CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

THE CONGRESS LE CONGRÈS
COUNCIL OF EUROPE CONSEIL DE L'EUROPE

51st SESSION

Report
CG(2026)51-14
27 October 2026

Monitoring of the application of the European Charter of Local Self-Government in Albania

Committee on the Monitoring of the implementation of the European Charter of Local Self-Government and on the respect of Human Rights and the Rule of Law at local and regional levels (Monitoring Committee)

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Summary

This is the fourth monitoring report on the application of the European Charter of Local Self-Government in Albania, prepared following the rapporteurs' visit to Albania from 17 to 19 November 2025 and updated to reflect recent developments concerning the administrative-territorial reform.

While noting the government's positive stated objective of strengthening decentralisation and modernising the municipal system, the report expresses concern that the consultation process for the municipal mergers proposed under the reform does not appear to have provided for the meaningful and timely participation of residents of the communities concerned in the decision-making process, as would be consistent with the spirit of Article 5 of the Charter. It also notes the continued centralisation of competences, limited municipal financial, administrative and human resources, and the lack of autonomy of counties.

The report underlines the need to implement the reform in accordance with the principles of subsidiarity and decentralisation, to ensure inclusive and effective consultation on local self-government matters, including local boundary changes, to strengthen municipalities' financial and administrative capacities and decision-making autonomy, and to improve conditions of service for local government employees.

It also invites the national authorities to consider the direct election of county council members and to ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS 207), signed by Albania in 2016.

1. L: Chamber of Local Authorities / R: Chamber of Regions
EPP/CCE: European People's Party Group in the Congress
SOC/G/PD: Group of Socialists, Greens and Progressive Democrats
ILDG: Independent Liberal and Democratic Group
ECR: European Conservatives and Reformists Group
PfE: Patriots for Europe Group
NR: Members not belonging to a political group of the Congress

RECOMMENDATION 556 (2026)[2]

1. The Congress of Local and Regional Authorities of the Council of Europe ("the Congress") refers to:

a. Article 2, paragraph 1.b, of the Charter of the Congress of Local and Regional Authorities appended to Statutory Resolution CM/Res(2020)1 relating to the Congress, stipulating that one of the aims of the Congress is "to submit proposals to the Committee of Ministers in order to promote local and regional democracy";

b. Article 1, paragraph 3, of the above-mentioned Charter of the Congress, stipulating that "The Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member States and in States which have applied to join the Council of Europe, and shall ensure the effective implementation of the principles of the European Charter of Local Self-Government";

c. Chapter XVIII of the Rules and Procedures of the Congress on the organisation of monitoring procedures;

d. the Contemporary commentary by the Congress on the explanatory report to the European Charter of Local Self-Government adopted by the Statutory Forum on 7 December 2020;

e. the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda for Sustainable Development, in particular Goals 11 on sustainable cities and communities and 16 on peace, justice and strong institutions;

f. the Guidelines for civil participation in political decision making, adopted by the Committee of Ministers on 27 September 2017;

g. Recommendation CM/Rec(2018)4 of the Committee of Ministers to member States on the participation of citizens in local public life, adopted on 21 March 2018;

h. Recommendation CM/Rec(2019)3 of the Committee of Ministers to member States on supervision of local authorities' activities, adopted on 4 April 2019;

i. Recommendation 468 (2021) "Monitoring of the application of the European Charter of Local Self-Government in Albania";

j. the explanatory memorandum on the monitoring of the European Charter of Local Self-Government in Albania.

2. The Congress points out that:

a. Albania joined the Council of Europe on 13 July 1995. It signed the European Charter of Local Self-Government (ETS No. 122, "the Charter") on 27 May 1998 and ratified it without reservations on 4 April 2000. The Charter entered into force in Albania on 1 August 2000;

b. Albania signed the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207) on 30 May 2016, but has not ratified it to date;

c. the Committee on the Monitoring of the implementation of the European Charter of Local Self-Government and on the respect of Human Rights and the Rule of Law at local and regional levels ("the Monitoring Committee") decided to examine the situation of local and regional democracy in Albania in the light of the Charter. It entrusted Mr Anders Knape, Sweden (L, EPP/CCE) and Mr Sören Schumacher, Germany (R, SOC/G/PD), with the task of preparing and submitting to the Congress a report on the application of the Charter in Albania;

2. Debated and adopted by the Congress on 27 October 2026 (see document CG(2026)51-14, explanatory memorandum), co-rapporteurs: Anders KNAPE, Sweden (L, EPP/CCE) and Sören SCHUMACHER, Germany (R, SOC/G/PD).

d. the monitoring visit took place from 17 to 19 November 2025. During the visit, the Congress delegation met the representatives of various institutions at all levels of government. The detailed programme of the visit is appended to the explanatory memorandum;

e. the co-rapporteurs wish to thank the Permanent Representation of Albania to the Council of Europe and all those whom they met during the visit.

3. The Congress notes with satisfaction that in Albania:

a. the government has stated its intention to strengthen decentralisation in line with the Decentralisation Strategy for 2023–2030 and to modernise the municipal system through a comprehensive administrative-territorial reform;

b. the Constitutional Court regularly refers to the provisions and principles of the Charter in its case law.

4. The Congress expresses its concerns on the following issues:

a. there is a tendency toward the centralisation of competences, whereby local authorities mainly assume supportive functions in the provision of essential local public services;

b. the financial resources allocated to local authorities are not commensurate with their responsibilities, compelling them to supplement insufficient funding with their own resources, which are often inadequate;

c. the ineffectiveness and lack of inclusiveness of existing consultation mechanisms between central and local governments prevents local authorities' associations from participating meaningfully at all stages of policy development and potentially hampering the effective implementation of the administrative-territorial reform;

d. the consultation procedure on the proposed local boundary changes was initiated at a rather advanced stage of the reform process and does not appear to have provided for the meaningful and timely participation of the residents of the communities concerned in the decision-making process, as would be consistent with the spirit of Article 5 of the Charter;

e. local authorities lack adequate administrative capacity to collect local taxes effectively, and property ownership is not always accurately and reliably registered;

f. the financial equalisation system lacks effectiveness and transparency, which limits the scope for implementing local initiatives, including business-related projects, at the municipal level;

g. there is a comprehensive shortage of human resources affecting the entire local government system, which significantly restricts local authorities in implementing local initiatives and in providing and developing local public services;

h. given the indirect election of county council members, combined with very limited financial autonomy and a narrow scope of competences, counties cannot be considered genuine subnational authorities within the meaning of the Charter, notwithstanding their recognition under domestic law as an autonomous tier of local self-government.

5. In the light of the foregoing, the Congress requests that the Committee of Ministers invite the authorities of Albania to:

a. implement the administrative-territorial reform on the basis of the principles of subsidiarity and decentralisation to ensure a significantly greater role for local governments in the provision of key local public services;

b. make sure that the financial resources allocated to local authorities are commensurate with the costs of the tasks assigned to them and grant local authorities greater decision-making autonomy, enabling them to leverage their knowledge of local conditions and deliver high-quality local services;

c. review the method for calculating block (non-earmarked) grants, to take better account of the varying income-generating capacities of local governments;

d. organise the consultation process, including through the work of the Consultative Council, in a manner that ensures that all associations are meaningfully involved in consultation and effectively consulted, in due time and in an appropriate manner, on all matters that concern them;

e. ensure that all communities concerned by the proposed boundary changes, including their residents, have a genuine opportunity to express their views effectively and that the outcomes of the consultation are given due consideration before any final decision is taken;

f. provide targeted central financial and methodological support to help municipalities strengthen their administrative capacities for ensuring the accurate and reliable registration of local real estate, which is essential for the effective imposition and collection of local taxes;

g. review the financial equalisation system to make it more effective, transparent and based on objective criteria;

h. improve the conditions of service for local government employees by enhancing the predictability of promotions and ensuring competitiveness with opportunities in the private sector;

i. consider introducing direct election of county council members;

j. ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207), which Albania signed on 30 May 2016.

6. The Congress calls on the Committee of Ministers and the Parliamentary Assembly of the Council of Europe to take account of this recommendation on the monitoring of the European Charter of Local Self-Government in Albania and the accompanying explanatory memorandum in their activities relating to this member State.

EXPLANATORY MEMORANDUM

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1. INTRODUCTION: AIM AND SCOPE OF THE VISIT, TERMS OF REFERENCE

1. Pursuant to Article 1, paragraph 3, of the Charter of the Congress of Local and Regional Authorities ("the Congress") appended to Statutory Resolution CM/Res (2020)1, the Congress of Local and Regional Authorities regularly prepares reports on the State of Local and Regional Democracy in all Council of Europe member States.

2. Albania joined the Council of Europe on 13 July 1995, signed the European Charter of Local Self-Government (ETS No. 122, hereafter "the Charter") on 27 May 1998 and ratified it in full on 4 April 2000. The Charter came into force in Albania on 1 August 2000. Albania also signed the Additional Protocol to the European Charter of Local Self-Government on 30 May 2016 (CETS No. 207).

3. The Committee on the Monitoring of the implementation of the European Charter of Local Self-Government and on the respect of Human Rights and the Rule of Law at local and regional levels ("Monitoring Committee") decided to examine the situation of local and regional democracy in Albania in the light of the Charter. It entrusted Mr. Anders Knape, Sweden (EPP/CCE), rapporteur on local democracy and Mr. Sören Schumacher, Germany (SOC/G/PD), rapporteur on regional democracy with the task of preparing and submitting to the Congress a report on the application of the Charter in Albania. The rapporteurs were assisted by Prof. Zoltán Szente, member of the Group of Independent Experts on the Charter as expert on the European Charter of Local Self-Government (Hungary) and was accompanied by a representative of the Congress secretariat. This group of persons will be hereinafter referred to as "the delegation".

4. The monitoring visit took place from 17 to 19 November 2025. The Congress delegation met the representatives of various institutions at all levels of government. The detailed programme of the visit is appended to the explanatory memorandum.

5. The rapporteurs wish to thank the Permanent Representation of Albania to the Council of Europe and all those whom they met during the visit for the valuable information provided during and after the visit.

6. In accordance with the Rule 89.3 of the Rules and Procedures of the Congress of Local and Regional Authorities of the Council of Europe, the preliminary draft report was sent on 24 March 2026 to all interlocutors met during the visit for their comments, possible adjustments or corrections ("consultation procedure"). The present report is based on the comments received, which have been considered by the rapporteurs before submissions for approval to the Monitoring Committee.

2. INTERNAL AND INTERNATIONAL NORMATIVE FRAMEWORK

2.1 Local government system (constitutional and legislative framework, reforms)

Constitutional and legal frameworks

7. The Constitution of Albania was adopted in 1998 and approved by national referendum. According to the Constitution, Albania is a parliamentary republic based on the principles of popular sovereignty, the rule of law, and the separation of powers.

8. Article 13 of the Albanian Constitution recognises local governments as institutions "founded upon the basis of the principle of decentralisation of power and is exercised according to the principle of local autonomy." More detailed rules concerning local governments are contained in Part 6 (Articles 108-115) of the Constitution.

9. These provisions define the types of local governments, their main bodies, and their most important powers. According to the Constitution, the local government system has two tiers: the basic units of local authorities are communes and municipalities, while counties (often called "regions" in Albania) exist at the territorial level. The Constitution considers both types to be representative bodies, but while communes and municipalities are elected by local residents on the basis of universal, direct, and secret suffrage, counties consist of members delegated by local governments within their territory.

