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PARTICIPATORY BUDGETING AND SOCIAL AUDIT IN LOCAL GOVERNMENT

NEW MECHANISMS STRENGTHENING
TRANSPARENCY AND GOOD GOVERNANCE



IMPROVING BUDGET TRANSPARENCY AT
LOCAL LEVEL THROUGH SOCIAL AUDITING



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**Participatory Budgeting and Social Audit in Local Government:
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1. Introduction

In 2014, Albanian Parliament approved the Territorial and Administrative Reform (TAR), thus reconfiguring local governmental units and designating new functions within a more integrated process. One of the main novelties presented by this reform rests in the diminished number of Local Governmental Units, from 373 to 61 municipalities. The main strategic objective of this change was to increase government efficiency of Albania's public administration system at local level. The new system came into force and was tested practically in the local elections of 2015, when the new municipalities emerging from elections had to drastically change their vision and operational capabilities. Following the implementation of ART, the Albanian government framed and adopted a Cross-Sector Strategy of Decentralization and Local Government (CSSDLG) for the upcoming 2015-2020 period. This new strategy identifies the priorities and objectives of local government for the reformed structures. One of the main underlying objectives of CSSDLG strategy is fiscal decentralization, offering more independence and financial competencies to the local government units.¹ According to the new strategy the goal of fiscal decentralization is to support financial programmes at local level and create better opportunities for local governmental units to have access to a larger pool of financial resources, in order to fulfill their functions, objectives and competencies in a more efficient and sustainable way. In this way, all Albanian municipalities, as central units of geographical organization of the territory, have gained broader autonomy and independence, as well as larger funds to manage. The new situation shaped by the Territorial and Administrative Reform, along with the strategic objectives of CSSDLG, helped create the necessary environment for mechanism of intervention and control to ensure that the new competences are carried out in full compliance with the legislative framework in power.

These new conditions, combined with the laws on the right to information and public consultancy, have generated a momentum for the activist and citizen groups of local communities to embark on a more proactive way in monitoring and guaranteeing the consistency of budget forecasts with

¹ See www.reformaterritoriale.al (18/05/2017)

their implementation on the ground. For the first time the new law on the right to information lists all forms of information that a public institution is obligated to display in its official webpage or other internet sources (such as social media). Financial transparency (including public procurements) has thus become a specific request. Furthermore, the new law unlike with the previous one foresees administrative penalties for all institutions that don't comply with it. It requests all public institutions to appoint a coordinator for the right to free information. The coordinator deals specifically with requests from all interested parties about information regarding various fields of activity for the institution he represent. Although the level of compliance with the law on public information remains low at local level, it nevertheless offers an efficient mechanism to citizens, which can increase transparency and accountability of elected officials in public institutions.

Taking into consideration the combination of the above-mentioned processes over the period following approval of the territorial reform, we can notice the necessity to strengthen transparency and accountability on local level. Improving capacities of municipalities' officials to implement laws and to increase their responsiveness towards citizens, as well as strengthening citizens' voice, are more and more at the center of all democratization efforts at local government. This process of democratization is an immediate necessity not only in Albania but also in virtually all countries of the region. It will boost an open transparent and accountable local government, together with civic activism.

Although local democracy has been a constant priority of consecutive Albanian governments during and after the '90s, building sound and active civic structures has proved frequently a very challenging burden for institutional stakeholders. This project undertaken by the Foundation for Economic Freedom aimed to bridge this gap through a series of successful initiatives in four new and existing municipalities. These newly established initiatives are paving the way for a more institutionalized dialogue between local activists and institutional stakeholders, combining in practice two processes: participatory budgeting and social audit as mechanism of control and public transparency.

2. Participatory budgeting

Participatory budgeting is a new mechanism that many new democracies of Southeast Europe and the Balkans have recently relied on during their long and complicated transitions to democracy. As a concept, participatory budgeting was shaped especially during the last two decades, aiming to boost active engagement and bringing local communities closer to the decision-making process of public budgeting.² Participatory budgeting is part of participatory government and can adapt to different socio-cultural contexts, institutionalizing civic activism during the various budgeting stages at local level. As such, it strengthens citizens' voice in decision-making on budget allocation and contributes to improve transparency, efficiency and accountability in public investments. This mechanism is rapidly becoming even in Albania a key instrument for the education and empowerment of local non-governmental actors to demand good-governance. In the new municipalities of Belsh, Malësi e Madhe and Roskovec, born after the last territorial reconfiguration, as well as in the existing municipality of Shijak, this instrument is now even more present and institutionalized.

