking,

suggestions or others results disparagement, with short – term thinking which gets on the way of seeing things on the perspective of sustainable solutions etc...

Another important element is *timing*, the feedback must be received in the right time which means, before making a decision, and this process requires days, weeks or months.

### *Which are the participants?*

The citizen participation is all-inclusive. This is done through participation planning according to gender, age, interest groups etc. The activi-

ties can be organized according to the groups or by involving all participants in one big meeting.



*Training of Municipal Council, Vau i Dejës*

### *Cooperation with the experts*

Citizen participation approaches include cooperation with professional experts, such as education specialists, or public

finances experts, public meetings and budget meetings where outside experts are involved.

### *What are some of the barriers for citizen participation?*

- \* Lack of trust
- \* Lack of cooperation between the participants
- \* Limited information
- \* Limited knowledge on rights and responsibilities
- \* Fear of unexpected
- \* Lack of self assurance
- \* Lack or limitation of structures
- \* Lack of participation

skills, experience or background.

- \* Lack of resources (experience, time, funds, skills)
- \* Lack of media attention on local issues
- \* Lack of knowledge
- \* Failing risk
- \* Concentration in less important issues.

### *How to face them?*

- \* Through public education and trainings
- \* Public awareness campaigns

- \* Communication strategies
- \* Network communication
- \* Experience exchange
- \* Management skills

### *What are some of the approaches on involving the citizens on governing?*

\* A public meeting can be an informal meeting of citizens or it can be an official meeting of the local government. Law as in the budget process may require the Formal Public

hearing or it may be held voluntarily by the Council to present an issue and collect opinions from the citizenry on any issue. This tool is used to present an issue and the Local

Government's proposed plans for that issue. Formal Public hearings also provide an opportunity to receive comment from people or groups who may be affected by that decision. The formal public hearing is usually held when the issue or action is clearly defined and action is imminent.

Functions and organization of Local Government Law, the articles 33&34 contain stipulations for the conduct of certain meetings and hearings required as part of a particular process. Regardless of the reason for holding the Public Hearing, there are certain steps to take to assure that citizens have a lot of opportunity to attend and participate.

There are certain steps to take to assure that citizens have a lot of opportunity to attend and participate.

- Certain administrative measurements must be taken prior to the meeting in order to have a proper environment. This includes notifying the citizens in time for the date, time, issues to be discussed, location, etc...

- Make a brief, clear presentation of the topic, the

issue at hand. Include options for possible solutions.

- The participants and especially the leaders must be willing to understand each other as well as the issue and possible solutions in order to have a consensus. It's important to have appreciation of the ideas as well as the administration of those ideas in order to guaranty the citizens for their useful opinions and to establish a sustainable and trustable system on citizen's opinions.

- Based on the findings during the meeting it's possible to consider and include them in the decision making process, in working plan as well as during the implementation.

\* *Citizen's survey* is a survey method that gathers in depth opinions on public services and different issues of municipality/commune, when it's necessary to contact many citizens and have more answers.

- There are a variety of options for doing this. There are many kinds of surveys, from single question to inter-related, statistically valid surveys. It is important to choose one form that best suits your needs. Statistically valid

surveys provide a way to assure that your results represent the variety of opinions in the community without distorting the importance of one opinion over the other, which means that they are equally treated for location, gender, age etc. If you choose to conduct a statistically valid survey, you will need an experienced consultant to help you draft the questionnaire, determine the statistically valid list of recipients and to interpret the results.

Less expensive options are available to you. The option of a simple, one service mail out questionnaire is one of these methods. Many of the steps can be done by local government staff with minimal assistance from a consultant.

*\*Permanent citizen advisory groups* are established to work over long periods of time. Members of the group are volunteers who are interested in the welfare of the community. Each advisory group has a specific function and makes recommendations on this function to the Mayor and or the City Council. Examples of functions for citizen advisory groups are

review of urban plans, annual cultural activities and planning, capital investment planning —anything that requires regular updating and review or decision. Advisory groups only make recommendations. They do not have independent decision making authority.

Citizen advisory groups have a rotating membership and are appointed by the Mayor and/or the City Council. These groups can help relieve the Mayor and City Council of routine tasks that require a great deal of time and research to make valid decisions. The advisory group reviews the issue, provides background information and makes recommendations to the Mayor and/or City Council. It helps ensure that citizens understand, contribute to, and generally agree with the decisions municipal officials make.