10. The Constitution recognises local governments as legal entities; they may form unions and joint institutions with one another for the representation of their interests, to co-operate with local units of other countries, and to be represented in international organisations of local governments; they have their own budgets within the framework of the law, they may regulate and administer local issues within their jurisdiction, and they have the right to judicial protection for their responsibilities and autonomy. In addition, they exercise property rights, administer their income independently, and are entitled to exercise economic activity within the framework of which they may impose local taxes determining their level as provided by law.

11. The Constitution also stipulates that state administrative tasks and powers may be assigned to local governments, but the costs thereof must be covered by the state budget. According to Article 115 of the Constitution, the Council of Ministers may dissolve the representative body of a local government, but the local authority concerned may appeal to the Constitutional Court against such a decision.

12. The legal status of local governments is regulated by Act No. 139 of 2015 (the Local Government Act). This law reorganised the structure and responsibilities of local governments following Act No. 115 of 2014 on the territorial administrative division of local government units in Albania, which merged 373 communes and municipalities into 61 municipalities. Another component of the municipal reform was Act No. 68 of 2017 on local self-government finances.

13. As to the regional level, in 2000, 12 counties (regions) were established, replacing the previous districts. Their administrative status is determined by Act No. 115 of 2014 and Act. No. 139 of 2015.

Municipalities

14. In Albania, there are 61 municipalities (*bashkitë*) that constitute basic units of local government. Their average population is 39 379 (2024) (see Table 1 on p. 8 and Table 2 on p. 10).[3]

15. Municipalities can be divided into several administrative units which are often the former municipalities and communes that were merged in 2015. The 61 municipalities comprise a total of 58 cities, 369 other administrative units and 2 998 villages. Each administrative unit is directed by an administrator who is appointed by the mayor of the respective municipality.

16. According to the Local Government Act, municipalities have the right to issue local government decrees and decisions; create administrative structures for the performance of their functions and the exercise of their powers, such as committees, boards or commissions to carry out specific functions and establish economic units and institutions.

17. In the context of the ownership rights and responsibilities, within the limits of law, they may exercise their ownership rights and acquire property, through expropriations for public interest.

18. Municipalities have their own incomes from local taxes, public service fees, for which they may decide and set the applicable rates. Local authorities draft, adopt, and implement their own budgets.

19. Municipalities may engage in economic activities, have the right to co-operate with each other for joint exercise of any function conferred upon them by law, and may delegate specific powers and responsibilities to one another. This right also extends to co-operation with local government units of other countries and representation in international organisations of local authorities.

20. As mentioned earlier, local governments are legal entities, i.e. they can conclude contracts and assume obligations in their own name.

21. Article 22 of the Local Government Act states that local authorities regulate and administer the exercise of their functions in a full and independent manner as a basic principle of the performance of tasks.

22. Basic tasks and functions of municipalities include in particular:

3. Institute for Albanian Municipalities, "Local Government in Albania Status Report 2025", 2025, p. 10.

- drinking water supply as well as collection, removal and treatment of wastewater;
- construction, rehabilitation and maintenance of local roads, pavements and local public squares; lighting of public spaces and maintenance of public cemeteries;
- social welfare services;
- local public transport;
- collection, disposal and treatment of solid and domestic waste;
- construction and maintenance of educational buildings of the pre-university school system (excluding vocational schools) and primary healthcare facilities;
- maintenance of preschool education system in kindergartens and nurseries;
- provision of cultural, sport and recreational services;
- environment protection;
- local fire service;
- planning and development of their own territory;
- strategic development plans and programmes for local economic development.

23. Act of Parliament, on the basis of the authorisation of the Constitution,[4] may delegate mandatory state administration tasks to municipalities. The municipality or the county may also be delegated non-mandatory functions and competences on the basis of an agreement. The Local Government Act also stipulates that if the central government delegates administrative tasks to local governments, it is obliged to provide them with the necessary funding to perform those tasks.[5]

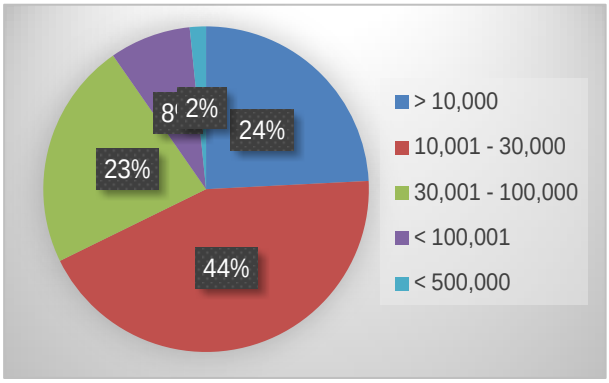
Organisational structure of municipalities

24. The main decision-making body of municipalities is the municipal council (*Këshilli Bashkiak*). The number of members of the municipal council is determined according to the population as follows:

up to 20 000 inhabitants	15 members;
20 001 to 50 000 inhabitants	21 members;
50 001 to 100 000 inhabitants	31 members;
100 001 to 200 000 inhabitants	41 members;
200 001 to 400 000 inhabitants	51 members;
over 400 000 inhabitants	61 members.

Table 1.

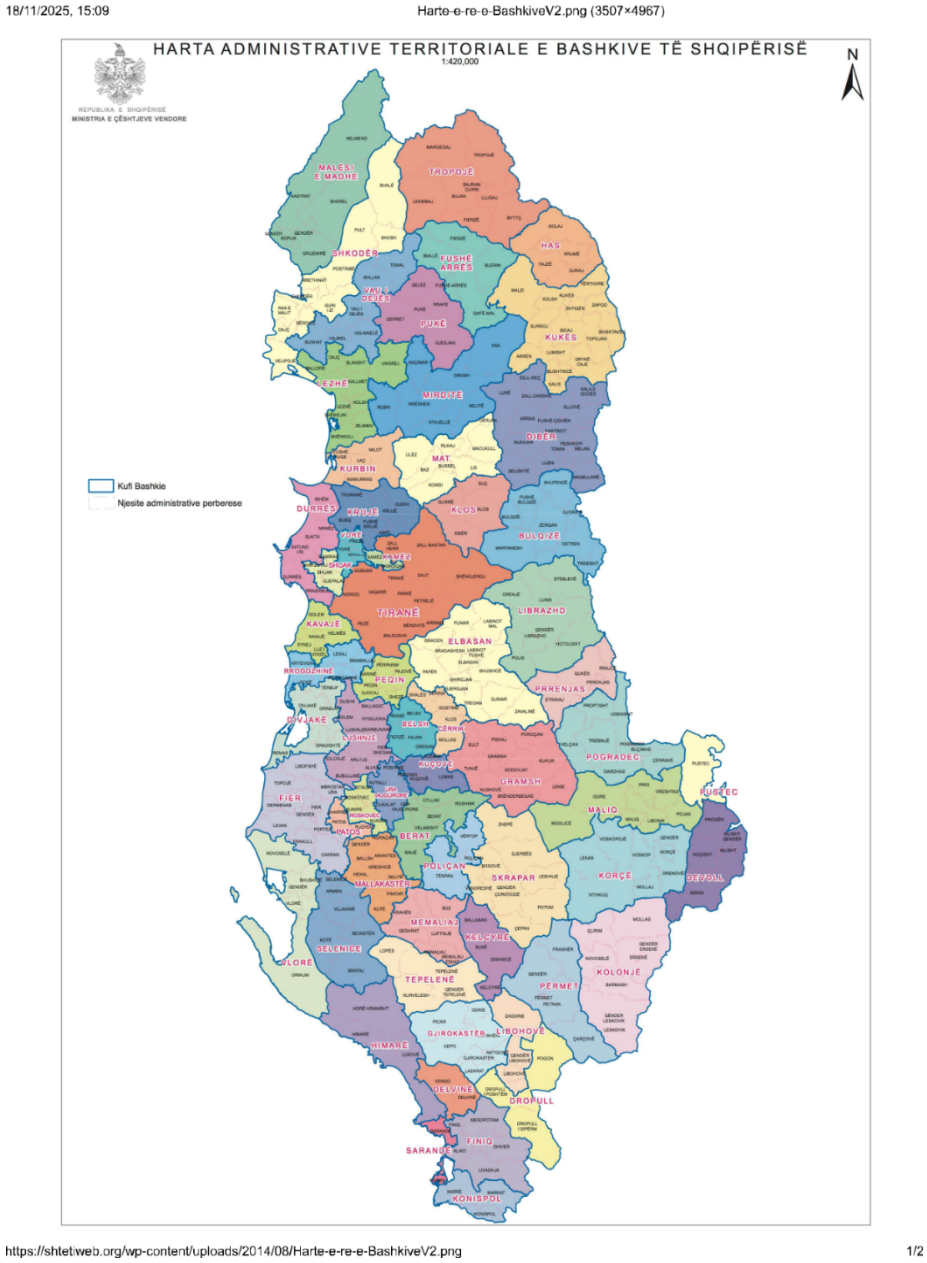
Number of municipalities by population of Albania



Source: “Local Government in Albania” Status Report (2025), p. 17. Institute for Albanian Municipalities, Tirana.

4. Constitution of Albania, Art. 112(1).
5. Law no. 139/2015 on Local Self-Government (in Albanian), 2015, Art. 30 point 6.

Table 2. Administrative division of Albania



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25. The municipal council has a number of exclusive powers. The council elects its chair and vice-chairs and may dismiss them, and it appoints and dismisses the secretary of the municipal council. It establishes committees from among its members, approves the municipal budget, and decides on matters relating to municipal property ownership. It decides on local taxes and fees, as well as on the taking of loans. It also decides on the establishment of joint institutions with other units of local self-government.

26. The council holds its meetings as necessary, but at least once a month. In addition, council meeting must be convened at the request of the mayor, on the written request of no fewer than one third of its members, and at the motivated request of the prefect. The council has a quorum if more than half of its members are present and adopts decisions by a majority vote.

27. The chair of the municipal council convenes and chairs the council meeting and performs other duties as specified in the council's internal regulations. The secretary of the municipal council is responsible for preparing the council meeting and overseeing compliance with the council's rules of procedure. He or she performs any other function assigned to him/her by the council.

28. The mayor is the executive body of the municipality. He or she appoints and dismisses deputy mayors who assist in the performance of his or her tasks and functions. The council may dismiss the mayor before the end of the term of office in the cases specified in the Local Government Act.

29. Within the scope of his or her responsibilities, the mayor exercises all powers in the performance of the municipality's functions, except those which are the exclusive competence of the respective council and implements the council's acts. The mayor must report to the council whenever required on matters relating to the municipality's functions.

30. The mayor appoints and dismisses employees of the municipality and exercises disciplinary and other personnel-related measures within the municipal administration.

31. Each municipal council is elected for four years. However, the council can be prematurely dissolved by the decision of the Council of Ministers, if it fails to convene for a continuous period of three months since its last meeting, and if not convened even after the prefect summons it. In addition, the Council of Ministers also may dissolve it, if the local budget is not approved within the deadline set out by law, or commits serious breaches of the Constitution or laws. In such cases, the mayor carries out the functions and competences of the council until the new council is constituted.

Municipal finances

32. Article 34(1) of the Local Government Act states that "National financial policies ensure the financial adequacy of local self-government units and are based on the principle of diversity of revenue sources." The same Article repeats the principle of commensurate funding of delegated tasks saying that these functions must always be "accompanied by the necessary financial means for their implementation."

33. Municipalities have revenues from various sources. They generate incomes from local taxes in the frameworks of law. Each municipality may levy, collect and administer local taxes and set tax rate and exemptions. There are local taxes:

- on movable and immovable property, as well as on transactions carried out with them;
- on the economic activity of small businesses;
- on the hotel service activity;
- on personal income derived from donations, inheritances, legacies or local lotteries.

