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**Tracking the decentralization progress on education and
increasing the role of NPO-s in this process**

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Acronyms

ACAC: Albanian Coalition against Corruption

CRD: Centre for research and Development, Tirana

MES: Ministry of Education and Science

NPO-s: Non-for Profit Organizations

NSEED: National Strategy for Socio-Economic Development

Executive Summary

This project focuses on decentralization process in primary and secondary education system in Albania. Such important reform has started in Albania in 2001 by the support of World Bank. Decentralization of primary and secondary system is expected to make local authorities responsible for administrative and financial management structures in all territory for primary, secondary education and higher education (with an exemption of professional national schools). Accordingly the Ministry of Education and Science (MES) will primarily be responsible for the quality, control and management of education curricula.

The objective of the project “Tracking the decentralization progress on education and increasing the role of NPO-s” is two folds: to provide information to various stakeholders on the progress of decentralization reform on primary and secondary education level in Albania and secondly to disseminate such information to a particular region and specific interested parties. In this attempt it will be assessed the capacities that local government administration must possess in order to further take responsibility in the administration of education system. An emphasis will be given to the role of NPO-s in this process.

The project is developed into two stages. During the first phase of the project was analysed the progress of decentralization process since it kicked off on January 2001. This phase of the project was mainly developed in Tirana and was concentrated in both central and local government institutions. In the focus have been MES, Ministry of Finance, Ministry of Public Order as well as Municipality of Tirana. The aim of this work was to identify main constrains and factors limiting the progress towards decentralization reform.

The second part of project consists in organizing two specific activities in Tirana and another in Vlora. In Tirana the problem of decentralization will be addressed before hand central government institutions responsible for decentralization reform, as well as representatives Tirana Municipality, ACAC network of NPO-s, teacher’s associations etc. Media will be also invited in order to achieve the maximum audience from the Public at all. The second activity will be held in Vlora. This activity will have more and education and training nature, where representatives of various local government in the Qark of Vlora and especially NPO-s of this Qark will be invited. Before such activity will take place, an overall survey for the identification of key actors in the Vlora will be organized. CRD, Tirana as an active member of ACAC will make use not only of ACAC advocacy experience but also will combine its activities with other members of ACAC.

This Report comprises five Chapters. Chapter one provides a general overview of project objectives, methodology, as well as an overview of work-plan followed in this project.

Chapter two summarizes the main pillars of the government strategy on decentralization of pre-university education system in Albania, including general principles of the strategy, the road-map and monitoring indicators.

Chapter three provides an assessment of implementation of decentralization strategy on education from an institutional perspective. A specific focus has been provided in the analysis of distribution of functions among various levels of units in public administration as well as achievements of the activities foreseen on strategy's road-map.

Chapter four envisages decentralization progress in Albania from a financial perspective by trucking down number of local government units in which decentralization of the funds have been applied as well as efficiency of the use of public investment funds provided to local government units during the 2005 and 2006's fiscal years.

Chapter five summarizes main conclusions of analysis made for the process of decentralization reform in Albania over the period 2001-2006, including a set of recommendations.

Chapter One: Introduction

1.5 Objectives of the project

The aim of the project is to increase the level of participation of Non-for Profit Organizations (NPO-s) and other civil society organization during the process of decentralization in primary and secondary level of education by concentrating primarily on Tirana and Vlora Qarks. The project aims to provide the civil society of these two Qarks clear guidelines regarding decentralization policies, role of civil society in this process with focus on primary and secondary education level. The project will provide the civil society with mechanisms for increasing capacities in the management of similar project in other sectors such public health care, public works etc.

The overall project goal is to give a bust in decentralization reform in Albania by increasing the role of NPO-s in the process of budgeting planning and implementation of activities related to primary and secondary education level in the Qarks of Tirana and Vlora.

More specifically main objectives of this project are:

1. to transfer the knowledge and experience that has been gain already in specific (pilot) district of Albania (Tirana for instance) to other local governments in the field of education (primary and secondary education level).
2. to assess of institutional capacities of local government in Tirana and Vlora to manage budgetary funds for financing preliminary and secondary education, as well as organization professional administration of education system.
3. to identify of main NPO-s and assessment of their capacities in management education funds for Tirana and Vlora.
4. to increase capacities in respective districts to enhance education funds management.
5. to disseminate information and experience gained in respective districts through various media channels.

1.2 Methodology

In 2001, Ministry of Education and Science with the support of World Bank has developed the strategy for decentralization of primary and secondary education. This strategy identifies

the road map (guide) of which the process of decentralization will be developed in Albania. The Guide's intention is also to identify institutions capacities that are necessary to establish the process of decentralization. In the course of implementation of this project is tracked how Ministry of Education and Science has used the guidelines of the strategy of decentralization.

Moreover, for achieving its objectives have been develop and used a set of tools to measure and assess the results of the decentralization progress in Albania on primary and secondary education level. Specifically, a number of measurable indicators will be constructed based on specific data on investment have been analysed.

The principal idea for selecting performance indicators are that local government will perform its newly allocated functions following a set of pre-established standards. Initially, local governments will be expected to achieve, at least, the same results as those previously attained by central government. At the end of the second year of this plan, local governments will be expected to improve these initial results.