*\* Media* is one of the most active tools on communicating with the public. Media delivers messages, concerns, introduce the activities, the situation and the measurements undertaken, introduce the past and the perspective, etc. In this way, media facilitates the commu-

nication between the local government unit and its community during the whole life cycle. The media is used to introduce the analyses and decisions, investing activities on public services improvement or other services. Meantime the media has made possible to organize public meetings with the local government representatives, give information on the meetings or live coverage of the meeting including discussions, proposals, decisions, etc.

\* *Public relation office* is a unit of administrative structures at the municipality/commune through which the council or the municipality/commune administration stays in touch with the community. The office is a place near the entrance to city hall that provides information and/or services to citizens to help them deal with the complexity of local government. This may be an office, or a desk. This will depend on how many services you decide to house in this place:

- To distribute information on municipal services and activities
- To assist citizens in

solving problems associated with municipal services

- To expedite permitting processes
- To accept, record and respond to citizen complaints

\*A *Newsletter* is publication of the local government that is designed to increase transparency by telling your citizens about the municipality/commune functions and activities. It contains short articles about city functions and activities. It may contain the new laws and an explanation of these new laws. It may contain decisions of the Territory Adjustment Committees, decisions and announcements of the municipality/commune council, and notice of public hearings or other city activities. Information on the budget may be published with short graphs or charts to explain it.



### III. MUNICIPALITY/COMMUNE COUNCIL RESPONSIBILITIES DURING BUDGET DRAFTING AND IMPLEMENTATION PROCESS

Municipality/commune budget is one of the most important documents of the council activities.

This for the reasons that the local government budget is the synthesis of the engagements, the materialization of the quantity and the ways of absorbing and spending public monetary revenues in benefit of the community. The local government might think on lots of spending, more work but only the sources included in the local budget can be used. That's why the budget drafting, and of course its implementation is one of the main responsibilities for the municipality / commune council.

*a. How is it made possible the engagement of the council during the budget work?*

For the budget to be an annual financial program which serves the fulfillment of long-term commitments for the community, it's necessary that the council considers few requirements such as:

\* Budget development and implementation are *all year long and all inclusive processes*. This means that the budget development requires the whole year and involves all the structures within the council, municipality/commune administration as well as

depending institutions and through them to involve in process all possible stakeholders within the unit. In this viewpoint in each period of the year there is work to get done for the budget development. The council is required to include in its annual program activities that support budget development and implementation as well as the stakeholder's involvement.

\* *Be familiar with the coherent situation of community economic and social development. Through the*

administration and using all the capacities and possible institutions, the council can collect information, detailed and methodical data in order to draft well studied programs. Meantime the council needs to be familiar with the situation on field especially on areas such as local infrastructure, service level, public institutions situation, business conditions, etc. which are local government responsibility.

\* *Various situational analyses must be conducted* in various areas, times and constantly in order to identify problems and find the ways for their solutions.

\* Municipality/commune council must *draft and adopt strategic economic - social development plans* in general as well as according to specific sectors. The reason for that is that the broadness of the local public issues requires determination of the course in

perspective. In these conditions is necessary that beside the strategic development forecast and the public life improvement, to establish the priorities that are necessary for specific areas and deadlines, as well as to forecast the required funds to guarantee success and high electivity for the community.

\* Based on the strategic plans, the council must *engage in preparing* by the specialized structures for the *realistic studies and projects* with a financial bill attached.

\* The council must know the legal framework, to know its role in the development as well as to value and use all possibilities for cooperation with other government structures, to gain skills on using effectively partnership approaches with the private sector, how to bring closer the donors etc.

#### *b. How can the councilors get involved in budget drafting and implementation?*

\* The councilor needs to be familiar with the community situation. This will serve on planning the budget indicators, revenues and spending as well as implementation process.

\* The councilor must keep continues contacts with the citizens and interest stakeholders, in one hand to know better their demands and in the other hand to value their deve-

lopment and contribution possibilities.

\* The council must participate actively in the activities organized by the council or the municipality/commune administration regarding planning or the use of financial resources.

\* The councilors as individual and the council must require the introduction of the budget and respective reports in the commissions and council to be understandable regardless the financial terminology. They must not allow budget solutions without being aware of what is on table and without giving their own opinion in the council meeting

and in the respective commission.