34. Other municipal revenues come from fees of public services delivered by the municipality, from funds transferred by the central government and from funds received directly by them from the allocation of national taxes and duties, local borrowing, donations, as well as other sources provided for by law.

35. As for the revenues from national sources, municipalities have a share in certain national taxes, such as personal income tax, corporation tax and other taxes on national assets. Local authorities receive central grants for the financing of their own functions, as well as from the system of financial equalisation achieving equality in the distribution of financial resources among local self-government units. Municipalities may take out loans within the limits specified in the annual state budget.

36. Each municipality draws up, adopts, implements and administers its own budget each year. Local authority budgets must be balanced, that is, expenditure must not exceed revenue.

Counties

37. At the regional level, there are 12 counties (*qarqe*) in Albania, which are composed of several municipalities. There are significant differences between counties in terms of size and population, and there are great disparities in their economic strength. The average population of the counties is 234 000 inhabitants, however, 53% of the population lives in the three largest counties (Tirana, Fier and Durres).

38. The representative body of the county is the county council. The county council is composed of representatives of the municipalities that form part of the county, and the mayors of the participating municipalities are ex officio members of the council. The number of municipal representatives on the county council is determined in proportion to the population of the member local authorities. The

executive functions of the county are carried out by the chairperson and the executive of the county council.

39. The major functions of counties are the development and implementation of regional policies, their harmonisation with state policies, as well as any other functions conferred by law. They exercise all tasks and functions delegated to them by one or more municipalities within their territory, in accordance with an agreement concluded between the parties. Central government may also delegate powers and duties to the counties for which the state budget must allocate funds sufficient to carry out delegated tasks.

40. Counties have revenues from transfers from the state budget as grants; central transfers for the performance delegated powers from the constituent municipalities; taxes imposed at county level, fees for public services provided by the county. In addition, counties are financed by membership contributions from the constituent municipalities.

2.2 Status of the capital city

41. The capital and largest city of Albania is Tirana. It is the political, administrative, economic, and cultural centre of the country. Some 598 176 inhabitants, or approximately 24.94% of Albania's total population of approximately 2 402 113 people lives in the capital city.

42. Although Tirana previously had a special legal status as the capital under Act No. 8654 of 2000, it no longer has a special administrative status. It now has the same powers and duties and the same organisational structure as other municipalities.

43. During the meeting with the acting mayor of Tirana, the rapporteurs heard no specific demands concerning a special status. They were informed that financial resources of the Municipality of Tirana are largely adequate and have the potential to fulfil the tasks of a capital city, and that effective compliance with these tasks depends largely on the efficiency of management, administrative capacity, planning and implementation.

2.3 Legal status of the European Charter of Local Self-Government

44. With regard to the relationship between domestic law and international law, the Albanian legal system is monistic in nature, which means that, in principle, the European Charter of Local Self-Government is part of the legal system without any separate legal transformation. Both the Constitution and the Local Government Act repeat some principles of the Charter, such as the mandatory consultation with local authorities on all changes affecting their borders (Art. 108(2) of the Constitution), the representative and democratic nature of local councils (Art. 109(1) of the Constitution), budgetary independence (Art. 111(2) of the Constitution and the sufficient funding of delegated tasks (Art. 112 of the Constitution). More principles of the Charter are recognised by statutes, primarily by the Local Government Act.

2.4 Previous Congress reports and recommendations

45. The Congress has previously adopted a number of reports and recommendations on local and regional democracy in Albania, including Recommendations 28 (1997), 201 (2006), 349 (2013) and 468 (2021).

46. In the latest Recommendation the Congress adopted in 2021, it acknowledged substantial progress made towards securing local self-government since the adoption in 2013 of the previous Congress recommendation on local and regional democracy in Albania, particularly thanks to the implementation of the 2015-2020 comprehensive decentralisation and local governance strategy and the ensuing reforms of the legislation on local self-government.

47. However, the report also pointed out that the transfer of powers from central government to the local authorities had not resulted in a sufficiently clear allocation of functions between the central and local levels; delegated powers were exercised under the close supervision of the various ministries concerned and local authorities' room for initiative was fairly limited; municipalities, including the largest ones, had insufficient financial resources to meet all their needs. Furthermore, human resources

continued to pose problems particularly in rural areas, and the regional tier of government did not benefit fully from territorial reforms.

48. On this basis, the Congress formulated the following recommendations to the Albanian authorities:

a. continue the decentralisation process initiated by the 2015-2020 "National crosscutting strategy for decentralisation and local governance" and confirmed in the 2020-2022 Action plan, in close collaboration with the local authorities, to secure a paradigm shift in which local self-government takes precedence over the centralising tendencies and behaviour that persist to this day;

b. continue to harmonise the legislation on the division of responsibilities between central and local authorities, particularly regarding water supply and sewage treatment, and extend municipalities' scope for initiative when exercising their delegated powers;

c. pursue the local finance objectives laid down in the "National crosscutting strategy for decentralisation and local governance", namely by strengthening municipalities' powers to raise their own income and increasing the proportion of tax receipts allocated to local authorities and of unconditional transfers of funding, to increase authorities' financial independence;

d. revise the local government salary structure, particularly for small and medium-sized municipalities, and allow authorities more flexibility in managing their payroll so that salaries can be adjusted according to merit, thus increasing their ability to recruit and retain qualified staff;

e. develop the regional tier as an element of local self-government by enacting regional legislation specifying and strengthening regions' co-ordinating role in the economic development of their areas and clarifying their relationship with the four administrative regions provided for in Law 102/2020 on regional development and cohesion. Regional self-government and the legitimacy of this tier of authority should also be strengthened by establishing regional councils directly elected by universal suffrage;

f. ratify, in the nearest future, the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS 207), which Albania signed on 30 May 2016.

49. During the 2025 monitoring mission, the rapporteurs paid particular attention to circumstances that had previously raised concerns and to the implementation of Congress Recommendation 468(2021).

3. HONOURING OF OBLIGATIONS AND COMMITMENTS: ANALYSIS OF THE SITUATION OF LOCAL DEMOCRACY ON THE BASIS OF THE CHARTER (ARTICLE BY ARTICLE)

3.1 Article 2 – Constitutional and legal foundation for local self-government

Article 2 – Constitutional and legal foundation for local self-government The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

50. According to the Contemporary Commentary to the Charter, Article 2 requires that the Parties recognise the "principles" of local self-government. To comply with this provision, it is considered sufficient for the Party "to recognise that the core elements of local self-government in written rules, without the need for detailed regulation". As detailed in the Contemporary Commentary, these "core elements", which are enshrined in the preamble of the Charter are the following: a) "local authorities endowed with democratically constituted decision-making bodies"; b) "wide degree of autonomy with regard to their responsibilities"; c) "ways and means by which those responsibilities are exercised and the resources required for their fulfilment".[6]

6. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 22.

51. As mentioned above, the 1998 Albanian Constitution devotes a separate chapter to local government.[7] These provisions incorporate many of the principles of the Charter and reinforce them at the constitutional level, from the democratic (elected) nature of local governments to the recognition of their right of association and the obligation of the state to provide financial resources commensurate with their tasks.

52. The legal and administrative status of local governments is established by separate laws, such as Local Government Act No. 139 of 2015, repeating and guaranteeing in detail a number of principles enshrined in the Charter. Local finance is also regulated by law (Act No. 68 of 2017). Counties are defined in legal terms by Act No. 115 of 2014 and Act No. 139 of 2015.

53. In this regard, it is important to note that the planned reforms are also to be introduced by law, as was the case with the administrative-territorial reform in 2015, when the number of local government units was reduced from 373 (308 communes and 65 municipalities) to 61 municipalities.

54. In light of the above, the rapporteurs conclude that Albania fulfils the requirements of Article 2 of the Charter.

3.2 Article 3 – Concept of local self-government

Article 3 – Concept of local self-government

1. Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.
2. This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs responsible to them. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute.

Article 3.1

55. The Charter requires that local authorities have "a substantial share of public affairs under their own responsibility." Although the Charter does not specify which tasks and functions must fall within the competence of local governments, public affairs that most affect the local community and can be effectively carried out by local authorities should primarily be regulated and administered by them. In accordance with the Contemporary Commentary, this "substantial" share of public affairs should not be residual and local authorities should not be limited "to merely acting as agents of higher authorities."[8] To successfully comply with this provision, local authorities should have "a range of responsibilities with the possibility of drawing up and implementing appropriated and relevant local public policies."[9]

56. As far as the scope of responsibilities of Albanian local governments is concerned, it should be noted that municipalities play a relatively moderate role in providing basic-level public services to the local population, particularly in the areas of public education, healthcare, social services, and public utilities. They perform a part of their functions as delegated state administration tasks.

57. The rapporteurs are of the opinion that municipalities mostly play a supporting role in the provision of key local public services while their financial means are limited, preventing them from providing these services in a manner tailored to local needs and circumstances and that is efficient and accountable to the local population.

58. The own responsibilities of county self-governments are particularly modest: they participate in regional planning and strategy development. However, since the greatest part of investments and regional development are managed by the central government, the actual role of the counties is not very significant.

7. Part 6 "Local Government" (Arts. 108-115) of the Constitution of Albania.
8. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, pp. 31-33.
9. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 33.

59. In view of this, the rapporteurs consider that Albania is in partial compliance with Article 3.1 of the Charter.

Article 3.2

60. Article 3.2 of the Charter is an indispensable element of local self-government that states local public affairs should be decided by bodies formed by democratically elected representatives. The Charter establishes the democratic requirements of the right to vote but does not opt in favour of any specific form of organisation. Member states determine themselves the electoral system according to which the local-regional representatives are elected. It only determined that elections must be done by secret ballot on the basis of universal suffrage, which must be direct, equal and free. According to the Contemporary Commentary, direct democracy at the local level plays a complementary role to representative democracy and does not affect the possibility for local authorities to directly consult citizens via assemblies or referendum.[10]

61. In Albania, the members of the municipal councils are elected for four years on the basis of universal and secret suffrage.[11] The voting method is determined by the Electoral Code.

62. While the municipal councillors are elected directly by the local citizens, the county councils are composed of representatives of the municipalities that form part of the relevant county in a way that the mayors of the municipalities that form part of the county are ex officio members of the county council. However, this does not satisfy the requirement set out in the Charter, as the county council consists of members who were not directly elected to this body, i.e., delegated members.

63. Consequently, of the two levels of local government in Albania, only municipalities meet the requirement set out in Article 3.2 of the Charter, meaning that this provision of the Charter is partially complied with.

3.3 Article 4 – Scope of local self-government

Article 4 – Scope of local self-government

1. The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.
2. Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.
3. Public responsibilities shall generally be exercised, in preference, by those authorities who are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
4. Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.
5. Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
6. Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

Article 4.1

64. This provision of the Charter states that the regulation of the “basic powers and responsibilities” should be prescribed by the Constitution or by statute, as a matter of legal certainty and protection of local self-government.[12]

65. As mentioned earlier, in Albania, the Local Government Act defines the basic functions of the municipalities (Articles. 23-29), while Article 30 of the Act authorises the central government to delegate

10. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 40.
11. Constitution of Albania, Art. 109(1).
12. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 49.

mandatory and non-mandatory tasks to local authorities. The scope of responsibility of the county councils is also determined by this law (Art. 31).

66. Thus, the rapporteurs conclude that Article 4.1 is respected in Albania.

Article 4.2

67. Article 4.2 of the Charter requires that local governments may initiate the performance of a task at their own discretion, provided it is not assigned to the exclusive competence of another public authority.

