



INSTITUTE FOR DEMOCRACY AND MEDIATION
LOCAL GOVERNANCE AND INTEGRATED DEVELOPMENT DEPARTMENT

**DECENTRALIZATION
MONITORING REPORT 2012**
(EXECUTIVE SUMMARY)

**On the activity of the Parliamentary Commission on Legal Issues, Public
Administration and Human Rights**

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EXECUTIVE SUMMARY¹

The IDM's "Monitoring Decentralization Report 2012" provides an overview of the progress achieved in the work of the Parliamentary Commission for Legal Issues, Public Administration and Human Rights (The Commission) referring to the draft laws with an impact on decentralisation and local governance during 2012, as well as of the main challenges that remain to be addressed, based on the monitoring report findings. Specific conclusions and recommendations regarding key issues such as advancing of the decentralization reform, LGUs consultation or fiscal decentralization etc., are also included in the report. The first IDM's "Monitoring Decentralization Report" was issued in 2011.

The monitoring process included 7 indicators and has specifically targeted **8 draft laws** with an impact on decentralisation and local governance from **90 draft laws in total** reviewed by The Commission, during 2012. These 8 draft laws were discussed in **11 meetings out of a total of 102 meetings** conducted by the Commission. In this regard, **the dedicated time to the discussion of the draft laws with an impact on decentralisation has decreased compared to 2011.**

Achieving significant progress in the decentralization process requires stronger interaction and cooperation among all stakeholders involved in the decentralization process as well as between the Parliamentary Commissions and Local government representatives. This would significantly improve the inter-institutional communication and coordination and the more efficient and functional lawmaking process with impact on decentralization and local and regional government. In this aspect the Monitoring Report findings show that representatives of local government associations and interest groups **have not been consulted and their contribution has not been included** in the qualitative process of lawmaking. This is especially shown by the rejection of the request of 17 Mayors of local government units and the abrogation of the law on moratorium of speedboats and vessels.

Moreover **the quality of the discussions has** decreased in the Commission by its transformation into a **routine discussion** among the representatives of the government and the opposition. The report spells out that only **1 or 2 MPs** contribute continuously and qualitatively in the parliamentary debate on decentralisation and local governance, while an active engagement of the other MPs in the discussions is recognized.

¹ Full report in Albanian can be downloaded from the IDM website.



INSTITUTE FOR DEMOCRACY AND MEDIATION

In the context of **fiscal decentralization**, the report has pointed out **cases of breaching of the fiscal autonomy of local government**, which prohibits the past achievements in the decentralisation reform. The adoption of the Normative Act No.5 and the failure to implement the legislation on mineral rent has influenced negatively the local budget with a total value of 2.8 billion ALL accounting to around 20% of its own revenues for the local government during 2012.

The report indicates that the Parliament has not managed to guarantee the integrity of the local budget for 2012. Additionally, a non-balanced allocation of the unconditional transfer to all LGUs in the budget of 2013 was based on the application of the population criteria as per the CENSUS data of 2011 (applicable criteria for the first time during 2013). **The report concludes that that the fiscal decentralisation and the financial autonomy of local government have endured negative development in 2012.**

The monitoring findings indicated a progress on the Indicator No. 1 and Indicator No. 6. **The participation of members of parliament in the meetings of the Commission (Indicator No. 1) has been rated to 90% during the meetings** of the Commission. The Commission has expanded also the map of independent institutions subject to the parliamentary control (Indicator No. 6) during 2012. Hence, IDM recommendation reflected in the respective monitoring for 2011 has been fulfilled.

Furthermore the endorsement of the law on pre-university education is noted **as a progressive step** towards the advancement of the decentralisation reform even though it was not discussed in Parliamentary Commission for Legal Issues, Public Administration and Human Rights. It makes an effort to define the sharing of competences among the central and local government.

In overall, the findings of the monitoring as per each indicator, suggest that the Parliamentary Commission for Legal Issues, Public Administration and Human Rights **has not managed to guarantee** a qualitative lawmaking process in reviewing the draft laws with an impact in decentralisation and local governance and to achieve the minimal standards of participation and consultation with representatives of local government. The Report's **general conclusions** indicate that during 2012 the activity of the Parliamentary Commission on Legal Issues, Public Administration and Human Rights **has made an overall not satisfactory performance** in the review of the draft laws with an impact on decentralisation and local governance.