\* In the other side, the councilor during his part of the evaluation, beside the fulfillment of the promises given during the elections must consider the demands and interests of the community. Biased handling of the issues according to political interests or differentiation one group from the others, or one individual from the others during the planning and the use of the public funds for that is considered misuse of powers, and is one of the corruption elements. The councilor must require that to the executive as well.

### *c. How should the council commissions act during the budget drafting and implementation?*

\* Specific responsibilities on drafting and implementing the budget are part of council financial commission. This commission needs to be well organized and well prepared to analyze and acts as the opponent during the budget proposal drafting and implementation process. In more details this commission must contribute and make sure that the annual budget and the 3

years midterm budget to be drafted in order to reflect not only council decision but the legal requirements for budget drafting and implementation.

\* During the budget work, in the planning as well as during the implementation all the council commissions must be engaged. In these cases the council can even establish new commissions. Every commission covers a specific area and

this area is part of the budget. The respective commission must contribute effectively in the distribution of required funds.

\* In the commissions each councilors must contribute actively. This doesn't mean just participation but involvement in the debate, obligation to introduce persu-

asively the needs and opinions of the citizens.

\* The commission must require from the administration reliability to introduce the situation and proposals, positive and negative aspects of each budget line as well as accumulated thoughts during the year.

## IV. THE PROCEDURES FOLLOWED BY THE COUNCIL FOR THE BUDGET DRAFTING AND IMPLEMENTATION

What is the local budget? The local budget – is the legal framework for revenue collection and spending for the implementation of local strategies and policies defined by the council.

Who is involved in the process?

According to the law, the mayor or head of commune and respective administration are responsible on organizing the budgeting process.

According to the article 32, law nr. 8652, the municipality/ commune council adopts the budget and its amendments, related to the competences for:

- Establishing the local fees and taxes as well as their levies

- Approve norms, standards and criteria for the functions imposed by law, as well as the protection and guaranty of public interest.

Local government stakeholders accomplish specific responsibilities defined by organic law and the municipality/commune/ status and regulations.

### Main stakeholders roles and responsibilities during budget development

**Local Council:** Defines the budget calendar, establish the priorities and services levels.

**The Mayor or Commune Chairman:** Issues budget guidelines and prepares the budget proposal within the priorities and services level framework approved by the municipality/commune council.

**Finance Department:** Distributes the budget guidelines / Coordinates the process of budget process

**Sectors Departments:** Prepare and introduce the budget needs to the Finance Department.

Interesting in the process of budget development is the civil society stakeholder's involvement which brings on

the table not just new points of view but in the meantime they offer their expertise during this process.

### **Civil society stakeholders include:**

Universities, Banks, Chambers of Commerce, Regional Development Agencies, Regional Council, environment, culture and sport NPOs, other professional associations, Youth organisations, and other groups, independent experts, etc.

### *What are the budgeting phases?*

According to the article 2, law nr. 8379, the local budget is the main financial program where are included all the revenues and spending defined by law to fulfill the functions of the local government within their jurisdiction. The local budget is composed of dependent budget and independent budget (from central government).

Based on article 3, law 8379, the budget calendar is the same with the yearly calendar. The budget year starts on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of every yearly calendar. The steps on preparing the budget include:

**Step 1:** *Process organization for the new budget draft (it usually starts on April - May) includes:*

- \* Preparation and distribution of the budget calendar
- \* The mayor or commune chairman set the priorities and services levels
- \* The mayor send the guidelines to the technical staff
- \* The head of finance distributes the guidelines

### **Step 2:** *Revenue forecast*

- \* Unconditional transfer
- \* Revenues from own sources
- \* Conditional transfer
- \* Investment resources

### **Step 3:** *Requests preparation*

#### *Sector Departments*

- \* Identify the cost for each service
- \* Recommend improvements on services levels
- \* Prepare the budget docu-

ment for the sector

**Step 4: Putting the budget together**

*Head of Finance*

\* Review the departments requests

\* Coordinates review meetings with the heads of sectors

\* Prepares the Reviewed Budget Document for the mayor/commune chairman and municipality/commune council.