68. Although the wording of Article 21 of the Local Government Act ("Functions are assigned to local self-government units by this law") suggests that municipalities cannot voluntarily undertake tasks, this can nevertheless be deduced from Article 33(1) of the same Act, which refers to the instruments of administration of public services provided by local governments.

69. According to the rapporteurs' experience during the monitoring visit, this is very rare in practice due to the difficult economic situation of local governments. It would be advisable to explicitly enshrine in law the right of municipalities to voluntarily undertake tasks within the scope of local public affairs, subject to the usual guarantees (e.g., that the performance of such tasks cannot jeopardise the fulfilment of mandatory tasks, and that no functions falling within the exclusive competence of another body may be undertaken). It is also worth noting, however, that even explicit legal authorisation may be of little significance if the financial leeway of local governments is so limited that undertaking non-mandatory tasks becomes unrealistic.

70. Notwithstanding these observations, the rapporteurs conclude that Article 4.2 of the Charter is complied with.

Article 4.3

71. Article 4.3 of the Charter introduces the subsidiarity principle, which states that public responsibilities should be performed "in preference, by those authorities who are closest to the citizen." The Contemporary Commentary of the Charter highlights that the subsidiarity principle has a dual rationale, which is to increase the transparency and democratic basis of decision making and to increase the efficiency of governmental action "since local bodies are the best suited to fulfil certain tasks."[13]

72. The principle of subsidiarity is legally upheld in Albania, but the situation in practice is complicated by the fact that many tasks that could in theory be performed more effectively at local level can only be carried out by local authorities in practice as delegated powers, under the direct control and supervision of central government.

73. The government appears committed to strengthening decentralisation and is preparing for further administrative-territorial reform in 2026. In this respect, the rapporteurs encountered opposing views on the process of decentralisation. On the one hand, the Minister of State for Local Government highlighted that the new Inter-Sectoral Strategy for Decentralisation and Local Governance 2023-2030 adopted in 2023 or some initiatives, such as pilot mechanism of "Horizontal Decentralisation" strengthen local autonomy. On the other hand, according to the Association of Local Elected Representatives of Albania, while one of the goals of the 2014-2015 territorial reform was to increase the capacity of local governments, in practice it resulted in the centralisation of powers.

74. Centralisation is still ongoing in some important public services, particularly in the areas of territorial planning, water supply and sewerage, waste management, and public transport, where government agencies[14] are gaining increasing influence. The main argument heard from the government is that even the integrated local governments created by the 2014 territorial-administrative reform are not capable of managing these services effectively.

13. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 61.
14. The National Planning Agency (AKPT), the National Agency for Water Supply and Sewerage, the waste management agencies and the Urban Transport Agency, respectively.

75. However, the rapporteurs can only assess the current situation, and their view is that the principle of subsidiarity is only partially enforced in Albania due to the strong centralisation of public services.

Article 4.4

76. In terms of this Article of the Charter, as a major rule, local government competences should be full and exclusive, unless otherwise provided by law. A clear repartition of the areas of competences avoids ambiguity and overlapping to responsibilities. The Contemporary Commentary points out that when there is a lack of clarity in the distribution of competences among the different levels of governments, it blurs the responsibility and "leads to a power shift to the benefit of higher-level authorities, especially central government."[15]

77. There are many tasks and functions of municipalities which are shared with central government, such as pre-school and primary education, basic healthcare and public health programmes, social assistance, environmental protection, civil emergency, disaster management and certain administrative powers (e.g. issuance of building permits).

78. In fact, even the official policy of the government seems to prefer also shared powers between the central and local governments: Order of the Prime Minister No. 81 of 15 May 2024 "On the establishment of the inter-institutional working group for the development of the pilot mechanism 'Horizontal Decentralisation', related to the exercise of joint functions in the fields of health, education and agriculture between the central and local government," initiated a pilot project in 2024 to involve four municipalities in the area of education, healthcare and agriculture. However, as the name of the programme suggests, the initiative is aimed to establish the joint performance of tasks.

79. The rapporteurs observed that most of public services are delivered as shared responsibilities between central and local governments, in the performance of which municipalities generally play only an executive role in both operation and development, without real decision-making powers.

80. Consequently, the rapporteurs consider that Article 4.4 of the Charter is not being implemented to the desired extent and conclude partial compliance.

Article 4.5

81. Article 4.5 of the Charter addresses the delegation of powers between different levels of governments. As highlighted in the Contemporary Commentary, the proximity of local public services to the population is a fundamental necessity, and local authorities have a vital role to play in the provision of these services.[16] The delegation of tasks should also be specifically examined, as it may lead to central interventionism which has for effect to "undermine the autonomy of local authorities". The main objective of this provision is "to prevent them from becoming mere "executive" agents of higher-level authorities."[17]

82. Municipalities are entrusted with a number of delegated tasks, including civil registry and other administrative services, as well as the implementation of national programmes and standards in sectors such as education, health, and environment. Within this scope of tasks, line ministries exercise direct supervision over municipalities.

83. The rapporteurs found that most municipal interlocutors believe there is a high degree of centralisation in the management of these tasks, leaving local initiatives with little influence over how these tasks are carried out. This is problematic because it undermines the greatest advantage of delegation of state administrative tasks to subnational level, namely the ability to perform tasks in a way that is tailored to local circumstances.
84. Taking this into account, the rapporteurs consider that Article 4.5 is partially complied with in practice.

15. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 70.
16. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 73.
17. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 74.

Article 4.6

85. Article 4.6 of the Charter is one of the key principles of the text, which requires that local authorities shall be consulted, insofar as possible, in due time and in an appropriate manner in the planning and decision-making processes on all matters directly concerning them.

86. The Consultative Council is the institutionalised form of consultation between central and local governments, established by Local Government Act No. 139/2015, the detailed rules of which are set out in the Council of Ministers Decision No. 244 adopted in 2024. The Council consists of 11 members from the central government and 11 members from local government associations.

87. During the monitoring visit, the rapporteurs encountered divergent views regarding the functioning of the Council. For example, while the Association of County Councils regards the Council as a very successful consultation mechanism, several local government representatives criticised the irregularity of the Council's meetings and allegedly one-sided, top-down flow of information. These representatives noted that such practices hinder the ability of local governments to submit their own proposals to the central government.

88. In this regard, it is particularly noteworthy that, according to information received from the central government, the planned significant territorial-administrative reform - currently being prepared by parliament - is scheduled for implementation by the summer of 2026. At the same time, local government associations and the local governments visited reported having only minimal information regarding the basic direction of the reform, with little knowledge of its details. Allegedly, the exact proposals for the reform have not yet been finalised.

89. Given the deadline set for the implementation of the reform, it may be a cause for concern if local governments are only consulted at the final stage of the decision-making process. In such a case there is a risk that local governments would have limited time to prepare for implementation and would not have the opportunity to contribute meaningfully with their proposals and initiatives to the reform.

90. It is also noteworthy that strong polarisation between the government and the opposition at national level is at least partially reflected in relations within and between local government associations. This may hinder unified action in representing local and regional interests.

91. Based on these considerations, the rapporteurs consider that Article 4.6 is only partially respected.

3.4 Article 5 – Protection of local authority boundaries

Article 5 – Protection of local authority boundaries Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

92. The Charter requires that local authority boundaries should not be changed without prior consultation with the local communities concerned, possibly by means of a referendum where this is permitted by statute. This provision of the Charter does not prohibit mergers but make sure that changes in local boundaries are processed with consultation of local communities. The Contemporary Commentary of the Charter precises that the term “local communities” should be interpreted “in a way that also includes citizens and local civil society in general.”[18] The Explanatory Report to the Charter clarifies that “Proposals for changes to its boundaries, of which amalgamations with other authorities are extreme cases, are obviously of fundamental importance to a local authority and the citizens whom it serves. Whilst in most countries it is regarded as unrealistic to expect the local community to have power to veto such changes, prior consultation of it, either directly or indirectly, is essential. Referendums will possibly provide an appropriate procedure for such consultations but there is no statutory provision for them in a number of countries. Where statutory provisions do not make recourse to a referendum mandatory, other forms of consultation may be exercised”.

18. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 92.

93. As noted above, the Albanian Parliament established the Territorial Reform Commission in 2025 to develop the principles and steps of the upcoming transformation of the administrative division. The Commission was established as a bipartisan body and was co-chaired by representatives of the ruling majority and the opposition. At the time of the monitoring visit, a recurring criticism of the reform was that local government associations had no clear information regarding the planned changes, despite the government's intention to implement them by July 2026. Consequently, concerns were raised regarding the feasibility of implementing the reform – expected to result in further local government mergers – within such a short timeframe.

94. According to the rapporteurs' observations, the planned territorial reform was already a source of division among local governments during the monitoring visit in November, which can be partly attributed to the high degree of political polarisation in the country. While the government expects the reforms will strengthen local governments capacity to perform their tasks and increase their efficiency, several interlocutors noted that the outcomes of the transformation a decade ago have not been carefully assessed.[19]

95. Although domestic legislation in Albania does not require obligatory local referendums on matters pertaining to local boundary changes, legal guarantees are in place to ensure prior consultation with the municipalities concerned. These measures are consistent with the requirements set out in Article 5 of the Charter. Nevertheless, the rapporteurs warned of a risk that, in preparing for the territorial reform planned for 2026, only formal consultations may take place, rather than substantive ones, if the government intends to meet the announced implementation deadline.

96. Some developments have taken place since the adoption of the report by the Monitoring Committee meeting on 30 June 2026 that warrant its updating.

97. In July 2026, the Territorial Reform Commission ceased to exist without producing a bipartisan report.

98. The ruling majority proceeded with its own proposal for an 'Administrative-Territorial Reform 2.0', which was subsequently endorsed by Parliament in July 2026 with 84 votes in favour of the report underpinning the reform. The proposed reform would reduce Albania's municipalities from 61 to 46 by merging 28 existing municipalities into 13 larger units.[20]

99. In late July 2026, Parliament submitted the draft law and the proposed new territorial map to all municipalities concerned for consultation. Upon receipt of the letter, the municipalities have had 60 days to examine the proposals, organise public consultations with their residents, and communicate their views to Parliament for further consideration. It is expected that the final decision would be taken by the Parliament in October, with a target to adopt the reform in time for the 2027 local elections.

100. Meanwhile, in several municipalities to be directly affected by the reform, protests have been taking place against the proposed mergers.

101. In September 2026, the draft law 'On the administrative-territorial division of local government units in the Republic of Albania' was published on the Public Consultation Platform (konsultimipublik.al) for public consultation.[21] However, as of 22 September 2026, the consultation page appeared to have attracted limited public attention, with only a small number of views and comments recorded.

102. The Association of Municipalities and Local Elected Representatives, that gathers representatives of the opposition, expressed concerns that the ruling majority had rushed through the reform without adequately seeking the views of residents in the affected territories and against the will of the citizens concerned. They further maintained that no consultations or public hearings had been held in Tirana, that the chosen merger model lacked adequate justification and was not based on clear criteria, and that the overall process of preparing the reform was inconsistent with the requirements of the Charter.

19. As the rapporteurs understand, one of the opposition parties, for example, is proposing an increase in the number of municipalities.

20. Albanian Daily News.

21. Projektligji "Për ndarjen administrativo - territoriale të njësive të qeverisjes vendore në Republikën e Shqipërisë" - Platforma e Konsultimit Publik.

103. At the moment of updating this report,[22] the mentioned 60-days consultation process with the communities concerned has been ongoing.

104. In order to evaluate the implementation of the requirements of Article 5 it is important to assess not only whether the communities concerned, including their residents, have been formally consulted prior to the final decision on the reform, but also whether the process allowed for meaningful consultation.