The second part of project, as a part of advocacy will consist in organizing two specific activities in Tirana and another in Vlora.

In Tirana the problem of decentralization will be addressed before hand central government institutions responsible for decentralization reform, as well as representatives Tirana Municipality, NPO-s, teacher's associations etc. As a part of ACAC, CRD will invite media in order to achieve the maximum audience from the Public at all. The aim of this activity is to insure about 50 participants, pf which 15 from central government institutions, 10 representatives from local government in Tirana Qark, 15 representatives from NPO-s representatives and 15 representatives from teachers and parents associations.

The second activity will be held in Vlora. This activity will have more education and training nature, where representatives of various local government units in the Qark Vlora and especially NPO-s of this Qark will be invited. Before such activity will take place, an overall survey for the identification of key actors in the Vlora will be organized. In this activity will be targeted about 30 representatives from various local stakeholders.

1.3 Sustainability

The sustainability of the project will be achieved through:

(a) Implementation of activities that are considered crucial for establishment of democracy in Albania such as decentralization of Local Government by setting priority on education sector.

(b) Project aims to establish mechanism and appropriate instruments that will serve as a methodological tool to strengthen the coordination efforts of all actors involved, increasing community awareness on various issues that impede the efficiency of funds utilization, lobbying against corruptive practices etc.

(c) Strengthening the capacities of NPO-s and other associations that is the main project goal is the main guarantee for project sustainability in Vlora district and moreover for the project replication in other districts.

1.4 Work-plan

In order to achieve the pre-set project objectives the following activities have been programmed and implemented:

1. Preparation of detailed working plan and identification of main contact points

The new work-plan of the project has been developed at initial phase of the project after intensive consultations with various specialists involved on the process of decentralization. Specific meeting have been organize in the Ministry of Interior, Ministry of Education and Science, and Ministry of Finance.

2. Development of detailed road map for testing decentralization progress and performance indicators

Testing of indicators has been achieved based on statistics provided by Ministry of Finance, INSTAT and Municipality of Tirana.

3. Collecting information on the implementation of road map, as well data to measure indicators in Tirana

Primary information on the progress of process of decentralization as well as the data has been provided by Ministry of Finance, Ministry of Interior, Ministry of Education and Science.

4. Preparation of the report on tracking the progress on decentralization reform on education

The report have been successfully completed by CRD staff in close collaboration with various specialists at relevant institutions

The following are activities that will be organized up to the end of this project:

- 5. Identification of main NPO-s and associations in Tirana*
- 6. Presentation of results in Tirana (targeting about 80 representatives from central and local administration, as well as NPO-s, teachers and parents associations) in ACAC advocacy way*
- 7. Preparation of training material for Vlora workshop*
- 8. Identification of main NPO-s and associations in Vlora*
- 9. Organization of workshop in Vlora with participation of both NPO and local government representatives) in ACAC advocacy way*
- 10. Presentation of results to the public through a press release*
- 11. Preparation and submission of final report and financial statement*

Chapter Two: Strategy of Decentralization

2.1 Vision of decentralization strategy

In the main strategic document produced by Albanian Government in early 2000, notably the National Strategy for Socio-Economic Development (NSSED)¹ is emphasised the importance of increasing the efficiency in education sector as one of the main directions to combat poverty and ensure achievement of economic and social goals. In this context the best experiences worldwide recommend decentralization of education as a crucial instrument for assuring higher quality in the education services, as well as by delivering such services in a more efficient way as it reflects better the local priorities, encourage participation and control the utilization of funds allocated and used.

The core of decentralisation reform is transferring the decision making from the Ministry of Education and Science (MES) to the Intermediary Government (Qark), Local Government Administrative Units (municipalities and communes), Community and schools. Thus, the decentralized functions are related to transferring the decision making process to Local Government and schools. This process includes identification, setting priorities, making decisions related utilization of funds for construction, reconstruction, equipments (furniture) and all other related services for pre university education.

Following the above mentioned approach Government of Albania passed the Law on Autonomy of Local Government (Law Nr.8652 Dated 31.07.2000) in which is indicated reforming the education system with a particular focus on primary and secondary education.

The decentralization in pre university education is a very complex task that involves a number of stakeholders in Central and Local Government Units, non-public institutions as well as civic society. In this context the success in the decentralization reform is highly depended by the commitment of central and local government in exercising roles and responsibilities according respective legal acts, the management capacities of local government, as well as the level and efficiency of involvement of civic society organizations.

The participation of civil society organizations in distribution of public services in local level aims to make the process more effective, transparent and increase the responsibility of public services. Thus, they become responsible for administrative and financial managements structures of primary and secondary education, although it not alter

¹ The NSSED have been produced with the support of World Bank under the project “Poverty Reduction Support Credit” (PRSC II)

the full responsibility of MES for the quality and control and management of education curricula.

2.2 Purpose of strategy

Taking in consideration the overall decentralization vision, MES drafted the Strategic Framework for Decentralization in Education as the leading instrument to guide the whole decentralization process of education system in all pre-university levels. Preparation of the Strategic Framework was based on the following documents:

- NSSED;
- National Strategy for Education Development, 2004–2015. This document highlights the decentralization in preliminary education as an important part of the Reform in Education System in Albania;
- Strategy of Decentralization and Autonomy of Local Government.