**Step 5: Presentation of the budget draft to the mayor/commune chairman and the council for review**

**Step 6: Get feedback from the citizens**

\* Public consultation for the budget draft

**Step 7: Reflect the changes on the budget draft based on the mayor's/commune's chairman or the council's chairman request**

**Step 8: Citizen Feedback after amendments**

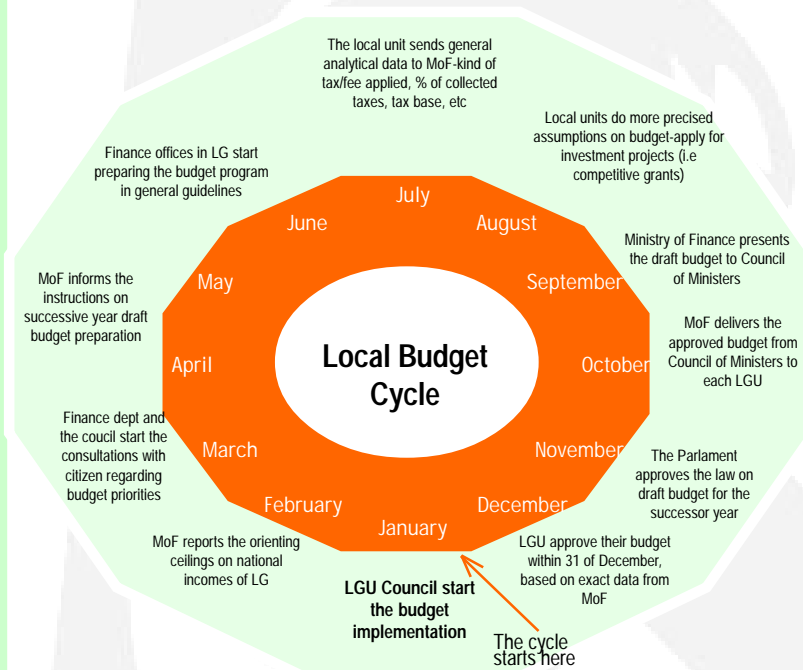
\* Public consultation with the citizens

**Step 9: Budget adoption by the municipality/commune council**

**Step 10: Budget publication**

**Step 11: Budget execution**

**Step 12: Monitoring and evaluation**



Here, in a graphical manner can be seen the spread in one year of all the process of budget preparation, which is a preennial process.

*What are some of the man issues that are discussed during the budgeting?*

*During the process of the budget drafting the discussions or consultations are oriented toward those issues affected by the council role in cooperation with the municipality/commune administration on the development policies. Here we can mention:*

**1. Policy orientation** which deals with bringing closer the budget draft to the strategic programs and plan and to what the council and the mayor/commune chairman thinks the citizens expect.

Policies are established for:

I. Services offered by the administration, service levels



and coverage.

2. Accumulation of the local revenues through the taxes and fees collection.

3. Local spending.

4. Economic, social, infrastructure, education, culture and recreational development.

5. Citizen participation during decision making processes on local issues.

II. **Technical data** are all quantity data on infrastructure services such as: streets, sidewalks, lightning, schools, number of students per m<sup>2</sup> per school, sport fields, etc.

III. **Citizen feedback on the priorities every year** – it's really necessary since it assist on collecting information from all the regions and families that don't have access to the services. Meantime, valuable information is collected for the citizen's priorities that use the public services.

IV. **Establishing the appropriate level of services**

For a specific service that mean to find the right balance between the quality, quantity and the cost through the following information collection and discussion:

\* What is going well on

providing the service and what is not going well?

\* What is the citizen's opinion on the service performance?

\* What are some of the outside trends that can affect the way the service is provided?

\* What sources do we have, how much does it cost to offer the service?

The above four questions serve as a good orientation for the council to decide on the main priorities and service level for the following year.

**Different ways on looking at the budget:**

#### **Policy document**

Establish the goals and objectives and articulates the municipality / commune priorities.

#### **Financial plan**

Establish the tools for achieving the outputs and outcomes

#### **Action Guideline**

Establish the implementation queue, how, when and why is undertaken each action.

#### **Capital Plan**

Defines the main improvement for the infrastructure and its affect on the economy, including the decisions related

to the combinations.

### Monitoring tool

The key element on monitoring all activities and its

efficiency.

### Communication Tool

Ensures transparency and responsibility

**A successful budget is the one that is responsive, transparent and responsible**

What is included in the municipality/ commune budget?

The budget is composed of:

#### A. Revenues

According to article 6 law 8379, dated 29.07.1998 “On the drafting and execution of the Budget of the Republic of Albania”, other revenues and financial sources of local government are composed of:

1. Taxes
2. Fees
3. Other local revenues (no imposed)
4. Joint taxes
5. Conditional transfer
6. Unconditional transfer
7. Donations
8. Loans and;
9. Funds inherited from the past year

#### B. Spending

Local government spending cover operational and

functioning costs and the delivery of the services that are responsibility of the local government.

