



COUNCIL OF EUROPE    CONSEIL DE L'EUROPE

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**EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW**  
**(VENICE COMMISSION)**

**DRAFT LAW**  
**ON THE CRITERIA AND CONDITIONS**  
**TO BE ESTABLISHED**  
**FOR THE REORGANIZATION**  
**OF THE ADMINISTRATIVE TERRITORIAL DIVISION**  
**OF THE REPUBLIC OF ALBANIA**

**REPUBLIC OF ALBANIA  
ASSEMBLY**

**D R A F T L A W  
No.   Date**

**ON THE CRITERIA AND CONDITIONS TO BE ESTABLISHED  
FOR THE REORGANIZATION  
OF THE ADMINISTRATIVE TERRITORIAL DIVISION  
OF THE REPUBLIC OF ALBANIA**

In line with articles 78 and 83, point 1 of the Constitution of the Republic of Albania, on the proposal of the Council of Ministers,

**THE ASSEMBLY  
OF THE REPUBLIC OF ALBANIA**

D E C I D E D

**ARTICLE 1  
Purpose**

The purpose of this law is to determine the criteria needed for the assessment of the effectiveness of local units to be merged and the assessment of alternative solutions of the merging, to determine the necessary conditions for the reorganization of the administrative territorial division of the Republic of Albania, as well as the instruments and timeframes needed for the achievement of this purpose.

**ARTICLE 2  
Definitions**

Within the meaning of this law:

“Operational expenditures of the administration” – means 40% of the fund allocated for salaries and social insurance of the local unit.

“Expenditures of the administration” – means the arithmetical sum of the fund for salaries of the local unit, social insurance and operational expenditures of the administration.

“Total expenditures” – means the total sum of administration expenditures during a budgetary year.

“Expenditures of the local administration” – means the ratio between the expenditures of the local administration and the total expenditures.

“Population of the local unit” – means the calculation based on the number of the population according to the civil status office of 1<sup>st</sup> January 2004 and according to the registration of the population and the residencies carried out on 2001.

**ARTICLE 3**  
**The criteria of inefficiency**

1. A local government unit will be considered inefficient when:
  - a. The population of the local unit is under 7,000 inhabitants;
  - b. Local administration cost for the year 2002/2003 is over 40 per cent;
  - c. Own incomes toward total budget of the local unit for the year 2003 are under ten percent.
2. The above criteria are implemented into a system and the local units are considered inefficient only in case they fulfill the three criteria all together.

**ARTICLE 4**  
**The criteria to assess the alternative solution for merging**

Basic criteria to assess the alternative solutions for obligatory merging of inefficient local units according to Article 3, are as follows:

- a. The merging may not affect the actual boundaries of the regions.
- b. The population of the merged local unit should exceed 5000 inhabitants.
- c. The distance of peripheral residences inhabited areas should be less than 20 kilometres from the centre of the local unit.
- d. The local units to be merged should have traditional, historical and geographical links.

**ARTICLE 5**  
**The conditions to promote the voluntary merging**

In order to promote the voluntary merging of local units during the transitory process of the reform, the local units to be voluntarily merged will be subsidized by the state through:

- a. The increase of the unconditional grant with 10% of the calculated sum, according to the conditions of the respective year for the respective local unit, for the three coming years, without using the grant designated for other local units. For this purpose, the changes in the formula of the allocation of the unconditional grant to the local government should be foreseen.
- b. Priorities in the allocation of the conditional grant for investments by making obligatory the financing with these funds of local units willing to get merged.
- c. Direct investments of the Government, focusing on the improvement of national infrastructure, in the areas that will be affected by the voluntary territorial reorganization.

**ARTICLE 6**  
**Intergovernmental Commission for the Territorial Reform**

1. In order to accomplish the process and designing of the new administrative territorial map in real time, an the Intergovernmental Commission for the Territorial Reform chaired by the Minister of the Local Government is set up. The composition of this Commission is as follows:

- |                            |        |
|----------------------------|--------|
| - Vice Minister of Finance | Member |
| - Vice Minister of Economy | Member |

- Vice Minister of Territorial Adjustment and Tourism	Member
- Vice Minister of Transport and Telecommunication	Member
- Vice Minister of Agriculture and Food	Member
- Chair of the Albanian Association of Municipalities	Member
- Chair of the Albanian Association of Communes	Member
- Chair of the Albanian Association of Regions	Member
- Representative of Academy of Sciences (Institute for Geographical Studies)	Member
- Director of Statistics Institute	Member

2. The Commission functions according to the Law No. 8480, dated 27.05.1999 "On the functioning of collegial bodies of state administration and public entities". It takes decisions based on the criteria determined in this law and guarantees the fulfillment of these criteria.

The chairman calls the first meeting of this Commission within a week from the date this law becomes effective.

3. The functioning of this Commission terminates after the new administrative territorial map of the Republic of Albania is designed.

4. The administration of the Ministry of Local Government and Decentralization serves as the Secretariat of Commission.

#### **ARTICLE 7** **Deadlines**

1. Within April 2004, the Commission should design the preliminary map that determines the new borders and present it to the interested local units.

2. Until June 2004, the interested local governments should send the proposals coming out from the local consultations to the Commission.

3. In July 2004, the Commission should draft the final proposal and necessary instructions for the voluntary merging process.

4. Within September 2004 – April 2005, the local units should prepare and submit their proposals for voluntary merging to the Commission.

5. In May 2005, the Commission should submit for approval the new map of the administrative territorial division to the Assembly of Republic of Albania.

#### **Article 8**

This law enters into force 15 days after the publication in the Official Gazette.