The Strategic Framework has been accompanied by a specific Policy Paper as well as respective legal and institutional framework. The Policy Paper was drafted by MES under the assistance of World Bank, as well as Soros Foundation under the program of education (AEDP).

The decentralization of pre-university education levels is an important and integral part of the reform in education system in Albania. In the “National Strategy for Education Development, 2004 – 2015 is mentioned that the GoA’s intention and purpose of decentralization in education is the delegation of responsibilities to Qarks, regional education agencies, education offices, municipalities and communes and schools through two pillars:

- 1 division of functional responsibilities in education sector between the authority levels;
- 2 identification of conditionality to enhance the responsibility of the functions that will be decentralized from the central level to school level (p.7).

According to this strategy, the decentralization process will be accompanied with: (1) reforming and strengthening education managing capacities (reforming MES, School Autonomy, management of information system on education and reporting and quality assurance); (2) the curricula improvement (curricula development, development of education skills, designing text-books, definition of alternative education sources, exams and

monitoring); (3) financing the pre-university education decentralization reform (review the pre-university budget, instruments for transferring the public funds, increase the efficiency in financing sub-sectors, review of investment programs, TA-advisory services; (4) establishment of capacities and development of human resources (inter sector education service, rationalization of schools, inspections, teacher skills; (5) subjects with selection criteria and specialization, design of policies based on databases.

The Strategy aims to closely link the decentralization reform with the schools autonomy, i.e. more responsibilities to schools in planning, managing and improving the quality of services they deliver. The implementation of the school autonomy includes changing considerably a part of the legislation as the actual legislation cannot support and *encourage parents or school directors in undertaking innovative initiatives related to improvement of conditions in their schools.*

The Strategy also provides instructions for application of grant schemes to schools as a fundamental element of the school autonomy that is expected to favourite the establishment of required capacities in the school level and regional level for planning and budgeting. These capacities are estimated to develop continuously in the three levels of education system in Albania, such as elementary, secondary and high education with an exception of national professional schools.

2.3 Guiding principles

The Policy paper and Annex are strategic documents for decentralization in education system. They contain guiding principles of the process as well as detailed action plan in form of a framework for implementation.

The five guiding principles of decentralization in pre university education are:

- 1) Striving for high academic achievements and administrative effectiveness and transparency;
- 2) Measuring and assessment of the results of the pilot;
- 3) Performance-based management;
- 4) New role for Principals; and
- 5) Participatory approach of all agencies involved.

The above principles aim to assure the achievement of high student academic results through provision of maximum effectiveness in the delivery of services. The core of the process is

setting clear goals and objectives to be achieved, followed by development and utilization of a set of tools to all agencies involved to enable measurement of objectives set and the Goals. All the process should be based on pre-established standard.

Thus the design of simple, clear and transparent operational procedures and efficient human capacities to implement it are crucial to achieve the desirable goals. In this context the policy paper stress out the importance of staff training related importance of clarifying goals and obtaining objective feedback on its success and assessment of the performance of personnel participating according to specified standards. These standards will be defined for each key position taking part in the pilot, including principals, local and regional personnel, and central officials.

The Strategy is based on the model of financing “per pupil” that guarantees equality for pupils and regions and responds better to the economic and demographic changes in Albania. This model is based in the actual number of pupil and the geography of the necessary services, number of teachers and supporting staff. The actual education-financing model is based on allocation of funds based on the offer while the new model is based on the demand and performance. In order to achieve this objective, the Strategy strongly recommends increasing managing capacities in correlation to various levels of financing system in order to involve efficiently in the process of planning and budgeting.

2.4 Monitoring indicators

The education service delivery, according the Strategy, is based on the “out – in” method that has in focus the fulfilment of needs and wants of the community. The citizen satisfaction is the main indicator for measurement of the success.

Some of the standards are as follows:

- Teachers should held at least 3 personal meetings/year with each parent
- The Directorate of Curricula should held at least 1 roundtable/year with teachers on regional level
- Assuring continuous information with citizens for the steps to be followed for each procedure
- Publication of School Financial Report twice /year
- Publication of pupils results once year
- The number of pupils in the classroom should not exceed 35 etc.

Based on the above Standards the Policy Paper defines the expectations in the functions of a decentralized education system in the local level based on the measurable indicators as follows:

- Assuring the equal number of registered pupils as in the times when the education system was managed by Central Government. Assuring a 8% increase in the second year and 12- 14% increase compare first year.
- Increasing the participation of teachers in curricula development by 10% every year of 5 years period.
- Increasing the pupils performance in national level exams by 10% every year
- Increasing the number of teachers participating in on job training programs
- Increasing the parents' participation in education system by 10% in the first year, 20% in the second year and 40% in the third year.
- Increasing parent's satisfaction with the performance of education system by 20% the first year, 35% second year and 50% the third year.

In order to assure the sustainability of the process for next 10 years the Strategy recommends alternation of self-evaluation methods with periodic external monitoring.

Such coordinated monitoring approach allows the comparison of quality and performance in all components of service delivery in local and national level. This double monitoring system will use different methods in reporting and auditing with the purpose of increasing the transparency in the process and confidence in the achievement of the desirable results. It will be accompanied by internal and external mechanisms in order to ensure the desirable quality.