According to law 8379, local budget spending includes:

1. Current spending - salaries, bonuses, compensations, spending for other services and equipments, transfers and interests payment
2. Capital Spending - constructions, reconstructions, buying capital properties etc
3. Other spending - to fulfill the competences imposed by law:
  - a. Loans and capital participation
  - b. Principal payment for the loan.

## V. LOCAL TAXES SYSTEM AND THE COUNCIL ROLE

### What are the local taxes?

- Taxes that have a levy and minimal limits defined by law
- Taxes that the law defines as only the type of tax and the council has the right to establish the levies.

The municipality/commune council, according to the law has the following competences:

- \* Implement or not a tax
- \* Subcategorize the tax
- \* Specifies the tax levy for each category (the total for the buildings surface, surfaces of the commercial areas etc)
- \* Establish the levy for the new subcategories, within the limits defined by law
- \* Increase or decrease the tax indicator with +/- 30 %
- \* Identifies the taxpayers (families, businesses, institutions etc)
- \* Establish the ways of collecting and administrating the taxes

### What are the local fees?

The municipality/commune council, according to article 16/4, law 8652 has the competences on setting the type, levies and regulations on collecting and administrating the local fees.

Communes and municipalities derive revenues from local fees for:

- public services and the infrastructure offered by the local government (cleaning, lighting, etc);
- the right to use local public property (parking, advertisements);
- the issuance of licenses, permits, authorizations and issuance of other documentation, at the discretion of local government.

In order to set a fee, it's necessary to calculate the service cost.

No one is willing to pay taxes/fees, but if the taxing policies is fair and the citizens see that the revenues from the taxes they pay are used to improve their community, they are willing to pay.

When the council does decides to approve policies?

### **1. Need for more funds**

There are few factors that affect the increasing/decreasing of the spending.

> Increasing/improving the quantity/quality of the current services:

- Increase/decrease of the number of those who receive the service

- New neighborhood/area that receives the service for the first time

- Changes on the salaries/bonuses according to the legal set

- Inflation rate

- Improvement of service quality (e.g. increase of the frequency of solid waste collection)

- New service standards according to European Union

> Provision of new services

- New costs for establishing a one stop office for the taxes etc

It is very important to review these and other factors to forecast and be able to explain to the taxpayers the future spending.

### **2. Demographic and economic trends**

> Changes on the population (+/-).

When a new neighborhood is established we have to ensure at east the minimum of services for the families and taxpayers. This factor affects:

\* Spending, revenue potential

\* Inflation, economic pace on the tax levy or service cost. It's one of the factors to be considered, since it increases

spending and as result requires accurate tax policies.

\* Other factors that affect the revenue potential or service cost are the decrease of payments, as result of decrease of average revenues per family; this requires policy review as well etc.

### **3. Incentive vs. penalties**

> Money spent in a good manner is a good incentive.

When the citizens see that for the same funds as the previous year, the current year had more improvement e.g. new roads, they accept new policies for the tax increase, and the number of taxpayer's increases

>Transparency, consultation, participation.

When they know the service cost, the way the decision was made, when they are part of the budgeting process, when they are asked "if they accept to pay more for a better service", they will accept to contribute for the new policies

> Fair and square implementation.

When we see that everyone in the same conditions pays the same tax, when exception decisions are argument, when

the obligations list is send to everyone, this will help on bills payment and policy-making.

### **4. Possibilities (1) Can everyone pay the same?**

It's very necessary to recognize the possibilities for the payments for every category

> Who are the taxpayers? Build up the profile database: retired, families profile with one/two unemployed members, families with social assistance, and families with low salaries.

> What are their revenues? What is the spending? What are their other obligations (taxes, local and national fees)?

> Calculate the expected effects of the new tax policies for the taxpayers

> Can they pay? What exceptions/facilities are needed?

> Review the policies

## VI. ETHIC ISSUES FOR THE LOCAL COUNCIL'S MEMBERS

*What is the code of ethics?*

*The Code of Ethics is a set of rules that define standards of conduct for administration staff and the elected officials. These standards help the staff to distinguish the acceptable behaviors from the unacceptable ones, when it's applied, as well as maintain and incre-*

ase citizen's confidence to the institutions.