Democratization of local governance can only be understood when citizens are aware and participate in all processes of decision-making, especially in those related to local investments, as for example with the budget allocation of local investments. Thus participatory budgeting becomes a process of democratic debates and decision-making, a form of participatory democracy, where local community influences the distribution of a part or of the whole local budget, making all actors aware for each-other importance in a democratic process.

In line with this approach, a widely accepted definition of participatory budgeting encounters a series of difficulties, emanating first and foremost from the heterogeneous nature of socio-cultural and economic contexts where it is implemented. However it can be defined as the process of priority setting and common decision-making between community and local authorities on the allocation of public investments.³

2 Shah, P. & Wagle, S. (2003). *Participatory Approaches in Budgeting and Public Expenditure Management*. Social Development Notes. Washington: The World Bank.

3 www.worldbank.org/participation/sdn/sdn71.pdf (May 15, 2017).

Participatory budgeting results a financial practice that helps increase citizens' participation in decision-making processes and significantly improves accountability and transparency in administrating financial issues, thus guaranteeing a more equal distribution of investments.

From a more historical perspective, participatory budgeting was first seen in Brazil, as part of efforts from non-governmental actors to overcome the long tradition of patronage politics, social inequality and corruption. Brazilian government, civil society and community activists were mobilized to figure out the most efficient way to increase transparency and citizens' voice on political decisions. So when in 1989 in Porto Allegre the Labor Party won elections, the new government introduced a series of instruments to overcome fiscal restrictions, to reorient capital investments and improve local services for low income groups, conceding citizens a larger part in decision-making. Following this approach, citizens became an active part in setting investment priorities, especially linked to infrastructural projects. This approach quickly became the main policymaking method at local level and went on even after the governmental majority changed. This experimental phase continued until 1997'98, followed by an expansion of this decision-making model out of the country, in virtually all new and fragile democracies.⁴ In order to explain the transformation of participatory budgeting methodology from a mechanism to fight corruption in a standard instrument of local and national democratic empowerment, we can use the approach World Bank during after the '90s. During this period the Bank was involved to transform participatory budgeting in a *tool of conditionality*, upon the fulfillment of which, the World Bank was delivering development funds. This expanded the methods and know-how about participatory budgeting, enriching previous experiences on this field. Later participatory budgeting expanded in European Union countries, with an increasingly number of cities participating in pilot programmes. In Albania, participatory budgeting was initially developed through pilot projects financed by international donors (in certain local units, such as Prrenjas, Baldushk, Kashar and Elbasan). Actually participatory budgeting is applied in more than 1.800 cities

4 PGU-AL (2004). *Participatory Budgeting: Conceptual Framework and Analysis of its Contribution to Urban Governance and the Millennium Development Goals*. UN-HABITAT/UNDP. www.pgualc.org/es/data/files/download/PDF/ConceptPaper.pdf (May 15, 2017).

throughout the world, with local and regional methodologies, not only in urban but also in rural areas.⁵

Participatory budgeting quickly transformed into an innovative instrument of local government, because of its capacity to contribute in fostering democracy and strengthening governmental decentralization. It offers a possibility to build bridges between local government, civil society and the private sector. In all countries and regions where participatory budgeting was implemented, it resulted in greater participation of civil society in decision-making, fostering respect for the rule of law, security and public accountability of local institutions. These actions have produced better results in the public services offered, prioritizing social policies, strengthening decentralization efforts, reducing corruption, increasing transparency and exchanging information.

In a broader sense, good governance means setting mechanisms to improve and boost local representative democracy through using participation in decision-making processes (such as budgeting), especially with the participation of poorer groups, thus contributing to shape a broader consensus and building bridges of collaboration within local societies.⁶ When this mechanism obtains tangible success, it helps to foster local democratic processes and to eliminate exclusion at local level.

On a grassroot level, participatory budgeting improves the equal inclusion of citizens in basic services and goods, such as shelter, potable water and sanitations. It focuses usually on institutional priorities and actions in support of poorest groups, such as preferential policies on water and energy price. It includes representatives from all groups, without any age, gender, ethnic or religious affiliation, when setting priorities and taking decisions for resource allocation. For this reason, in most cases positive discrimination mechanisms are set to guarantee women involvement or the engagement of other vulnerable groups or minorities, as part of budgetary politics. Their participation is seen as a key element when allocating resources based on the affirmative action principle.