2.5 Implementation plan

The Strategy is a macro level document. It includes a coordinated Activity Plan for main components and sub- components of the Reform, the deadlines and the respective budgets. The Decentralization process is estimated to be implemented for an 8 year period 2005 – 2013.

According to such action plan it is foreseen that the decentralization reform is estimated to start in 2005. During this period it is expected to achieve the following main results:

- i. design respective guidelines for the functions to be decentralized;

- ii. definition of clear roles and responsibilities; followed by
- iii. definition of reporting and quality assurance” (2006).

During the period 2006-2008 plans were to complete:

- i. piloting the decentralization in a selected region and MES management – vertical;
- ii. training the teaching staff in region, commune and school level.

Escalating of decentralization reform was foreseen over the period 2009 – 2012 with an expectation to be completed in about 50% of Local Government Units and completing the other 50% of Units by 2013.

Table 1 summarizes the road map for implementation of functions allocated to various levels of government and to schools.

Table 1: The Calendar of Decentralization Process

Phases	Start	2005	2006	July/2007	Beyond 2008
I Pilot					
I National Expansion					
II Pilot					
II National Expansion					
III Pilot					
III National Expansion					

By taking in consideration that the decentralization is a complex process, in the Policy Paper has provided recommendations about the transfer of responsibilities and competencies. Transfer of responsibilities is based on the philosophy of progressive transfer by developing first pilot projects on specific local entity. Consequently responsibilities was not expected to be transferred and extended to the whole country before the result of pilot phase were elaborated. It stated that the decentralization would be implemented through three phases of pilots that will have three basic characteristics.

First, a different set of functions will be piloted during each phase.

Second, the allocation of functions to phases must be functionally coherent -within each phase and between phases.

Third, the national scaling up of those functions just piloted should follow each pilot, taking into account lessons learned during the pilot.

2.6 Conclusions of second Chapter

This Chapter described the first steps that Albanian Government has undertaken after the year 2000 towards decentralization of education system in all pre-university levels: elementary, secondary and high education. The main conclusions that can be drawn from such analysis are:

- 1) The process of decentralization of education system in Albania was part of one National Strategy, namely NSESD. In this document is emphasized that decentralization of pre-university education system will be used in order to improve quality of education system in Albania.
- 2) With the support of international institutions, especially the World Bank, in 2003 have been drafted a specific strategy for the process of decentralization. This Strategy was accompanied with a Policy Paper and relevant Guidelines. All such documents provided a solid methodological background for starting decentralization process in Albania, including main principles, performance indicators and the road-map.
- 3) The main peculiarity of Decentralization Strategy is that the process of decentralization will follow a gradual approach, starting with a pilot phase in one urban area such as Tirana and then based on assessment of result a gradual extension after the 2007 year. According to such road map it was foreseen that over the period decentralization process to have been completed in only 50% of local government units and the extension to the rest of Territory by the 2013 year.
- 4) Finally, it can be said that the process of decentralization of education system in Albania started with a good documentary basis, which have primarily been produced by foreign experts.

Chapter Three: Decentralization of Functions

3.1 Institutional framework

The pre-university education system is an area of development and social service delivery exercised as common function of Central Government and Local Government. The clear division of roles, competencies and tasks is a key issue in the whole decentralization process. In this context the strategic documents on decentralization (Policy Paper) defines the main institutions involved in implementation of decentralization, such as MES, Ministry of Interior (previously Ministry of Local Government), Ministry of Finance, Qarks, Municipalities and Communes. This section provides an overview of roles and responsibilities of all such institutions in pre-university education system.

The Strategy on Decentralization states that among central institutions **MES** has a leading role in the decentralization reform. Under MES responsibilities are functions such as management, coordination and monitoring of the whole process of decentralization. According to the Law “On Competencies and tasks of Education Institutions and Local Government Institutions for pre university education” the MES has competencies related definition of education structure, drafting curricula and methodological approaches, definition of evaluation systems, management of the process of drafting the text-books as well as their distribution to the education institutions, management of recruiting, qualification and promotion of teachers as well as their distribution to the education institutions, drafting and monitoring the implementation of programs for extension of the network of the education institutions countrywide and to provide the laboratory and didactic equipments to education institutions in order to ensure normal progress of the education process according the approved programs.

The **Local Government institutions** are responsible for guaranteeing the normal functioning of local education institutions, as well as the delivery of services for the obligatory, general and professional education. Their competencies are related to the services for the maintenance of education institutions. The local government entities in municipalities, communes and Qarks have the right to plan funds for investment in construction works or laboratory and didactic inventory from their own financing sources including donors that operate directly with respective Local Government Entities.

The Policy Paper on decentralization requires that the local government should be responsible in front of central government related the compliance with the standards set forth from central government related education service delivery. By the other side the local government entities are responsible to the community for delivering quality services according to these standards.

The **Qark**'s functions are related with establishment and implementation of regional policies and their harmonization with Government policies down to regional level. The Qark has the responsibility of drafting the investment plans in their respective region, as well as supporting individual investment program for each municipality and commune. This responsibility is delegated from MES to the Qark for public investment funds, as well as donor's contributions. However such responsibility is undertaken upon formal approval of investment program by MES. The Qark is also responsible for assuring the transportation of teachers and pupils according criteria's set forth by the Council of Ministers.

