



## Improving financial management for the partner units of Intercooperation

### Context

Since 2000 there are a lot of reforms undertaken in Albania in public finance field. Transformation from a system where the local functions were not clear and most of the funds were secured through conditional grants that were quite under control, to a decentralized system where the local functions are more clear and local units have more autonomy and discretion.

### The Goal

The goal of this project was providing assistance for a better management of public finances according to the requisites of the law for designing the medium term budgeted program. The most important product was building a model (database) that serves to the financial analysis.

### The main activities

1. Enabling the local units in defining the priorities as realistic as possible
2. Enabling these units in forecasting the incomes and expenditures levels
3. Assisting and offering facilitative methods to these units in collecting and processing the information
4. Identification of all possible natural and human potential resources upon which development of local units can be based
5. Establishment of a collaboration network (expert network) between the local units and actors involved in these developing processes
6. Enabling the local units in building up fiscal capacities and better management of these capacities
7. Design and usage of a database which saves the financial data and allows predicting their change in 1-3 years period.



### Results achieved

- o 2 complete budget documents were prepared in communes Velipoje and Dajc, in collaboration with URI, which are simple and easy to understand.

#### The document contains:

- Analysis of incomes and expenditures for 3 previous years
- Simple presentation associated with graphics for the tendencies in the past, of the structure of incomes, problems of not realizing the budget
- Focus on forecasting the budget 2009 based only over that part of funds that is under discretion of local units, assuming the same service level as in the past year, inflation and changes in legislation.
- Preparation of budget draft 2009 for the council (instructions and figures of budget 2009 were presented from the Ministry in December and the drafts were altered in order to facilitate their approval at the end of December or at the beginning of January not in November as stated by law)
- o At Shkodra municipality we prepared a summary draft for the budget 2009, around 20 pages. (Prepared material from the staff was around 160 pages, too much volume and not concrete objectives). This helped a lot in the discussion session of the draft with the economic commission of the council. This draft accompanied by a PowerPoint

presentation facilitated the approval process of the budget 2009 at the council.

- o Additionally at Shkodra municipality, after approval of the budget, it was prepared a material in a newspaper form for informing and publishing the budget. This newspaper included the most important objectives of the budget 2009, fiscal policies and some exceptions for some groups, as well as the most important investments that will affect the infrastructure.

### MAIN FACTS

#### PARTNERS:

- ✓ SwissCooperation/Inter cooperation, DLDP project

#### DURATION:

2008 - 2009

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### About URI

Since 1999 the Urban Research Institute (URI) has been delivering big results for development projects and programmers carried out throughout Albania. Our core business focuses on community development, local government strengthening, environmental protection, decentralization, and public services. We conduct studies, lobby the government, train local government units, increase public access to information, and connect development partners. URI has worked with donors such as USAID, Swiss Cooperation, the Netherlands Embassy, UNDP, World Bank, EU, SIDA, Open Society/Soros Foundation, etc.