5 Shah, P. & Wagle, S. *ibid.*

6 Involving Citizens in Public Budgeting Mechanisms. www.partners.net/images/partners/English.pdf (April 20, 2017)

On the other side, there are a series of preconditions to be fulfilled preliminarily, for participatory budgeting to succeed. Local governmental units must be financially sound and careful when administrating income and expenditure. This requires a higher public responsiveness for the administration of services and capacities, based on the comparative advantages of government, private sector and community to contribute in urban and rural economy. In this sense the practice of participatory budgeting becomes a key element in increasing efficiency of public services and for the promotion of higher quality services and local economic development. Incentives to improve the transparency and quality of public services offered, affect directly the efficiency of collection of local tax and other incomes.

At the same time, participatory budgeting displays a community security dimension. Insecurity influences further marginalization of poorer communities and in deepening the cycle of poverty, producing more inequality and elevated potential for social conflicts. Participatory budgeting offers a good-governance mechanism with an enhanced potential to the right redistribution of public investments, contributing to conflict resolution through building social consensus. This new form of inclusion of the marginalized groups in local government diminishes any violence potential against marginalized groups and predicates a new culture of peace and good-governance especially in multicultural or multi-ethnic societies.

Some of the main features of participatory budgeting include:

- i) geographical structures that make use of the current administrative divisions facilitating civic engagement, as was the case in the Municipalities of Roskovec and Belsh (analyzed during various implementation stages of this project) that made possible citizens' participation and inclusion in the decision-making process of budget allocation;
- ii) regular meetings and debates on each geographical unit (as in the case of Malësi e Madhe and Shijak) for the citizens' involvement in discussion to set strategic priorities for capital investments and services, for the development of action plans and evaluation and monitoring processes for their activities, in order to supplement the existing representative structures of local democracy;

- iii) setting the agenda priorities and a group of activities to pay closer attention to the whole local budget cycle, offering a framework to participate in its planning and implementation, as proposed in all meetings with the municipalities involved in this study;
- iv) a network of organizations and community actors or local civil society engaged in capacity building, dissemination of information, public communication and civic engagement.

Potential benefits from participatory budgeting for the municipalities of Roskovec, Shijak, Belsh and Malësi e Madhe are linked to increasing efficiency in budget allocation, improving transparency and accountability, boosting social inclusion and reducing poverty.

3. Social Audit and Social Media as instruments to improve transparency in participatory budgeting

Social audit is the process through which individuals (including final beneficiaries of each scheme, program, policy or law) are empowered to audit schemes, programmes, policies or laws. It includes those offering the service as well as those using it, and aims to systematically investigate the impact of a project or service, comparing real benefits with expected outcomes, analyzing at the same time unpredicted or unexpected consequences. Social audits can take various forms and cover a wide range of actors and practices.⁷ They might be undertaken independently from civil society organizations or in collaboration with governing actors or institutions. Social audits start frequently as civil society's initiatives, to evolve in efforts for long-term cooperation and institutionalized dialogue, when governmental actors at central or local level realize the benefits from social audit and its methodology.

Social media is a new form of social audit. It enjoys an overwhelming power in today's world. It makes social audit a quicker, more efficient, direct and

⁷ Wampler, B. & Mike, T. (2014). Improving Social Well Being Through New Democratic Institutions. *Comparative Political Studies*. Vol. 47(10), 1442-1469.

comprehensive process. The diffusion of social media at governmental actors in local and central level strengthens this argument even more.

Social audit guarantees a series of advantages to empower local democracy. Through social audit, reinforced by the use of social media, we might guarantee full transparency in decision-making, combined with the obligation of government to give citizens full access to the information they need. Social audit relies on the concept of active civil society and community participation in central or local government decision-making process. It contributes specifically in the concept of representative participatory. In cases when available options of auditing are determined by necessity, social audit refers also to the right of affected citizens to give their consent. At the same time, social audit enhances local government accountability in participatory budgeting, as a direct reaction of elected representatives (at local or central level) to respond to all affected individuals from specific actions.