The **municipalities and communes** are the foundation of Local Governance and according the subsidiary principle they take the authority for substituting the competencies for services, maintenance, investment as well as regulatory and administrative.

As **conclusion** it can be said that despite the fact the MES has clearly a leading role in the process of decentralization reform on education still there are no clear division of responsibilities between Ministry of Interior (formerly Ministry of Local Government) and MES. Moreover competences of Qark form one side and municipalities and communes are not clearly stated and there some overlapping especially in terms of budgeting and investment program to support further investment on schools.

3.2 Division of functions

The division of functions and authority among central and local institutions participating in the process of decentralization is the most difficult issue. Since the process is very complex, the desired goals can be achieved only through a participatory approach of all parties involved. For instance the central agency in charge of curriculum development is responsible for developing mechanisms in order to involve teachers in consultation about further improvement in the curricula for their schools etc. The Pedagogic Institute will develop a bottom-up approach in the planning of in-service training with schools participating in the pilot and School Boards which role should be strengthened across the country through a clear definition of their roles in a decentralized environment.

The division of functions, responsibilities and authorities can be summarized in the Table 2 below. Functions are distributed according to the level they attach to such as central level, local level, as well as under the school authority. There are also some functions, namely de-concentrated that are attributed neither to central, local or school.

Table 2: **Division of responsibilities among central and local institutions**

	Functions	Central	De-concentrated	School	Local
1	Personnel				
1.1	Career				
	Policy and Criteria	X			
	Recruiting			X	
	Promotion	X			
	Transferring	X			
	Financing	X			
1.2	Qualification				
	Pre recruitment training	X			
	Planning of Post Training		X		
	Training while in service		X		
	Financing	X			
1.3	Teachers Work load and tasks				
	National Standards	X			
	Definition of number of staff per year /by functions		X		
	Job description		X		
1.4	Evaluation				
	Definition of Standards of Performance	X			
	Definition of Code of Ethics	X			
	Supervision	X			X
	Performance Evaluation	X			X
2	Non teaching staff				
	Standards	X			
	Recruiting				X
	Financing for obligatory education				X
	Financing for obligatory education		X		
3	Programs and curricula				
	Program definition	X		X	X

	Curricula development	X			
	Definition of horizontal and vertical relations for all subjects/classes and ages	X		X	X
	Performance Measuring tools	X		X	X
	Teachers qualification on curricula and new standards	X			
	Financing	X			
	4 Testing				
	Standards setting	X			
	Pupil performance evaluation	X			
	School performance evaluation	X			
	5 IT system in education				
	Data collection	X			X
	Data analysis	X			
	Reporting	X			X
	6 School books				
	Planning and selection of authors and publishers	X			
	Drafting and publishing	X			
	Production and dissemination		X		
	Beneficiaries opinion	X			X
	Evaluation	X			X
	Financing	X			
	Subvention	X			X
	7 Equipments and materials				
	Needs identification			X	
	Standards and procedures	X			
	Provision of equipments and materials (except laboratories)				X
	Maintenance and repair				X
	Financing	X			X
	8 School infrastructure				
	Standards definition	X			
	Realization of civil works				X
	Inspections	X			X
	Financing				X
	9 Maintenance				
	Standards definition	X			
	Realization of service				X

	Supervision				X
	Equipments renovation				X
	Financing				X
10	Planning				
	Territory division	X			X
	Licensing	X			
	Open/Closure				
	Public Schools	X			X
	No public schools	X			X
11	Transportation				
	Planning		X		
	Financing and realization		X		
12	Pupil registration				
	Definition of registration criteria	X			
	Planning and dissemination		X		X
13	Scholarships				
	Definition of standards	X			
	Planning in National Level	X			
	Financing	X			
	Identification and allocation to selected pupils and students				X

Table 2 shows that above out 66 functions 14 are the common functions of central level and the rest of 42 functions are responsibility of only Local Government. As it can be distinguished from able two functions related to personnel, evaluation, programs and curricula, testing, IT, school-books and scholarship will primarily a responsibility of central institutions. Locally, will be mainly decentralized functions related to provision of equipments and materials, recruitment of non-teaching staff, school infrastructure, pupil registration, and so like. School is expected to be jointly responsible with central institutions about development of curricula, and requiring of teachers.

3.3 Technical assistance

The establishment and strengthening the capacities of all parties involved in all levels of pre-university education is considered crucial to assure fulfilment of the objectives for the decentralization in education.

In this context, MES, with the assistance of World Bank, have identified training needs and respective costs to support the Decentralization Strategy. These assistance aims capacity building over the first phase decentralization process, which is related in completing the piloting phase of the road-map. Table 3 summarizes the overall technical assistance to support decentralization process.

Table 3: Technical assistance to support decentralization process

ACTIVITIES	Foreign TA (month)	Local TA (month)	Training programs (weeks)	Sources & equipment	Nr. Workshop	No. people	Responsible department	Cost estimation (USD)
Decentralization	12	24	13		26	150		282.750
Drafting guidelines for decentralized functions								
Clear functions and responsibilities	12	24						264.000
Processes and procedures for reporting and quality assurance								
Piloting the decentralization of education service (vertical)							MES	
Training teaching staff in regional, commune and school level			13		26	150	Schools, SHPM	18,750

Table 3 shows that technical assistance is programmes for a short period of time (piloting), without covering the period of implementation of decentralization programme. Secondly in this scheme are involved only central institutions and schools and not local government units such as Qark, municipalities and communes.