105. The rapporteurs underline that for consultation to be meaningful, rather than merely formal or symbolic, it must take place before, and not at the end of, the decision-making process and must be effective. Local communities should be given a genuine opportunity to be heard and to express their views at a preparatory stage, when their input can still influence the outcome.

106. At this moment, it remains to be seen whether due consideration will be given to the views and proposals expressed by the local communities concerned in the final decision-making process in the Parliament.

107. However, it appears to the rapporteurs that the 60-day period allocated to municipalities, which should also include consultation with the residents concerned, can hardly be considered to meet in practice the requirement of consultation in due time. Reportedly, consultation has not been applied uniformly across the communities concerned, raising questions as to whether this consultation has been adequate to ensure that residents are properly informed about the rationale for the reform, and that their views can be effectively gathered and duly taken into account.

108. In the light of above-mentioned elements, the rapporteurs consider that the situation in Albania partly complies with Article 5 of the Charter.

3.5 Article 6 – Appropriate administrative structures and resources

Article 6 – Appropriate administrative structures and resources for the tasks of local authorities

1. Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.
2. The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

Article 6.1

109. Local authorities must have the right to determine their internal administrative structures, and they should be able to adapt them to local needs and ensure effective management. Apparently, this organisational autonomy can be restricted only by law, in order to ensure the democratic operation of all local governments. The Charter requires that the right conditions must be provided for the office of local elected representatives in order to ensure free exercise of their functions. As highlighted by the Contemporary Commentary, this provision at safeguarding "local autonomy by allowing local authorities to establish internal administrative structures and arrangements that enable them to meet the various needs of local residents and provide a full range of public services."[23]

110. The Local Government Act defines the competence of local governments regarding their administrative structures. Article 54 grants the municipal council the authority to approve the number of staff and salary of the municipal employees, while Article 64 mandates that the mayor directs and organises the municipal administration and its internal units to ensure the performance of municipal functions. These rights are restrained only by laws defining the local government bodies that must be established and the rules of civil service.

111. The rapporteurs found that the adequate legal framework governing the organisational powers of local government is established, and that Article 6.1 of the Charter is formally complied with.

22. 25 September 2026.
23. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 96.

Article 6.2

112. Article 6.2 of the Charter deals with an important aspect of local administration. To deal with their tasks, local authorities need to have dedicated and competent human resources, for which they should be able to determine their conditions of service. According to the Contemporary Commentary, "local authority employees should at least be entitled to training opportunities, remuneration and career opportunities similar to employees at other levels of government."[24]

113. In 2024, the government implemented a wage increase for municipal employees raising their salaries between 20% and 40% depending on their role. The government aligned the pay grades of municipal staff with those of central administration.

114. The Albanian School of Public Administration (ASPA) provides training and professional development to both central government and local self-government staff. In addition, in 2024, a so-called Local Government Academy was established with the aim to train more than 25 000 local government employees. In fact, the preparations for accession to the European Union must also involve local authorities, which is not possible without central government support.

115. However, a number of municipalities do not have sufficient staff to perform their mandatory tasks to a high standard. In the view of the rapporteurs, this situation is indirectly acknowledged by the central government which repeatedly argued that local authorities are unable to provide certain public services (such as water supply) properly due to what it characterises as poor management at the local level. Similarly, counties also have little room for manoeuvre in this respect; the number of administrative staff of county councils is determined by the annual budget law, and cannot exceed 13 employees.

116. Based on all these elements, the rapporteurs conclude that Article 6.2 is only partially implemented.

3.6 Article 7 – Conditions under which responsibilities at local level are exercised

Article 7 – Conditions under which responsibilities at local level are exercised

1. The conditions of office of local elected representatives shall provide for free exercise of their functions.
2. They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.
3. Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

Article 7.1

117. According to the Contemporary Commentary, Article 7.1 of the Charter aims to ensure that "citizens are free to serve as elected representatives and are not prevented from holding political office owing to financial or material considerations."[25] Citizens should not be deterred from standing for election at local level.

118. Municipal councillors are elected by local voters on the basis of universal, equal, direct and secret suffrage for the term of office of four years. According to Article 51 of the Local Government Act, councillors perform their tasks with a monthly remuneration equal to 10 per cent of the monthly salary of the mayor of the respective municipality.

119. Although the lack of explicit provisions on the participation rights of councillors[26] can be considered a shortcoming of the regulations, the rapporteurs did not encounter any objections suggesting that council members would not be allowed to participate in municipal decision making.

24. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 106.
25. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 107.
26. Except for Art. 51(3) stating that "at his request, the councillor shall be informed and given access at any time by the mayor

120. There are specific legal rules governing the dissolution of a municipal council before the end of its term of office. To the rapporteurs' knowledge, no such dissolution has taken place in recent years.

121. In light of the above-mentioned elements, the rapporteurs consider that Article 7.1 is respected in Albania.

Article 7.2

122. This provision of the Charter deals with the financial aspect of the office of local elected representatives. The term "appropriate financial compensation" encompasses four different elements: "appropriate compensation for expenses incurred in the exercise of the office," compensation for loss of earnings incurred by the local representative" (where applicable), "remuneration for work done" and "social welfare protection."[27]

123. According to the Local Government Act, the members of the municipal councils receive a monthly remuneration of 10% of the mayor's salary, while the councillors of the county councils perform their function without remuneration. In addition, in municipalities, the employer of the councillor is obliged to allow the member of the municipal council to take time off work to attend meetings of the municipal council, its commissions or activities organised by the municipal council.

124. Therefore, the rapporteurs conclude that Article 7.2 of the Charter is complied with in Albania.

Article 7.3

125. Article 7.3 of the Charter refers to the compatibility on holding a representative position at local level and having other activities, public or private. The restrictions should be limited and determined by the national legislation.[28]

126. The Local Government Act contains detailed rules on incompatibility applicable to councillors.[29] According to these provisions, a conflict of interest exists between the membership of a municipal council and holding the position of mayor, deputy mayor of the municipality, secretary of the municipal council, official of the administration of the relevant municipality or official of the institutions under its authority. A councillor cannot simultaneously serve as a Member of Parliament, or as a minister.

127. The same person may not be elected to more than one municipal council at the same time, and a relative of a councillor (spouses, parents and children, brothers and sisters, as well as fathers-in-law and mothers-in-law with their sons-in-law and daughters-in-law) may not be members in the same municipal council.

128. The rapporteurs consider that conflicts of interest are adequately regulated by law and that Article 7.3 of the Charter is therefore being properly implemented.

of the relevant municipality to all documentation relating to the municipality".
27. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 114.
28. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 119.
29. "Law no. 139/2015 on Local Self-Government" (available in Albanian), 2015. See Art. 47.

3.7 Article 8 – Administrative supervision of local authorities' activities

Article 8 – Administrative supervision of local authorities' activities

1. Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.
2. Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.
3. Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

Article 8.1

129. In accordance with the Charter, administrative supervision of the activities of the local authorities can only aim at ensuring compliance with the law and with constitutional principles. Administrative supervision may, however, be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities. Another important requirement which can be derived from the Charter's provisions is that the law should precisely determine which administrative authorities are empowered to exercise legal supervision over municipalities, thus eliminating the uncertainty of the current legislation. Article 8.1 requires that any form of administrative supervision has a legal basis (statute or constitutional provision), meaning that higher levels of governments cannot intervene outside of a certain legal frame. In case of intervention, these authorities should strictly follow the regulated procedures (time, manner, competences, etc.).[30]

130. There are several forms of supervision in Albania. Normative acts of local authorities are supervised by prefects on the legal basis of Local Government Act No. 139/2015 and Act No. 107/2016 on the Prefect. This oversight extends to the legality checks of municipal and county decrees.

131. Local government ordinances can be sent to constitutional review by the Constitutional Court, while individual decisions are subject to legality check of the prefect. The performance of delegated tasks is monitored by the ministries, by areas of responsibility. As for the financial management of local authorities, they are subject to supervision and financial inspection to ensure compliance with national norms and standards in the field of public finance management, in accordance with the legislation in force.

132. In addition, state authorities may dissolve the bodies of local authorities or dismiss a mayor only in cases expressly defined by law under procedures set out in the national legal framework. Thus, municipal council may be dissolved when it fails to be constituted after elections, it becomes unable to function due to repeated failure to convene or exercise its legal duties or acts in persistent violation of the Constitution or laws.

133. Nevertheless, as mentioned earlier, to the best of the rapporteurs' knowledge, no municipal council has been dissolved to date.

134. The dismissal of mayors is regulated by Article 115 of the Constitution and Article 62 of Local Government Act, and such cases have been comparatively common in Albania in recent years. According to the law, a mayor may be dismissed by the Council of Ministers only under the following circumstances: serious violations of the Constitution or laws; final criminal conviction; on municipal council proposal due to more than 3 months of uninterrupted absence from office, if qualifying as a serious violation.

135. The financial supervision is carried out by the State Supreme Audit Institution (KLSH/ SAI) over local and regional authorities and aims to ensure that the management and use of public funds is in accordance with the legislation in force and to guarantee transparency, accountability and effectiveness in the administration of the state and local authority budgets and to improve public services at the local

30. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 128.

level. In doing so, the KLSH conducts financial audits in local self-governments and their subordinate units and provides recommendations for improving their financial management. The KLSH is legally obliged to audit the financial statements of all 61 municipalities on an annual basis and also carries out compliance audits across local government units.

136. Although the financial control goes beyond checking the legality of financial management, and extends to the effectiveness of expenditures that have actually been made, and can also carry out ex-ante control during the planning phase of funds, the KLSH may make only recommendations and does not have any administrative power to enforce them. Nevertheless, if the State Supreme Audit Institution has made recommendations to the audited local authority, it must report to the KLSH, within a period of 6 months, about the implementation of the recommendations. According to information from the KLSH, a number of comments and suggestions have been made to the municipalities examined in recent years, e.g. regarding shortcomings in the management of immovable property, in the public procurement process, and proposing the publication of local financial reports, and the improvement of internal control structures which have led to significant progress in transparency, effectiveness and efficiency of local finance. The KLSH also reports to the Parliament regarding the audits conducted throughout the year, which it considers an important mechanism for strengthening the enforcement and follow-up of audit recommendations, as it enhances accountability and encourages audited entities to implement the findings.

137. In light of the foregoing, the rapporteurs consider that the situation in Albania is in compliance with Article 8.1 of the Charter.

Article 8.2

138. Article 8.2 of the Charter provides that supervision of local authorities should normally aim at ensuring that local authorities comply with laws and regulations. Administrative supervision may involve checks on legality or expediency. According to the Contemporary Commentary, checks on legality are intended to determine whether local authorities have complied with the applicable laws and regulations.[31] The Charter limits checks on expediency to the tasks that are delegated to local authorities by higher-level authorities.[32]

139. As mentioned in the previous section, central supervision largely relates to the legal control of municipal acts and the supervision of local government finances, meaning that, in theory, it does not provide the central government with any opportunity for illegitimate interference in local autonomy. It should be noted, however, that if local governments are financially vulnerable, there is a greater risk that these channels are exploited to increase central influence, because the local governments concerned will strive to meet the government's expectations in every way, whatever form they may take, in the hope of receiving further support.

140. The line ministries exercise administrative supervision on local authorities with regard to delegated powers, which in practice also includes monitoring the effectiveness of implementation.

141. On the basis of these considerations, the rapporteurs conclude that Article 8.2 of the Charter is respected in Albania.

Article 8.3

142. Article 8.3 of the Charter establishes the principle of proportionality in the administrative supervision of local authorities' action. As further explained in the Contemporary Commentary, the intervention of the higher-level authorities should be "proportionate to the importance of the interests it intends to protect."[33]

31. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 131.
32. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 134.
33. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 137.