The methodology of implementation of social audit is based on various techniques, taking into consideration the nature of each program or service audited. Especially in the case of social media and internet, these practices are shaped within a virtual framework too. Key ingredients of social audit methodology include the following components. First a preliminary work on the field. This preliminary work requires the identification of social audit goal that can be achieved through various social media mechanisms (Facebook/Twitter). The goal of social audit might be an organization, a programme, a project, a component of a public contract, a public bill, etc. It is followed by the establishment of a work group to plan, implement and oversight social audit (on social media). Furthermore, methodological components of this first stage include: creating dedicated accounts enriched with local key actors and important members of local communities; the development of knowledge about administrative structures and for the responsibilities of key agencies and actors; a full knowledge of the law for the right to information; developing performance indicators through consultation with key local actors in the field; organizing an awareness campaign on the goals and benefits of social audit using media, public forums, field visits, similar internet webpages or similar initiatives on social media.

The second methodological stage of social audit is linked to information

gathering and elaboration. Accumulating and elaborating information is closely linked to access on public documents for specific issues, such as financial data, public bills, technical projects and information regarding the winners of public bills. In this phase, efforts should focus on receiving original documents, not second hand reports. Furthermore, all the information gathered – such as photos, interviews with local actors, video with information from the field – is then exposed in the online social media or other webpages. An important part of this phase is linked to accumulating information from key actors on their perceptions and experiences through polls, focus-groups, community meetings, etc.⁸ The process of gathering information might also serve to inform key actors and other community members on the problem or issue at hand, which would serve to mobilize local public opinion and increase the pressure and need for change. The last element of this phase is data analysis, which might need a more specialized assistance.

The third phase of social audit methodology is public awareness and data informed dialogue. This can be achieved through: i) developing a communication strategy to disseminate the findings and results through social media, posting in various forums, creating dedicated blogs, etc; ii) community meetings to discuss the findings and formulate proposals to give concrete solutions; iii) calling for meetings with public authorities to discuss evidence and plan the implementation of possible changes in favor of local communities.

The fourth methodological phase of social audit is also known as “*Follow-up*”. During this phase, social audit findings may serve to present and highlight the problems through social media and to undertake advocative and lobbying initiatives to address specific examples of mismanagement and corruption, as well as wider issues of policymaking. During this phase it is also needed specialized training and support of community members to undertake social audits in the future. This is essentially an effort to institutionalize social audits within local government structures.

Benefits from social audit are linked mainly to increased public awareness and public understanding of problems emanating from mismanagement or from the challenges of implementing participatory budgeting. Social audit helps promote

8 (2005) *Auditing for Social Change: A Strategy for Citizen Engagement in the Public Sector Accountability*. New York: United Nations/Department of Economic and Social Affairs.

and encourage citizens' participation and community voice through making possible for member of local community to offer *feedback*, gather data, interpret findings and develop options for possible solutions. In this way, social audit serves as a very effective mechanism that promotes social democracy and collective decision-making. Social audit strengthens the understanding of local concerns from policymakers as well and encourages them also to take all necessary measures to address the problems. It increases community awareness of the power that social media have to strengthen local democracy and help improve local programmes and services. After they are institutionalize, social audits enable constant monitoring of public institutions, strengthening the legitimacy of state actors and increase trust between citizens and non-governmental actors and government. Social audits can thus contribute to increase transparency through access to information and making use of the right to information.

The implementation of social audit from local communities or non-governmental organizations might require substantial technical assistance, especially for training local capacities on how to manage social media for social audit purposes. It also creates the need for capacity training in data analysis and evaluation. Crucial for any success or failure of a social audit process is access to public data and information. Guaranteeing results might depend from interventions from local officials.

But problems remain and persist, especially for cases when public data are incomplete or inaccurate. But in these cases social audits might count on information from the users of services, or from users of the infrastructure built. From a conflict management perspective, social audits might cause conflicts between different interest groups, adding political dimensions to local issues or problems. Therefore conflict management should also be part of solutions, focusing in solving issues, not on the distribution of responsibilities.

4. The Administrative and Territorial Reform in Albania and its impact on transparency and local good governance

A historical change for the administrative and territorial organization of Albania occurred on 2014. In July 2014 the Albanian Parliament adopted the Law No. 115/2014 “For the administrative and territorial division of local governmental units of the Republic of Albania”. The new territorial division ended the extreme fragmentation of the country, geographically organizing from now on the territory and local government in only 61 municipalities.