As a *conclusion* it can be said that Decentralization Strategy was not accompanied with a full list of activities to support decentralization process, as well as have been not identified relevant costs. Secondly local government entities have been not involve in the programme for capacity building, which make the programme very vulnerable if government will decide to speed up the process of decentralization.

3.4 Implementation of action plan

This Chapter contains results of decentralization through a detailed analysis of the implementation of road map of decentralization process, as it was foreseen in the Policy Paper and respective Framework Annex. As it is mentioned in the second Chapter the key element of decentralization process was the piloting phase. Taking in consideration

characteristics of the process, the managing capacities and the specific role of local government entities the experts in the Policy Paper have suggested that Municipality of Tirana to be entity in which the pilot-phase will start. Moreover, it has been identified 14 activities to be undertaken for starting the decentralization process.

Table 4 summarizes the status of all planned activities three years after they have programmed.

Table 4: Implementation status of planned activities

No.	ACTIVITIES	STATUS
1.	Establish a special MES directorate/unit for the decentralization of the Educational System with counterparts in the Ministry of Local Government and Decentralization and the Ministry of Finance	Completed
2.	Cost out and secure funding to implement the pilot.	Partially completed
3.	Select a team of local and international technical consultants that will support the MES unit for the duration of the pilot.	Completed
4.	In consultation with communes and municipalities, finalize decisions about the allocation of functions among different levels of government.	Completed
5.	For each function, define service standards and a <i>limited number</i> of indicators that can be used to measure whether service provision is meeting these standards	Partially completed
6.	Select localities taking part in each phase of the pilot according to transparent sampling criteria.	Not started
7.	Build consensus among central and local stakeholders on all aspects of the piloting program.	Partially completed
8.	Define job descriptions and performance criteria for each position involved in the pilot at school, local, and central agencies, and appoint personnel (list of names by positions) to those positions.	Partially completed
9.	Appoint School Boards and define their roles.	Just started
10.	Establish the organizational means and a calendar for measuring indicators of service provision.	Not started
11.	Using the indicators selected in step 5, collect baseline data for localities participating in the pilot for functions that have been or will be decentralized to these localities.	Not started
12.	Using the baseline data, agree with local governments and schools participating in the pilot on a results framework for the pilot, including performance targets for each function under local or school-level jurisdiction.	Not started
13.	Define funding criteria and funding procedures.	Completed
14.	Establish required legislation and regulations, including corrective mechanism.	Partially completed

Table 4 shows that out of 14 activities only 4 activities could be considered as completed, 5 others partially completed and 5 others not yet started or just started. A more carefully analysis of Table 4 shows that activities that have not yet started or just started are related with preparation of pilot-phase, as well as those related to monitoring indicators.

Chapter Four: Decentralization of Public Funds

4.1 Legal initiatives

In compliance to the decentralization in education, the Government of Albania has established a comprehensive legal framework to support the decentralization in education. The main legal act is the “Law No.8652 dated 31.07.2000 “On Organization and Functioning of Local Government”. In order to support Decentralization Strategy on pre-university education Council of Ministers approved on 04.10.2004 the Decision on “Decentralization policies in the pre-university education”.

Based on such act public funds for pre-university education were delegated in the form of unconditioned grant to the 22 Municipalities through respective Qarks. Such decision was supported by the Budget Law Nr. 9339 dated 21.12.2004 “On the State Budget for the fiscal year 2005”. Two important Guidelines respectively Guidelines No.1 dated 26.01.2005 “On implementation of investment budget for pre university education for 2005 fiscal year” and Guidelines Nr.2 dated 04.02.2005 “On implementation of local budget for 2005 fiscal year” accompanied the Budget Law were prepared to support decentralization process in pre-university education. These guidelines were drafted by MES, Ministry of Local Government and Ministry of Finance. The Guidelines details the 2005 budget funds destination, define the implementation procedures and responsible authorities as well as define the monitoring tools.

Based on the Article 102 of Constitution, Law No. 9464, dated 28.12. 2005 , “ For the 2006 state budget” the Minister of Education and Science and the Minister of Public Order agreed on common guideline of the process. The main topics are:

- 1 The Investment funds for pre university education for 22 Municipalities and Qark councils are allocated to state budget in form of “Conditioned grant for construction, reconstruction, equipments (furniture) and all other related services for pre university education”. These funds cover investment needs for pre university education.
- 2 Based on the Law 9339, dated 21.12.2004 “On 2005 State Budget” the main responsible institutions for detailing and managing the public investment for 2005 are 22 municipalities and Qark Councils. Ministry of Education and Science is responsible for preparation and submission of standards in reconstruction,

construction and equipments.