143. Based on the preceding points, it appears that the supervision exercised by the central government over local authorities does not exceed the limits set by Article 8.3 of the Charter. Therefore, in the opinion of the rapporteurs, this provision is being complied with.

3.8 Article 9 – Financial resources

Article 9 – Financial resources of local authorities

1. Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.
2. Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.
3. Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.
4. The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.
5. The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.
6. Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.
7. As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.
8. For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

Article 9.1

144. Article 9 paragraph 1 of the Charter provides that local authorities must have adequate financial resources of their own, of which they may dispose freely within the framework of their powers. Financial autonomy is an essential component of the principle of local self-government and for the exercise of a wide range of responsibilities in the field of local public affairs. These elements are cumulative and not alternative, which means that all conditions laid down in this provision of the Charter are mandatory.

145. Municipalities' own revenue-raising options are guaranteed by law,[34] and their own revenues are the same as those commonly found in other member States' local government systems: local taxes and service fees, revenue from property utilisation and business activities, administrative service charges, and loans.

146. Municipalities can generate revenue from fees for public services and administrative activities such as waste collection and disposal, water supply and sewerage, irrigation and drainage, issuing permissions authorisations defined by laws. However, there are also significant differences in this regard between the conditions and capabilities of individual counties and municipalities.

147. Although the possibility of borrowing is provided for in the Local Government Act, only a few, mainly larger cities can take advantage of this opportunity, because most municipalities do not have sufficient economic leeway to repay the loans, and most capital-intensive investments are paid for and managed by the central government anyway, with the municipalities concerned mostly only participating in the subsequent operation. The same applies to local revenue from economic activities, which is not a realistic source of income for smaller, financially weaker municipalities. However, as indicated by the municipality of Mirditë, if they had sufficient capital spending, they could implement a number of local initiatives that would provide additional resources to this region rich in natural resources.

34. Act No. 9632/2006 on Local Taxes, Act No. 9896/2008 on Local Government Unit's Borrowing and Act No. 68/2017 on Local Government Finance.

148. To summarise, although the regulatory framework in principle provides local governments with the opportunity to generate their own revenues, in practice municipalities are only able to exploit these opportunities to a limited extent. Although in theory, counties have taxation power, in fact, there are no county-level taxes, and they have only extremely limited opportunities to generate own revenues.

149. The rapporteurs note that the existence of some own-source revenues for local authorities is not, in itself, sufficient to fulfil the requirements of Article 9.1. It is essential that local governments possess adequate financial resources to enable them to independently determine how to fulfil their mandatory tasks, as well as to undertake additional responsibilities on a voluntary basis. However, a significant proportion of Albanian municipalities are unable to generate sufficient own-source revenue to meet these needs, while county self-governments remain heavily dependent on central transfers.

150. The rapporteurs therefore consider that Article 9.1. is not complied with.

Article 9.2

151. This provision of the Charter establishes the principle of commensurability, which means that the finances of local authorities should be sufficient and commensurate with their tasks. According to the Contemporary Commentary, the commensurability principle provides that "any new task assigned or transferred to local authorities must be accompanied by the corresponding funding or source of income to cover the extra expenditure."[35]

152. Albanian municipalities usually struggle with a lack of financial resources, because of the insufficient funds from central budget, which are often not adequate to their mandatory tasks. Local authorities are highly dependent on funds allocated by the state budget, as they are less able to generate own revenues. It applies to both the current and capital expenditure. On average, central transfers account for around 50% of total municipal revenues, while state grants amount to 70% or more in smaller and financially weaker local authorities.

153. In accordance with Act No. 68/2017 on Local Government Finance, the transfer of functions must be financed in accordance with service standards and actual costs. In accordance with Local Government Act No. 139 of 2015, when a local self-government unit exercises delegated functions, central government shall provide it with sufficient financial means and resources to exercise such functions in the manner and at the level or standard defined by law. However, in practice, all interlocutors representing municipalities claim that the funds provided from the state budget for performing these tasks do not cover their actual costs. In its written communication to the rapporteurs, the Minister of State for Local Government acknowledged that "in some cases, municipalities are required to supplement delegated functions with their own-source revenues" and that some municipalities have to "allocate a significant portion of their operating budgets to [finance] delegated functions."

154. Similarly, according to the assessment of the State Supreme Audit Institution, the financial resources of municipalities and counties are often not sufficient to cover all the costs of the tasks and functions they must perform.

155. Unlike municipalities, the Association of the County Councils considers that state funding to the counties is adequate to their tasks. It appears, anyway, that the method of calculating unconditional transfers differs somewhat for counties compared to municipalities, in that 20% of the central (block) grant is a fixed amount (the other two criteria, population and population density, are the same). Nonetheless, although counties have own revenues from municipal financial quotas and service fees, they significantly depend on central transfers, because only a few public services are provided at this level, and they do not have revenues from regional taxes.

156. In view of the fact that central government subsidies – the so-called "unconditional transfers" – amount to only around 1% of GDP and that local authorities' own revenues are very low due to limitations on their tax collection capacity and difficulties in obtaining other local revenues, and taking into account the generally held view among local authorities, the rapporteurs found that Article 9.2 of the Charter is not being properly complied with in Albania.

35. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 150.

Article 9.3

157. Article 9.3 of the Charter deals with the tax-levying power as an integral part of the financial autonomy of local authorities. As detailed in the Contemporary Commentary, there should be "true" taxes that may be levied by local authorities as well as "charges", in order to compensate a use of local facilities or the delivery of services (such as rubbish collection).[36] The Charter comprises a definition of local taxes requiring that local authorities, within the limits of the law, must have the power to determine the rate of these taxes.

158. Local taxes are the main source of local authorities' own revenues, such as the tax on immoveable property, the small business tax and other minor local taxes (on billboards, donations, local lottery, etc.). While property tax is the most important of these, most municipalities are unable to take full advantage of this tax due to a lack of accurate and credible information on land ownership, which would be necessary for the effective collection of the tax. Even larger cities encounter challenges associated with this administrative limitation. Another challenge arises from population movements, which result in discrepancies between official population figures and the actual number of residents in several municipalities. For example, while official data indicate that Mirditë has 34 000 inhabitants, municipal estimates suggest that the actual population is approximately 13 000 to 14 000.

159. The counties possess very limited own-source revenue, and the vast majority of their funding is derived from the central budget.

160. In view of these considerations, the rapporteurs conclude that Article 9.3 is only partially implemented.

Article 9.4

161. The requirement contained in Article 9, paragraph 4 of the Charter goes beyond the principle of providing resources proportionate to the tasks for local authorities, as it also requires that local governments have diversified and buoyant financial resources. The Contemporary Commentary of the Charter details the principle of diversification of income sources which is essential to maintain the autonomy of local authorities and adapt to any fluctuation in economic cycles.[37]

162. In its written communication to the rapporteurs, the Association of Local Elected Representatives of Albania indicated that in several instances, the central government has blocked funds for local projects on political grounds, and that additional funds are allocated on the basis of party interests, resulting in discriminatory treatment of opposition-led municipalities.

163. During the visit, the rapporteurs also heard that local governments do not have sufficient funding to perform their mandatory tasks and can only fulfil delegated tasks by using their own resources.

164. Although, according to available information, no local government has gone bankrupt to date, and municipalities are not permitted to operate with a deficit budget, it appears that, with the exception of a few large cities, most local governments are experiencing financial difficulties. This is despite their remit covering a relatively limited set of public services.

165. It should also be noted that, while the rapporteurs did not receive detailed financial data, available reports indicate that the proportion of capital expenditure remains very low, and even local investments are subject to considerable centralisation.

166. Therefore, according to the rapporteurs, this requirement of the Charter is only partially implemented.

Article 9.5

36. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 153.
37. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 161.

167. This provision of the Charter introduces a rule for the protection of financially weaker local authorities. In order to meet this requirement, member States that have ratified the Charter must operate a financial equalisation system aimed at reducing territorial disparities so that local authorities with less favourable economic conditions are also able to provide adequate public services to local residents.

168. In Albania a form of financial equalisation mechanism is incorporated into the system of local government funding, more exactly, through the provision of "unconditional" or non-earmarked grants. Its purpose is to support local authorities with low tax revenues and generally unfavourable revenue-generating capacity, and to mitigate regional disparities.

169. A number of criteria are taken into account for calculating the equalisation grants, such as the fiscal capacity of each municipality measured by the total revenues from the shared taxes, or the number of private cars and other indicators.

170. All relevant data indicate that significant regional disparities exist in Albania. Findings from the current monitoring exercise demonstrate that the existing system of financial equalisation is not highly effective. For example, it faces challenges in addressing local characteristics such as dispersed settlement patterns over large areas (particularly in certain northern municipalities)[38] or distinctive geographical features (such as mountainous and forested areas).

171. Taking these factors into consideration, the rapporteurs conclude that this Article of the Charter is only partially implemented.

Article 9.6

172. Articles 9.6 of the Charter addresses consultation concerning the redistribution of financial resources that are allocated to local authorities. On this specific aspect, local authorities should be specifically consulted "in an appropriate manner", which means that sufficient time should be allocated to the consultation process.[39]

173. During the visit, the Congress delegation was informed that consultations are frequently more formalistic than substantive in nature. This observation, although not supported by the Association of County Councils, is particularly pertinent to the financial consultations referred to in Article 9.6 of the Charter, which tend to predominantly top-down in approach.

174. Nevertheless, consultation between central and local governments is institutionalised and operates regularly. Opinions regarding the effectiveness of this mechanism diverge. It is evident that both parties must make further efforts to ensure the mechanism operates effectively and that local government associations are afforded a meaningful opportunity to submit their own proposals, as well as adequate time to prepare their position on all matters that concern them.

175. Based on these considerations and taking note of the dissatisfaction expressed by local government associations regarding the functioning of the Consultative Council, the rapporteurs consider that Article 9.6 is partially implemented in Albania.

Article 9.7

176. Article 9, paragraph 7 of the Charter expresses a preference for general or block grants as the form of central subsidies, as, whether provided as a lump sum or in instalments, such grants allow local authorities discretion and independence in spending of funds.

177. One of the main revenues sources of local governments comes from the central budget as block ("unconditional") grant. The calculation of this is transparent, but compared to the practices of other countries, it is based on a rather simple formula, which takes into account the population, population density, and the number of students in public education. These criteria are weighted differently; the largest weighting (80%) is given to population size, while the smallest weighting is given to student numbers. The amount of the grant calculated in this way is adjusted according to financial equalisation criteria (primarily municipal fiscal capacity indicators).

38. For example, the municipality of Kukës having officially 36 000 inhabitants, covers an area of 963 km².
39. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 174.

178. The basic principle of the allocation of central subsidies is that their total amount cannot be less than 1% of GDP. Although this is a minimum requirement, in practice the amount of central grants does not significantly exceed this ratio. The rapporteurs did not receive national aggregate data on local government financing, but based on data from previous years and current estimates, it appears that the total revenue of local governments amounts to no more than 3-4% of GDP.

179. The rapporteurs received varying estimates concerning the ratio of central subsidies (including revenue from shared taxes) to own-source revenues, for example, in the case of Tirana.[40]

180. Local authorities have revenues also from shared taxes. They receive a proportion of the revenue from the immovable property right transfer tax imposed on individuals and legal persons, the sale of second-hand vehicles tax, the tax on surplus mining profits, and personal income tax, specified by law.