Territorial and Administrative Reform marks also a drastic change in the domestic juridical, economic and administrative organization that brought to an end a very difficult democratic transition in relation to local management and self-governance. The reform was not only a necessity for Albania, but also a continuous demand of the most important European and international organization where the country is or aims to be part. In its Progress Report of 2012, the European Commission noted that: “*Regarding local government there has been no progress in the territorial and administrative reform. The small local units are frequently economically unstable.*”⁹ European Union has been continuously devoted to implementing the reform and encouraged all Albanian governments after 2000 to bring it to life. The reform continued to be an important part of later Progress Reports, such as the one of 2013, where Commission noted that: “*with regard to local autonomy the territorial and administrative reform and decentralization have shown limited progress.*”¹⁰ On the other side, Council of Europe, an international organization focused in its day-to-day work especially into the processes of local good governance, in its Recommendation to Albania (No. 349/2013) (7/a) notes specifically the need:

9 The full report can be found at: www.akti.gov.al/documents/al_rapport_2012_en.pdf (parë për herë të fundit në 15 Maj, 2017).

10 The full report can be found at: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2013/package/al_rapport_2013.pdf (May 15, 2017).

“to intensify the process of decentralization in the light of the European Charter of Local Government and the recommendations of the Congress, and to start a reform of the whole territorial system. This reform will allow municipalities and other smaller units to fulfill their duties, especially in the field of space development of their territories and urban planning.” The need to reform local government and the Albanian administrative system as a precondition for democratization and increased accountability and transparency at local level, has been also stressed by the Organization for Security and Cooperation in Europe (OSCE). According to OSCE: *“in conformity with the European Charter of Local Autonomy of the Council of Europe, the reform should guarantee political, administrative and financial autonomy for local governments. Furthermore, there is an essential need for measures to guarantee that the decision-making process for this reform is transparent, all-inclusive and consensual.”*

From a juridical perspective, the drawing and implementation of the TAR was completed in full compliance with the legal requisitions defined in: i) the Albanian Constitution; ii) the Charter of European Local Autonomy; iii) the Law No. 8652, 31.07.2000 “For the Organization and Operation of Local Government” (with amendments)¹¹; and iv) with the Recommendation (2004) 12 of the Council of Europe’s Ministerial Committee for the process of structural reforms of local and regional authorities. The new organization aims to empower municipalities increasing their capacities to offer public services of higher quality for their citizens and their efficiency in resource management. During the first short period of life TAR has already shown an increase in the administration efficiency and professionalism to offer better and contemporary services to their citizens. The administrative units will keep offering basic services for each citizen of the new municipality. TAR improved already the sector of public services making them more efficient and increasing the incomes from local taxes and tariffs. These changes helped improve and boost a local stable economic development.

TAR strengthened local government through decentralization of a number of functions and competences and the allocation of more public funds. With the new organization of Albanian territory in 61 municipalities, the local government

¹¹ The full Law can be found at: http://observator.org.al/wp-content/uploads/2015/11/Ligj_8652_31.07.2000_per_organizimin_e_qeverisjes_vendore.pdf (May 15, 2017).

has more possibilities to take part in projects of international cooperation, to attract more funds and investments from European Union and other donors, or to negotiate with central government for various issues. Therefore, Article 1 of the new Law (115/2014) on the administrative and territorial division determines the number of 12 regions and 61 municipalities.¹² The territorial and administrative division of regions remains unchanged, at 12 regions. Article 2 of the Law refers to the centers of new municipalities, to their territorial expansion and sub-divisions. Article 3 specify the transitory dispositions of the new bill and foresees that elected organs of local government units to keep practicing their four year mandate. In this regard, the new territorial division extended its effects in the last elections, not affecting local elected officials.

¹² The full Law can be found at: www.qbz.gov.al/botime/fletore_zyrtare/2014/PDF-2014/137-2014.pdf (May 15 2017).