Code of Ethics for the local government ensures legal or moral foundation according to which the local administration and the councilors act when exercising their functions.

*Why shall local government implement the code of ethics?*

The relation with local government for many citizens is the most important contact in the public sector. Every citizen receives from the local government public services

that are necessary, vital and affect the citizen's quality of life. That's why it's important for the local government to act with efficiency and effectively and fight the corruption.

*What are some of the benefits of effective implementation of the ethic rules from the commune/ municipality administration staff and the council?*

In order to be effective the code of ethics requires:

\* Presence of rules that regulates the actions and conduct of the municipality/

commune staff as well as local councilors. The code must be encouraging and qualitative especially in some areas and not just a set of prohibited actions. In this way, the code

of ethics has more a positive view rather than just looking like a penal code.

\* The rules included in the code must be made public and the citizens need to know them. In order to be more effective, the organizations (municipalities and communes) must publish them and the members (staff and councilors) know about their existence;

\* The rules don't need to be implemented retroactively;

\* The rules are understandable;

\* The rules are not inconsistent;

\* The implementation of the rules have to be obligatory for the staff and elected officials but meantime the citizens need to understand and follow them;

\* The rules have to be sustainable and comply with the trends and the demands of the decentralization process development.

The implementation of the code of ethics from the staff and elected officials promotes:

- Decrease of the abusive acts from the staff;
- Internal communication improvement;
- Increase of satisfaction at

work;

- Increase of trust for the main leaders;

- Increase of efficiency and less law and rules break;

For the municipality/commune councilors:

- Improves the communication between them and the citizens;

- Increase the trust of citizens for their elected officials;

- Enables them to be honored and respected by their electorate;

- Enables them to be open and protect their own private life;

- Allows the rules acceptance from their electorate;

In order for the code of ethics to be effective, it's important to have continues communication within the institutions (municipality or commune), so the staffs meets frequently and discuss/address different issues that concerns them in the daily work.

It's important as well to be able to interpret the code. It needs to be an obligatory mechanism, guideline but in

the same time a guardian for the staff that works according to its principles and regulations. For this reason, an

effective code needs to be associated with guideline resource and advices for the staff.

### *What is the ethical infrastructure?*

The “Ethical infrastructure” includes tools, systems and conditions that promote professionalism and high level standards (of conduct). Either at central level or at local level, its implementation requires two key elements:

\* **Political will and engagement:** without a real political support – clear messages from the elected officials that the non ethical conducts will not be tolerated – promotions for improvements of the ethics in municipality/commune administration will not be worth.

\* **Effective legal framework:** Legal framework contains a set of laws and regulations that define the conduct standards for the public administration staff and elected officials in any local government unit, no matter where they belong in the hierarchy, and enforce them to implement through an

investigative and audit system. In the legal framework for the management of ethics is included the penal code and the civil code, legal acts related to conflicts of interests and various regulations for the public administration staff and elected officials.

The main support of the legal framework for the ethical infrastructure is the establishment of restrictions related to the local administration staff conduct, imposing to them sanctions in order to improve the transparency at local government level. Expectations of conduct standards from the municipality/commune staff are high, according to the fact that they administer the state authority and resources in local level. The law related to the integrity establishes legal obligations for expected standards and define the consequences in case of failure.

\* **Monitoring and**



**supervising mechanisms:**

Monitoring mechanisms establish rules for the local government or local council's actions, which serve to supervise if the results have been achieved, and the process was observed. They include internal administrative procedures, full processes such as evaluations and supervisions for a certain structure activity. The citizen and civil society participation in monitoring processes is considered one of the most effective monitoring mechanisms.

\* **Capacity building mechanisms:** These are processes where the municipality/commune administration staff improve and learn more about ethics, standards of conduct and public services value. Training is a key element beside the successful cases of the staff responsibility for their positions and the duties they exercise.

\* **Appropriate and promoting conditions of the public services:** If the administration staff works more than what they are supposed to and they feel unsafe, than they will be less willing to follow the rules of

ethics and promote initiatives for the improvement of ethical issues. Often the non ethical behaviors of the staff are an excuse of the low salaries. *The low salary is not an excuse for conducts that don't follow rules and ethics.*

\* **Standards of ethic:** Every code of ethics is drafted within certain standards of ethics, which need to be sustainable and dynamic. They need to be clarified, but meantime need to be reviewed once in while in order to comply with the standards and trends of the society development as time goes by.