



# Tirana Creditworthiness Enhancement Programme (CEP)

## Context

EBRD has launched the Tirana Creditworthiness Enhancement Programme (CEP) to provide the City of Tirana with technical assistance in the area of financial management. The project aims to generate a sufficient budget surplus, have sufficient money to make debt repayments and service the loan (including interest), and stabilize and maintain this situation for the loan repayment period. The Tirana Creditworthiness Enhancement Programme is in line with the fiscal decentralization framework of Albanian government while it is considered by the City of Tirana not only as a program of technical assistance in servicing the loan, but also as a program for strengthening the financial management capacity of the City of Tirana before entering into the internal and external financial markets.

## The Goal

The goal of the Tirana Creditworthiness Enhancement Program is to generate a sufficient budget surplus, have sufficient money to make debt repayments and service the loan (including interest), and stabilize and maintain this situation for the loan repayment period. The approach to reach the goal assumes that the strengthening of creditworthiness will be achieved through improved financial management after introducing the best international municipal finance management practices.



## The main activities

1. Trainings and capacity building of the municipality staff for evaluating the financial situation and the long-term prediction of incomes/expenditures.
2. The evaluation of the fiscal capacity of the municipality of Tirana for loan taking.
3. The automated projection of the financial evaluations.

In this regard, CEP is seen by the City of Tirana not only as a program of technical assistance in servicing the loan, but furthermore as a program of strengthening the financial management capacity of the City of Tirana before entering into the internal and external financial markets. The new instrument of financing the city's capital investments using loans will allow the city to accelerate its infrastructure investments and development. It will result in significant increase of infrastructure service

quality thus improving living standards of citizens.

## MAIN FACTS

### PARTNERS:

- ✓ The European Bank for Reconstruction and Development (BERZH)/Tirana Municipality

### DURATION:

2006 - 2007

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