5. The National Strategic Framework: the Cross-Cutting Strategy of Decentralization and Local Governance, 2014-2020

TAR was followed by the National Cross-Cutting Strategy for Decentralization and Local Governance (2014-2020) (NCCSDLG).¹³ From the perspective of strategic harmonization, NCCSDLG objectives and goals are fully compatible with the overarching objectives of the National Strategy for Development and Integration, 2014-2020.¹⁴

One of the more important objectives of NCCSDLG is connected closely to increasing transparency and accountability in local government through boosting citizens' participation in decision-making. NCCSDLG offers a comprehensive approach to decentralization and local government in compliance with: i) the principles of European Charter for Local Autonomy; ii) the principles of local government detailed in the document of European Administrative Area aiming to guarantee political, administrative and fiscal decentralization; iii) the Integrated Planning System aiming at a better harmonization of sectorial and cross-sector strategies, articulated in the National Strategy for Development and Integration, 2014-2020. Despite the change of law, until today there has been no change in the main categories of functions for Local Government Units. They include: i) infrastructure and public services; ii) local economic development; iii) social and cultural functions; iv) and civil/communitarian security.

The main and final goal of TAR is to increase the efficiency, quality and service standards of local administration, together with a better development of the territory, generating larger human and financial resources, adding responsibilities and competences at local level and offering a new orientation to a more transparent and inclusive involvement of local actors. Among of *the main strategic objectives* of the decentralization and local governance reform are: i) increasing the overall efficiency of local governmental structures; ii) consolidating local finances and improving fiscal autonomy; iii) reforming the system of how local income is generated and improving financial management at local level; iv)

13 www.qbz.gov.al/botime/fletore_zyrtare/2015/PDF-2015/147-2015.pdf (May 15, 2017).

14 www.kryeministria.al/al/newsroom/plane-pune-dhe-strategjite/strategjia-kombetare-per-zhvillim-dhe-integrim-2015-2020 (May 15 2017).

stimulating a sustainable development at local level; vi) improving the capacities of local government units. Some of *the main specific objectives* of the strategy include: i) administrative and financial consolidation of all 61 municipalities after the entry into force of the new law of administrative and territorial division; ii) institutional and infrastructural support for all 12 regions and 61 new municipalities after the local elections of 2015; iii) strengthening the decision-making and monitoring role of municipality and regional councils; iv) strengthening mayors' role and leadership in the management of municipalities; supporting the functionalities of all constitutive administrative units; vi) boosting local democracy through increasing citizens' participation in all levels of local governance and of community structures at local level; vii) improving the dialogue between central and local government, with reciprocal accountability.

6. The right to information

A substantial part of the democratization of policymaking and good governance at local level is connected to the legislative framework of the right to information and for the public transparency in local decision-making. This legislative framework carries a domestic as well as an international dimension.

The international framework is constituted by a series of international treaties, agreements and protocols, where Albania either is part or aims to adhere in the future. In this context, one of the most essential documents at European level is the European Charter of Fundamental Rights. The European Charter of Human Rights (07/12/2000) incorporates articles supporting an open government as a balancing mechanism of power between state institutions and citizens. Article 10 of this Treaty acknowledges and guarantees the right to free expression of opinions and free access to information as a fundamental right in the European Union. With the Treaty of Lisbon, this Charter has become mandatory for all members of the Union.¹⁵

The domestic legislative framework for the protection and respect of the right to information as a precondition of success for any initiative aiming to strengthen transparency and accountability at local level is based first and foremost at the Albanian Constitution. According to article 15 of the Constitution, the right to information is inviolable, indivisible and inalienable, and it enjoys a special protection from any form of unlawful limitation. On the other hand, there is another clause on Article 23 of the Constitution regarding information about the activities of public administration. According to it: *“i) the right to information is guaranteed by this Constitution; ii) everyone has the right, in compliance with the law, to obtain information on the activities of state institutions and of persons with state functions; iii) everyone has the right to follow the meetings of elected collective organs.”* Collective elected organs should be open to public participation, of course following a procedure on how this can be put into practice.

According to general constitutional principles, a limitation on every right, including the right to information, must only happen according to the criteria foreseen in Article 17 of the Constitution. This can be done through laws, which implies that no other organ, except Parliament as the only law-making authority,

¹⁵ http://ec.europa.eu/justice/fundamental-rights/charter/index_en.htm (May 08, 2017).

can make rules to limit this right. The limitation might also occur to protect public interest or individual freedoms. But in any case there should not be any threat to the essence of right: that no other law can abrogate or limit the right to information to the degree that makes its application practically impossible.