- 3 The Qark Council and Municipalities deposit at the treasury district branch the details of investment funds according objects. A copy of the respective decision should be sent to the Ministry of Education and Science, Ministry of Public Order, Ministry of Finance.
- 4 Public investment are set to be administered by the Local Administrative Units includes investment funds for new works, reconstruction, equipments (furniture) and other related services for the pre university education. The conditioned grant does not include funds for laboratory, PCs etc;

Apart the state budget funds, the local administrative units can use funds from local revenues to carry out investments in pre university education. In 2006 fiscal year based on the Article 102 of Constitution, Law Nr. 9464 “ On the 2006 state budget”, dated 28.12.2005, the decentralization in education was further extended to 34 Administrative units: 22 municipalities and 12 Communes . The Law was accompanied by “Common Guidelines on Decentralization in pre university Education, 2006” prepared by Ministry of Education, Ministry of Public Order, Ministry of Finance. The main topics of the 2006 guidelines are:

1. Definition of the public investment quotas by Qarks, Municipalities and Communes (Annex 3/1 of the 2006 Budget Law)
2. The main responsible institutions for detailing and management of Investment Budget for 2006 are 22 municipalities and 12 Communes (Annex 3 and 3/1 of Law 9464 “ On 2006 State Budget”, dated 28.12.2005. Ministry of Education and Science is responsible for preparation and submission of standards in reconstruction, construction and equipments.
3. The Qark Council and Municipalities deposit at the treasury district branch the details of investment funds according objects. A copy of the respective decision should be sent to the Ministry of Education and Science, Ministry of Public Order, Ministry of Finance.
4. The Investment Funds to be administered by the Local Administrative Units includes investment funds for new works, reconstruction, equipments (furniture) and other related services for the pre university education. The Conditioned grant does not include funds for laboratory , PCs etc ;
5. Apart state budget funds, the local administrative units can use funds from Local

Revenues to carry out investments in pre university education.

6. The 2006 Common Guideline was improved by including the Monitoring role of Ministry of Education

The main *conclusions* that can be taken by this analysis are:

- 1) Both Budget Laws for 2005 and 2006 intensified the process of decentralization. But at the same they have changed the terms of reference for the process of decentralization on pre-university education level set at the Decentralization Strategy.
- 2) New guidelines were covering mainly financial administrative of the process without taking in consideration capacity building in both central and local levels of administration.
- 3) The process of budgeting droved the process of decentralization and not vice-versa.

4.2 Analysis of investment

CRD carried out also a comprehensive analysis of the 2005 decentralization exercise in education based on the investment data provided by MOF and MOE as well as various interviews with the key experts concerned in the process. The main findings from the analysis of the 2005 exercise in decentralization of investments are shown on Table 5.

Tabela 5: **Conditional Grand: Distribution of investment for pre-university education according to Qarks and municipalities**

Keshillat e Qarqeve dhe Bashkite	Plani 2005	Realizimi 2005	Plani 2006	Realizimi P/F 2005%	Rritja 2006%
Keshilli i Qarkut Berat	54,371	50,021	62,980	92	14
Bashkia Berat	14,163	14,110	33,000	100	57
Bashkia Kucove	0	0	9,817		100
Bashkia Corovode	0	0	14,043		100
Keshilli I Qarkut Diber	33,990	20,539	66,000	60	49
Bashkia Peshkopi	20,696	20,696	26,000		20
Keshilli I Qarkut Durres	37,868	30,436	54,721	80	31
Bashkia Durres	18,952	18,820	60,000	99	68
Bashkia Kruje	0	0	7,079		100

Keshilli I Qarkut Elbasan	59,548	50,531	156,200	85	62
Bashkia Elbasan	24,862	22,396	60,000	90	59
Keshilli I Qarkut Fier	42,430	40,822	83,421	96	49
Bashkia Fier	41,885	40,851	50,000	98	16
Bashkia Lushnje	0	0	10,999		100
Keshilli I Qarkut Gjirokaster	27,819	27,036	31,992	97	13
Bashkia Gjirokaster	15,211	15,044	25,000	99	39
Bashkia Permet	0	0	6,058		100
Bashkia Tepelene	0	0	6,110		100
Keshilli I Qarkut Korce	45,416	40,865	98,049	90	54
Bashkia Korce	26,238	17,182	40,000	65	34
Bashkia Pogradec	0	0	12,031		100
Keshilli I Qarkut Kukes	15,912	0	47,400	0	66
Bashkia Kukes	20,713	20,333	57,000	98	64
Keshilli I Qarkut Lezhe	34,083	33,596	83,110	99	59
Bashkia Lezhe	13,207	12,703	25,000	96	47
Bashkia Lac	0	0	11,950		100
Keshilli I Qarkut Shkoder	46,293	41,189	115,320	89	60
Bashkia Shkoder	48,609	35,976	80,000	74	39
Keshilli Qarkut Tirane	289,974	274,773	192,834	95	-50
Bashkia Tirane	279,564	261,829	53,500	94	-423
Bashkia Kavaje	0	0	24,666		100
Keshilli Vlore	32,752	26,785	68,077	82	52
Bashkia Vlore	44,117	43,704	60,000	99	26
Bashkia Sarande	0	0	7,643		100
	1,288,673	1,160,237	1,740,000	90	26

Main conclusions that can be drawn from this table are:

- 1 The Qarks and Municipalities does not report regularly or refuse to report on allocation of funds from other sources than Central Government (Unconditioned grant) such utilization of Tax Revenues for education purpose as well as other donation that impedes MOE in budget planning and implementing the strategy ;
- 2 In more than 70% of cases evidenced has not been applied the priorities recommended from the Ministry of Education and Science.
- 3 In the majority of Qarks has resulted change of destination of Investment funds to maintenance purposes and not investment purpose and splitting of funds up in small portions for partial reconstruction purposes that in fact are merely used for maintenance purpose. For example there are about 20 small investments of the range

of 1 million leke sufficient to cover only small works;

- 4 The splitting of funds up and change of destination is more significant at the Municipality of Fier, Elbasan, Korce, Tirana, Vlore, Qark's Council of Durres, Elbasan, Korce, etc.
- 5 The number of New Construction is very small, about 12 compare to 158 reconstruction works. The biggest number of new construction is in the Tirana qark (7) and the rest in the Municipality of Durres (2) and Durres Qark (1) , Municipality of Shkodra(1) and Kukes (1);
- 6 Delays in implementation of procedures. As result a number of objects had not been tendered and funds have not been disbursed. The results of the 6 first months of 2006 evidence that only 2% of funds allocated were disbursed.

Chapter Five: Conclusions and Recommendations

Our research in the decentralization process showed various inconsistencies that have left ground to confusion and as result significant delays and sometimes failure to achieve the desired goals.

The main conclusions are:

- 1) The process of decentralization of education system in Albania was part of one National Strategy, namely NSESD. In this document is emphasized that decentralization of pre-university education system will be used in order to improve quality of education system in Albania.
- 2) With the support of international institutions, especially the World Bank, in 2003 have been drafted a specific strategy for the process of decentralization. This Strategy was accompanied with a Policy Paper and relevant Guidelines. All such documents provided a solid methodological background for starting decentralization process in Albania, including main principles, performance indicators and the road-map.
- 3) The main peculiarity of Decentralization Strategy is that the process of decentralization will follow a gradual approach, starting with a pilot phase in one urban area such as Tirana and than based on assessment of result a gradual extension after the 2007 year. According to such road map it was foreseen that over the period decentralization process to have been completed in only 50% of local government units and the extension to the rest of Territory by the 2013 year.
- 4) Finally, it can be said that the process of decentralization of education system in Albania started with a good documentary basis, which have primarily been produced by foreign experts.
- 5) Despite the fact the MES has clearly a leading role in the process of decentralization reform on education still there are no clear division of responsibilities between Ministry of Interior (formerly Ministry of Local Government) and MES. Moreover competences of Qark form one side and municipalities and communes are not clearly stated and there some overlapping especially in terms of budgeting and investment program to support further investment on schools.
- 6) Decentralization Strategy was not accompanied with a full list of activities to support decentralization process, as well as have been not identified relevant costs. Secondly local

government entities have been not involve in the programme for capacity building, which make the programme very vulnerable if government will decide to speed up the process of decentralization.

- 7) Both Budget Laws for 2005 and 2006 intensified the process of decentralization. But at the same they have changed the terms of reference for the process of decentralization on pre-university education level set at the Decentralization Strategy.
- 8) New guidelines were covering mainly financial administrative of the process without taking in consideration capacity building in both central and local levels of administration.
- 9) The process of budgeting droved the process of decentralization and not vice-versa.
- 10) The above situation has brought to confusion in legal documents that governs the processes and sometimes in creation of Gaps in Procedures and Regulations to be followed, in roles and responsibilities of various Central and Local Institutions involved.
- 11) Another problem that comes from the lack of Decentralization Law is the undefined legal status of assets of primary schools as result it does not exist an inventory of school assets with details on items, amortization rates etc. that would be the basis for evaluation and planning the further investment decisions.
- 12) The decentralization of investment has been implemented faster than establishment of grounds (Legal Framework and Capacities) that could assure efficiency in funds utilization.
- 13) The Central Government didn't have sufficient time to consult and discuss with the Local Authorities, schools and school boards about the division of functions proposed in the policy Paper for Decentralization. It is crucial that the Basic Strategic Documents and all other documents to be discussed with all actors involved in all government level as well as civil society.
- 14) Lack of management skills in identification and defining priorities.
- 15) The process intended to accompany by Capacity Building interventions in order to prepare the responsible administrative units to handle the process. As a matter of fact these efforts have been weak or inexistent. All experts interviewed at the Ministry of Education, Ministry of Finance etc. share the common opinion that the lack of management skills at Boards in Council Qarks and Municipalities in identification and defining priorities in investment are the major concerns in efficiency of funds utilized. This has brought to splitting up of funds to many destinations. Another issue identified related subject is that Local Administrative Boards have been unable to escape from the

psychology of “satisfying all “that comes from the social / family relationships in the small places.

- 16) Lack of reporting obligation and auditing. A significant bottleneck in the process is lack of reporting obligation from Local Government Bodies related their decisions and implementation to the MOE. Thus justifying with the decentralization principles the Local Government Bodies reject to inform MOE related funds allocated from various sources (Local Revenues, donation etc) that are important for information and coordination purposes in macro level, reject to take into consideration the suggestion from MOE related funds utilization, reject to report on funds disbursement etc. In our opinion, as above accompanied with insufficient and unclear Auditing procedures has allowed the process to develop in a chaotic mode.