181. The local government financial system also includes a form of specific ("conditional") grants. These grants are primarily used to finance local and regional investments, meaning they are targeted and allocated on a conditional basis. Additionally, the prevention of local emergencies is financed from a dedicated civil emergency fund. Specific grants are generally accessible through application-based procedures.

182. The rapporteurs note that municipalities receive block grants from the state budget, allocated according to a detailed formula. However, according to the prevailing views of interlocutors, these subsidies are inadequate to enable municipalities to fulfil their mandatory functions. Consequently, the rapporteurs consider that the requirement set out in Article 9.7 of the Charter is only partially fulfilled.

Article 9.8

183. This provision establishes the access for local authorities to national capital markets as essential for investments on projects, when their "ordinary" resources are not sufficient.[41]

184. Local governments have the legal opportunity to take loans from the money market; the decision on this matter falls within the exclusive competence of the municipal council. Nevertheless, there are several restrictions on this. For example, all borrowing requires the approval of the Ministry of Finance and can only be used for specific purposes. Then, according to Act 68/2017 on local financial autonomy, the Ministry of Finance may require an independent external audit of a local authority's accounts before approving a long-term loan.

185. In practice, it appears that only larger cities in a more favourable financial position are able to take advantage of this opportunity. Most municipalities, on the other hand, do not have free funds or their own revenues that would enable them to repay loans.

186. As the relevant provision of the Charter requires only that borrowing be legally permissible within the framework of national legislation, the rapporteurs conclude that Albania is formally in compliance with Article 9.8.

40. While according to the Ministry of Finance the ratio of local revenues to central subsidies in Tirana is approximately 70 to 30 per cent, according to the city authorities, the ratio of own revenues of Tirana municipality is approximately 90 per cent.
41. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 182.

3.9 Article 10 – Local authorities' right to associate

Article 10 – Local authorities' right to associate

1. Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
2. The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
3. Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

Article 10.1

187. The Charter requires signatory states to provide for the right for local governments to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.

188. The local authorities' right to establish or join associations is explicitly recognised by the Local Government Act.[42] This right can be exercised within the limits of law. According to the relevant legal rules, local authorities may co-operate with each other "for the performance of specific services on behalf of and for the benefit of the respective communities, two or more units of local self-government may jointly exercise any function conferred upon them by law, through the implementation of joint agreements or contracts, the delegation of specific powers and responsibilities to one another, or by contracting with a third party."

189. Based on the information obtained during the monitoring process, inter-municipal associations are a relatively rare form of co-operation among local governments. This is probably due, at least in part, to the integrated local government system. Nevertheless, there are associations in some areas, such as civil emergency management, waste management, and tourist promotion.

190. It should be noted that, in the absence of adequate financial incentives and the authority to provide a comprehensive range of public services, the legal possibility of establishing and operating such associations has limited practical significance.

191. In view of the existence of an appropriate legal framework, the rapporteurs consider that Article 10.1 of the Charter is respected in Albania.

Article 10.2

192. Article 10.2 requires that each member State must recognise the entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities. It refers to the right for local authorities to belong to "a national association for the protection and promotion of their common interests" and "an international association of local authorities."[43]

193. In Albania, there are two recognised national-level local government associations: the National Association of Municipalities and the Association of County Councils. The rapporteurs were informed that all municipalities and counties participate in them, respectively. These representative bodies seem to operate freely and form their own opinions. The National Association of Municipalities informed the rapporteurs that it represents a unified municipal voice.

194. The rapporteurs also met the leading officials of the Association of the Elected Representatives of Albania, which brings together local elected officials from the opposition. They were informed that this association is not a member of the Consultative Council and is not invited to national-level consultations, despite its willingness to participate.

42. "Law no. 139/2015 on Local Self-Government", 2015. Art. 9.1.5, point c.
43. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 195.

195. During the visit, the rapporteurs heard of no legal obstacles at the national level that would prohibit municipalities from joining international associations. The National Association of Municipalities is a member of NALAS.

196. The rapporteurs would like to point out that the Contemporary Commentary on the Charter highlights that associations play a fundamental role in representing and defending the rights, powers and interests of local authorities and they carry out many activities on behalf of them all (not only the priorities of their members). Therefore, it is important that the central government undertakes an inclusive approach to consulting all associations, notwithstanding political affiliation, as this allows them to perform their basic functions appropriately.

197. In the light of the above, the rapporteurs note that subnational authorities have the right to join an association and therefore Article 10.2 of the Charter appears to be respected formally in Albania.

Article 10.3

198. The purpose of Article 10.3 is to guarantee the possibility of co-operation of local authorities with their counterparts in other States.

199. The Local Government Act expressly recognises the right of local authorities to co-operate with local government units of other countries and to be represented in international organisations of local governments, in accordance with the law and the relevant legislation (Art. 9.1.5, point b).

200. There are some examples of cross-border co-operations, such as between Pustec, Shkodër or Pogradec and certain municipalities in neighbouring Montenegro and North Macedonia.

201. Therefore, the rapporteurs consider that this Article of the Charter is fully respected in Albania.

3.10 Article 11 – Legal protection of local self-government

Article 11 – Legal protection of local self-government Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

202. Article 11 of the Charter is a key provision within the architecture of the Charter. According to this article, local authorities should be entitled to invoke the principles of local self-government before the courts and to defend their local autonomy.[44]

203. The Albanian Constitution, in accordance with the Charter, guarantees the judicial protection of local government rights.[45]

204. In addition to ordinary judicial protection, the Constitutional Court also guarantees the autonomy of local governments in certain cases.[46] In the event that the Council of Ministers dissolves or discharges an elected body of a local government for serious violation of the Constitution or the laws, the body or official concerned may turn, within 15 days, to the Constitutional Court in which case the decision of the Council of Ministers is suspended until the final decision of the Court. Beyond this, according to Article 134 of the Constitution, local government organs or regional communities may initiate the proceeding of the Constitutional Court in matters affecting their interests. On such a request, the Court may decide on the compatibility of a law with the Constitution or with an international agreement (such as the European Charter of Local Self-Government), and on conflicts of competencies between central and local governments.

44. Congress of Local and Regional Authorities (2020), A contemporary commentary by the Congress on the Explanatory Report to the European Charter of Local Self-Government, CG-FORUM (2020)02-05prov, p. 206.
45. Constitution of Albania, 1998, Art. 113.3.
46. The Constitutional Court has referred to the European Charter of Local Self-Government in several of its decisions (Decisions no.8, dated 21.02.2025, no. 34, dated 24.04.2024, no. 29, dated 02.07.2021, no. 37, dated 12.06.2015, no. 4, dated 02.02.2015, no. 60, dated 29.12.2014, no. 54, dated 05.12.2014, no. 25, dated 28.04.2014, no. 48, dated 08.11.2011, no. 3, dated 02.02.2009, no. 29, dated 21.12.2006, no. 47, dated 28.07.2000, no.45, dated 24.07.2000 of the Constitutional Court).

205. Since 2021, the Constitutional Court has reviewed a number of cases regarding local self-government where considered issues such as unconstitutionality of laws and normative acts for leading to conflict of competencies between central and local authorities or where the infringement of the autonomy of local authorities is discussed. The matters considered have included:

- conflicts of competences between central and local authorities with respect to adoption of normative acts;
- issues relating to the administration of areas of culture heritage, or to the administration of public spaces;
- competences of various bodies.

In addition, the Court has adjudicated two cases concerning decisions of the Council of Ministers to dismiss mayors.

206. Judicial protection of local government rights plays an important role in Albania. According to one source, a total of 36 incumbent or former mayors have been investigated on corruption charges in recent years.[47] In February 2025, the Special Structure against Corruption and Organised Crime (SPAK) arrested the mayor of Tirana Erion Veliaj on corruption charges, and he has since remained in pre-trial detention.

207. In September 2025 the municipal council of Tirana voted to remove the Mayor from his duties for the reason of absence in office for more than 3 months. Based on this, the government issued a removal decree and early elections in Tirana were set by a presidential decree. However, in November 2025, the Albanian Constitutional Court reinstated Erion Veliaj to his position as mayor, saying that his removal was unconstitutional and cancelled the early elections in the capital. In practice, Mr Veliaj is unable to perform his duties as mayor as he remains in custody.

208. The rapporteurs consider it outside the remit of this report to comment on ongoing criminal proceedings. As a general observation, they would only like to note that Albania is among the countries with the highest rates of pre-trial detention in Europe, as well as a comparatively long average duration of pre-trial detention[48]. The Venice Commission report on the impact of the pre-trial detention of mayors on the exercise of local democratic governance has pointed out that the prolonged pre-trial detention of mayors should be approached with special care, as it may call into question both the individual rights of mayors under the ECHR and the rights of the voters who elected them."[49]

209. In May 2026, the Albanian Constitutional Court partially upheld the Mayor of Tirana's appeal against his pre-trial detention, and remanded the case to the Supreme Court for review, finding that its earlier decision on detention was not sufficiently reasoned with respect to the proportionality of the detention measure. On 15 September 2026, the Supreme Court upheld the pre-trial detention order.

210. Considering that judicial protection of the autonomy and the rights of local authorities are ensured through various legal procedures, the rapporteurs conclude that Article 11 of the Charter is complied with in Albania.

47. Institute for Albanian Municipalities, "Local Government in Albania Status Report 2025", Tirana, 2025. p. 26.
48. Albania with one of the highest rates of pre-trial detention in Europe, Lamallari with CoE experts: Time to separate ourselves from harsh penal policy – Balkanweb.com - News24.
49. Para. 96, Venice Commission, Report on the impact of pre-trial detention of mayors on local democratic governance, 2025.

4. OTHER MATTERS RELATED TO THE FUNCTIONING OF LOCAL AND REGIONAL SELF-GOVERNMENT

211. In its written communication, the Association of County Councils reported that, since the previous monitoring report, several initiatives have been undertaken with the objective of promoting decentralisation and enhancing local government autonomy. These include the "Intersectoral Strategy for Decentralisation and Local Governance 2023–2030", which aims to strengthen local government units strategically and operationally, improve the quality of public services, increase transparency, promote citizen participation, and prepare local authorities for the European integration process. Another important initiative is the "Strategy for Public Administration Reform 2025–2030", which focuses on human resources in local governments and the digitalisation of administrative services at the local level. Additionally, the forthcoming territorial reform is also included in this category; according to government expectations, it will contribute to increased efficiency in local government operations.

212. All signs suggest that local referendums are not held frequently in Albania, although the Local Government Act provides the necessary legal framework. However, according to information provided to the rapporteurs during the monitoring visit, local governments regularly hold public hearings in accordance with the Local Government Act and Act No. 146/2014 on the Public Consultation. At the end of each year, for instance, in Korcë and other municipalities a public hearing is held on the local government's budget plan, while youth councils operate in each Albanian municipality in order to involve youth representatives in local government decision making.

213. Corruption represents a significant challenge for Albania, which is ranked 80th out of 180 countries in the Transparency International's Corruption Perception Index for 2024.[50] Although Albania has improved its ranking in recent years, rising from a tie for 101st place in 2022 and 98th place in 2023, corruption remains a serious concern within the country. This issue is perceived to threaten the integrity of local governments. At the same time, both municipalities and counties have the potential to play an important role in anti-corruption efforts. The legal framework to support such efforts appears to be in place.

214. Thus, Act No. 60/2016 on Whistleblowing and Whistleblower Protection mandates that public authorities (including local governments) have a "responsible unit" to receive reports from whistle-blowers. Also, Law No. 9508/2006: "On Public Co-operation in the Fight against Corruption" requires that local governments are one of "public authorities" that should engage in transparency, allow citizen input, and provide mechanisms for citizens to report corrupt practices. Then, all municipalities have to make their own integrity plan. According to these plans, municipalities must establish internal procedures for transparency, publish relevant information, monitor procurement, and implement codes of conduct for municipal employees.