The right to information also enjoys a broader legislative framework. The constitutional framework on the right to information and transparency of public authorities, adopted in the country, have been translated so far in a series of legislative acts, such as:

- i) Law No. 8485, 12.05.1999 on the “Code of Administrative Procedures”¹⁶;
- ii) Law No. 8503, 60.06.1999 on the “Right to Information for Public Documents”;¹⁷
- iii) Law No. 8457, 11.02.1999 on the “Information classified as ‘state secret’”¹⁸;
- iv) Law No. 9887, 10.03.2008 for the “Protection of Personal Information”¹⁹;
- v) A series of other laws that generally address the framework of the right to information. At the cornerstone of this right rests the guarantee that everyone has the right to ask and receive information through a formal request, from any public organization or institution, within a reasonable time, without any discrimination and with efficient means.

According to Article 157, paragraph 4 of the Albanian Constitution²⁰ all income and expenditure indicators must be made public from the organs of central and local government. Article 9/6/c of Law 8652 argues that the budget of local governmental units aims to give all the necessary information,

enabling citizens to engage in decision-making on the functions and competences

16 www.eurallius.eu/pdf/24.Kodi%20i%20Procedurave%20Administrative%2012_05_1999_AL.pdf (May 08, 2017).

17 www.kqk.gov.al/en/node/257 (08 May 2017).

18 www.idp.al/wp-content/uploads/2017/03/Ligji_nr_8457.pdf (May 08, 2017).

19 www.aspa.gov.al/images/ligji_9887_per_mbrojtjen_e_te_dheneve_personale.pdf (May 08, 2017).

20 www.parlament.al/kuvendi/kushtetuta (May 08, 2017).

pursued by the local government unit. Article 34 of the Law on local governance argues that Council meetings are open to the public, in compliance with Council rules, and that announcements for official meetings should be made public and published also in the media. The same law argues that all cases when Council meetings are to be held behind closed doors should be decided by the Council with a voting majority of the overall number of members. On the other hand, Article 35 of this law foresees that municipal councils, before considering and adopting their decisions must hold open consultations with communities affected. The law has foreseen that for some important issues for the local community, these consultations shall be continuous. Such issues are: budget allocation; cession of public properties to private administration; norms, standards and other criteria for the regulation of functions mandated by law as well as for the protection of public interest. The law offers some tools of how to conduct consultation processes with communities, as for example *open meetings* with local people, meetings with specialists, consultations with other interested institutions and non-governmental organizations, undertaking initiatives to organize local referendums, etc.

6.1. Law 2014 on the right to information

According to Law No. 2014 on the right to information, every individual has the right to get all public information without being forced to explain any reasons. Public authority is obliged to inform the person requesting information if it is or it is not in possession of the information required. Every person has the right to access public information through an original document or a copy of it in a format that enable full access to its content. Public information given to a person cannot be refused to any other person requesting access to it, accept from cases when information contains personal information, in accordance with Article 17 of the same Law.

In compliance with the programme of transparency, adopted for each public authority, every institution prepares in easily understandable and accessible formats, and puts at public disposal on their internet pages the following categories of information:

- i) a description of the organizational structure, functions and duties for

- each public authority;
- ii) full texts of conventions ratified by the Republic of Albania, of law, behavioral codes or any other policy document, manual, etc. that is linked to the functions of public authority and affects the wider public;
 - iii) information on procedures followed in case of a request for information, full mail address and electronic mail for the deposit of requests for information, as well as of the procedures for complaints;
 - iv) information about the whereabouts of offices of the specific public authority, working hours, and name and contact of the coordinator for the right to information;
 - v) information about the education, qualification and payrolls of the highest officials that are obliged by law to declare their wealth, the payroll structure for other public officials, together with a description of the procedures followed for their selection, competencies and duties;
 - vi) monitoring and control mechanism that operate over the public authority, including strategic work plans, audit report from the State Supreme Audit Institution and documents containing performance indicators of the personnel;
 - vii) data on budget performance and expenditure plan for the previous, actual and forthcoming years, followed by an annual report of budget implementation. For the cases when public authority is self-financed by license tariffs or other forms of direct financing from subjects under its regulatory authority, the institution should make public all documents showing the state of liquidated duties;
 - viii) information on procurement procedures or concessions/public-private partnerships, based on the Law No. 9643 (21.12.2013) for “Public Procurements” and Law No. 125/2013 for “Concessions and Public Private Partnerships”, including the list of contracts signed, the amount, the contracting parties, a list of services or goods contracted, information about the implementation and monitoring of contracts,

- etc.
- ix) information about the services that this public authority is offering the wider public, including information on the standards and quality of the service provided;
 - x) any mechanism and procedure of making requests and complaints on various actions and inactions of public authorities;
 - xi) any mechanism or procedure through which interested individuals might present their views or influence in drafting laws, public policies or implementing public authority functions;
 - xii) a simple description of the system that this public authority uses to keep documentation, types of documentation and categories of information that are public without any need for specific request;
 - xiii) a register of requests and answers, in compliance with Article 8 of the law;
 - xiv) a description of categories and forms of social assistance and subventions delivered by the public authority, as well as of the procedures that are followed;
 - xv) any other information considered of interest by the public authority.

At the same time, public authority creates and keeps a digital copy of its official webpage, filled with all the information required in the adopted program of transparency. Acts containing rules, norms or limitations of fundamental freedoms and individual rights are made public either in the authority's webpage or in other media within 48 hours from the act adoption from public authorities. On the other side, Article 8 foresees the creation of a register for requests and answers. This register is updated every three months and published on the internet page of the public authority and in the office for public information of the institution (or public authority). The identity of individuals making the requests for information is not published in the register.

7. Conclusions and recommendations

This report aims to highlight some concrete steps and measures to increase transparency and accountability, therefore strengthening good governance at local level, in the period following the new territorial and administrative reform, with the perspective of further democratization of citizen participation.

It offers for the first time a way and methodology on how the municipalities of Roskovec, Belsh, Shijak and Malësi e Madhe, chosen as pilot areas for the project of increasing budget transparency through social audit, might combine two mechanism – participatory budgeting and social audit – to increase citizens’ participation and strengthen their voice in local policymaking processes. As made clear in this report, the combination of participatory budgeting mechanism with social audit can become very effective with the use of social media as mechanisms that increase transparency, lower the costs and increase the voice of citizens through their direct participation in decision-making processes of local government.

Nevertheless in order for this intervention to be more efficient, actors must take into consideration the national strategic context in which the administrative reform is operating, as well as the constitutional and legislative framework of the right to information. This requires a series of other steps to strengthen civic and communitarian awareness on local level through immediate and unconditional access information. In this perspective, research has revealed some features of participatory budgeting and social audit in these municipalities, engaged to create all necessary bridges to improve citizens’ participation and raise the voice of marginalized communities in local decision-making processes and budget or investment allocation.

Training and discussion sessions in the abovementioned municipalities where this project was implemented were transformed into a series of successful experiences of participatory budgeting and social audit. They produced tangible results and valuable lessons to institutionalize further these two mechanisms towards more transparency and further democratization of local government.

Participatory budgeting allows the creation of a framework to better understand and build solid policies that better serve the inclusion of interest groups at local level. This form of budgeting produces tangible results because

it is directly linked to existing resources, instead of long-term and often too ambitious development plans. This kind of communitarian involvement enables local government units to manage more efficiently their modest public resources and helps to build community trust in local authorities. Participatory budgeting is also an efficient mechanism to strengthen social accountability and community awareness.

On the other side, among expected outcomes of participatory budgeting we can distinguish the increase of fiscal discipline as a result of the identification of possibilities to decrease investment costs, to balance investments and increase transparency of budget allocation, expenditures as well as budget reporting.

As resulted in the case of Municipalities of Roskovec and Belsh, public involvement and local authorities' leadership are crucial for citizens' involvement in virtually all stages of decision-making.

Meanwhile, determining "game rules" since the first stages of participatory budgeting and social audit, helps clarify the role of actors involved in the monitoring process, avoids barriers when implementing these mechanisms and builds the foundations for long-term institutionalized dialogue between citizens and public or institutional actors, as with the case of municipalities of Shijak and Malësi e Madhe.

In this context, it takes a special importance that local government needs to be able to find the proper channels of communication with its citizens. Since the mechanism of public access to information is a new one (and especially in the context of the new TAR) this new experience constitutes a challenge for the new and "old" municipalities at the same time.

This is a challenge facing all municipalities that are part of this pilot project. It can be successfully dealt with through a series of trainings and communication campaigns to increase public information awareness between public actors at local level. In this way local government institutions might increase the efficiency of the existing human resources and consolidate their democratization path in the future.



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