215. In summary, corruption, alongside the political polarisation observed in the country, continues to constitute a major challenge for local governments. Local governments are expected to play a significant role in anti-corruption efforts. Instances of corruption undermine public trust in local authorities and negatively impact local government autonomy, as such cases are frequently cited in support of greater centralisation.

216. Several interlocutors reported concerns that certain central subsidies are distributed by the government on a political basis. As with anti-corruption measures, transparency is essential in the allocation of budgetary resources. This includes ensuring equal treatment of local governments and allocating subsidies according to objective and verifiable criteria.

217. The rapporteurs note that the proposed new structural reform, which is expected to involve further amalgamation of local governments, primarily divides public opinion and local government representatives along political lines. While the central government maintains that such reform is necessary to improve the efficiency and financial performance of local governments, opposition officials contend that the shortcomings of the 2015 reform should be addressed rather than intensified. Ultimately, it is the responsibility of the Albanian central and local authorities to reach an appropriate decision. It should be noted, however, that a degree of inconsistency exists between the proposed amalgamation of local governments and the continued centralisation of certain public services.

50. Transparency International, "Corruption perceptions index", 2024.

218. During their visit to the municipalities of Mirditë and Kukës, the rapporteurs observed first-hand the challenges many municipalities face as a result of their specific geographical and natural conditions. In these areas, for example, extensive forested and mountainous terrain and a dispersed population make it particularly difficult to provide public services to all residents. In rural areas, additional challenges include emigration and limited administrative capacities. These issues are likely to require targeted central support and investment that duly take into account the particular circumstances of these municipalities.

219. As observed in several other Council of Europe member States, depopulation of rural municipalities is also a notable trend in Albania, particularly with the migration of young people, both to larger cities and abroad. This phenomenon has serious consequences for local communities and renders the provision of public services by local governments increasingly difficult and costly, which may, in turn, contribute to further centralisation.

220. During the visit, the Congress delegation did not receive any information regarding violence perpetrated against local elected officials or municipal employees.

221. Concerning environmental and civil protection, According to Act No. 45/2019 on Civil Protection, municipalities must conduct local risk assessments, prepare local civil-protection plans, establish local operational structures and coordinate with the National Agency for Civil Protection. Beyond this, as mentioned in the written communication of the Minister of State for Local Government “the central government will undertake a screening of the legal obligations that the local governments have in the frame of Chapter 27 (Environment and Climate Change), including waste, air quality, water, nature protection and energy-efficiency directives.” It is also worth mentioning that several municipalities have developed their own local plans aligned with the National Climate and Energy Strategy.

222. Finally, Albania signed the Additional Protocol to the Charter on the right to participate in the affairs of a local authority on 30 May 2016; however, it has not yet ratified this instrument. While the legislative framework for citizens’ participation in public affairs appears to be in place, and the Local Government Act provides for public hearings at the local level, ratification of the Additional Protocol is not currently on the political agenda. According to information provided by the Minister of State for Local Government, “the implementation [of the Protocol] might require capacity-building for municipalities to operationalise citizen participation mechanisms.” Nonetheless, it remains unclear which specific instruments are lacking for this purpose.

5. CONCLUSIONS

223. Based on the findings of the current monitoring review, it appears that local governments in Albania should be entrusted with a significantly greater role in the provision of key local public services. The central government, however, maintains that municipalities lack the capacity to independently provide services such as public education, water supply and waste disposal due to challenges in management and capability. In accordance with the spirit of the Charter, however, the appropriate response to such challenges is not centralisation, but rather the development of the administrative and financial capacities of the concerned local governments. Furthermore, for a number of mandatory tasks, local governments do not possess full and exclusive powers, but are instead limited to mechanical implementation or institutional maintenance functions. As a result, Albania is not fully benefiting from the principle of subsidiarity.

224. In Albania, with the exception of the largest cities, local governments are severely underfunded and lack sufficient financial resources to perform their mandatory duties and exercise their powers. It is therefore necessary to review the method of calculating unconditional grants. As it stands, the overall amount of these grants is quite low, perpetuating the financial constraints faced by local governments. Consequently, most municipalities are unable to develop or pursue their own local policies, as their limited resources are hardly sufficient to address mandatory tasks on a day-to-day basis.

225. As many local governments lack adequate financial resources and personnel for performing the tasks assigned to them, they are often compelled to cover the relevant costs from their own budgets, which is inconsistent with one of the core principles of the Charter—namely, that local authorities should

receive funding from the state budget commensurate with their legally mandated responsibilities. Additionally, local authorities have very limited autonomy in the execution of several tasks. It is inappropriate to regard local governments as deconcentrated extensions of the state administration for the sole purpose of achieving budgetary savings. Local authorities can effectively exercise their responsibilities only when they can leverage local knowledge and local relationships.

226. The institutionalisation of consultation between central and local governments should promote meaningful dialogue, rather than merely fulfil formal requirements for compliance with international standards. The Consultative Council, for example, should be organised to enable local government associations to review agendas, prepare for discussions in advance, and submit their own proposals with the expectation that these will receive due consideration from the central government. All local government associations must be included in the consultation process.

227. Furthermore, the consultation procedure concerning the proposed changes to local authority boundaries, which was initiated at a relatively advanced stage of the administrative-territorial reform process, does not appear to have ensured the meaningful and timely participation of the residents of the communities concerned in the decision-making process, as would be consistent with the spirit of Article 5 of the Charter.

228. Although Albanian law grants local governments the authority to levy and collect local taxes, administrative shortcomings hinder their ability to do so effectively. Without targeted central support, these challenges are likely to persist. When the local tax system is primarily based on property tax, it is essential for local governments to be able to maintain adequate property records and to possess sufficient administrative capacity to collect local taxes.

229. Counties, due the indirect election of their members as well as their very limited responsibilities, negligible own-source revenues and limited administrative capacities, cannot be regarded as fully-fledged local governments in the spirit of the Charter. If the Albanian authorities intend to maintain a two-tier local government system, the situation of the counties should also be addressed in the context of the anticipated structural reforms.

230. The current financial equalisation system, as operationalised through unconditional grants, does not appear effective in improving the situation of financially weaker municipalities or in mitigating large regional disparities. A comprehensive review of this system should be conducted, and a more effective, transparent mechanism—grounded in objective criteria—should be introduced to support the implementation of local initiatives, including those related to local economic development.

231. In the context of Albania’s preparations for accession to the European Union, it is essential to prioritise the expansion of local governments’ powers and a significant increase in their financial resources. The effective absorption and management of prospective EU funds depend on the existence of a robust and capable system of local governance. While the Charter establishes the overarching framework for local autonomy, full and consistent implementation of its principles is indispensable for developing a well-functioning and resilient local government system.

APPENDIX – Programme of the Congress monitoring visit to Albania

CONGRESS MONITORING VISIT TO ALBANIA
Tirana, Mirditë, Kukës
(17-19 November 2025)

PROGRAMME

Congress delegation:

Rapporteurs:

Mr Anders KNAPE	Rapporteur on local democracy Chamber of Local Authorities, EPP/CCE[51] Member of the Municipal Assembly Karlstad, Sweden
Mr Sören SCHUMACHER	Rapporteur on regional democracy Chamber of Regions, SOC/G/PD Member of the Hamburgische Bürgerschaft Germany

Congress secretariat:

Ms Svitlana PEREVERTEN	Secretary to the Monitoring Committee

Expert:

Prof. Zoltán SZENTE	Member of the Group of Independent Experts on the European Charter of Local Self-Government (Hungary)

Interpreters:

Ms Lisena GJEBREA
Ms Albana LILAJ

The working languages, for which interpretation was provided during the meetings, were Albanian and English.

51. EPP/CCE: European People's Party Group in the Congress
SOC/G/PD: Group of Socialists, Greens and Progressive Democrats
ILDG: Independent and Liberal Democrat Group
ECR: European Conservatives and Reformists Group
PfE: Patriots for Europe Group
NR: Members not belonging to a political group of the Congress

Monday, 17 November 2025
Tirana

COUNCIL OF EUROPE OFFICE IN TIRANA

- **Ms Giulia RE,** Head of Office

JOINT MEETING WITH MEMBERS OF ALBANIA'S NATIONAL DELEGATION, EXPERTS AND YOUTH DELEGATE

- **NATIONAL DELEGATION**

- **Ms Majlinda BUFI,** Mayor of Roskovec
- **Mr Sotiraq FILO,** Korçë County Councillor
- **Ms Juliana MEMAJ,** Mayor of Dimal

- **EXPERT OF THE GROUP OF INDEPENDENT EXPERTS ON THE CHARTER**

- **Mr Indrit PUTECI**

- **YOUTH DELEGATE**

- **Ms Maylinda BAJRAMI**

NATIONAL ASSOCIATION OF MUNICIPALITIES OF ALBANIA

- **Ms Emiriana SAKO,** Co-President

ASSOCIATION OF LOCAL ELECTED REPRESENTATIVES OF ALBANIA

- **Mr Fisnik QOSJA,** President
- **Mr Albert MËLYSHI,** Deputy President of the Association and Mayor of Mirditë
- **Mr Rrok DODAJ,** Mayor of Puka
- **Mr Albert MALAJ,** Mayor of Memaliaj

- **Dr Ilir ALIMEHMETI,** Chair of the Council Room
- **Mr Arlind HOXHA,** Director

ASSOCIATION OF THE COUNTY COUNCILS

- **Mr Aldrin DALIPI,** President

CAPITAL CITY OF TIRANA

- **Ms Anuela RISTANI,** Acting Mayor

MEETING WITH DIPLOMATIC CORPS

- **Mr Niklas STRÖM,** Ambassador of Sweden to Albania
- **Mr Erik ILLES,** Deputy Head of Mission, Head of the Swedish Development Co-operation in Albania
- **Mr André RIZZO,** Chargé d'affaires of the European Union to Albania
- **Ms Marie AUGOUY,** Programme Manager, Delegation of the European Union to Albania

Tuesday, 18 November 2025
Tirana

PEOPLE'S ADVOCATE (OMBUDSPERSON)

- **Ms Erinda MELI,** Commissioner for the Section for Central Administration Bodies, Local Government, and Third Parties Acting on Their Behalf

- **Mr Fatbardh ZENELAJ,** Secretary General
- **Mr Alket JAUPI,** Assistant Commissioner for the Section for Central Administration Bodies, Local Government, and Third Parties Acting on Their Behalf

PARLIAMENT (KUVENDI)

- **Ms Milva EKONOMI,** Chair of the Committee on Economy, Employment and Finance
- **Mr Arbjan MAZNIKU,** Chair of the Special Committee on Territorial Reform
- **Mr Damian GJIKNURI,** Deputy Chair of the Committee on Legal Affairs, Public Administration and Human Rights Committee

CONSTITUTIONAL COURT

- **Ms Fiona PAPAJORGJI,** Judge

STATE SUPREME AUDIT INSTITUTION (KLSH)

- **Dr Arben SHEHU,** President

Wednesday, 19 November 2025
Tirana, Mirditë, Kukës

MINISTRY OF FINANCE

- **Mr Endrit YZEIRAJ,** Deputy Minister
- **Mr Fran BRAHIMI**, Director of Local Finances department

MUNICIPALITY OF MIRDITË

- **Mr Albert MËLYSHI,** Mayor

JOINT MEETING WITH THE MUNICIPALITY OF KUKES AND COUNTY OF KUKËS

- **Mr Albert MUJA,** Chair of the Municipal Council