



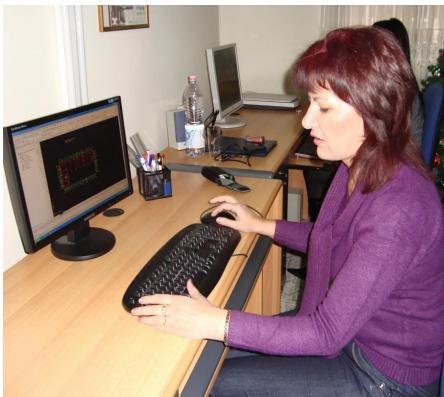
USAID
FROM THE AMERICAN PEOPLE

**LOCAL GOVERNANCE
PROGRAM IN ALBANIA**

SUCCESS STORY

More Local Revenues through Better Assets Management

The municipal Assets Catalogue is an excellent introductory tool of the opportunities that the Municipality of Gramsh can offer in regard to finalization of public-private partnership.



Dhurata Cima, Head of Urban Department of Gramsh Municipality, updating GIS data with relevant information on the municipal assets' physical or legal status
USAID's new four-year \$7.3 million Local Governance Program in Albania (LGPA) aims to improve governance in select municipalities and build public-private partnerships to create a "business friendly" environment in which the local private sector can flourish. USAID activities will seek to increase investment, create jobs, raise incomes, and ultimately, expand municipalities' tax base revenues.

Before November 2008, Gramsh Municipality made a profit of 2,285,000 Lek or 5.2% worth of annual revenues from renting its assets. Moreover, the Municipality presented the municipal assets to domestic and foreign potential investors during meetings, discussions or field visits at site, in order to visit these assets close up. Several companies showed real interest in using Gramsh Municipal assets. But prior to entering into any agreement the Municipality was required by law to first register the properties. In addition, to assess the importance of the proper evaluation of the entity's assets it's necessary for the municipal staff to be able to assess the value of the assets they manage. Such information is essential to maximize the efficiency in the use of public resources. But unfortunately, at the time, municipal staff had little information regarding management of assets..

With the support of USAID's Local Governance Program in Albania (LGPA), much has changed for Gramsh Municipal staff. Not only they are now able to evaluate the municipal assets, but from November 2008 they possess the catalogue of municipal assets. In addition, LGPA worked with Gramsh municipality to create new revenue sources from leasing or selling municipal land and buildings, and to improve the efficiency and effectiveness of existing revenues and assets through training of the Municipal staff in Asset Management GIS application methods.

Dhurata Cimo, specialist of the Urban Department of Gramsh Municipality described the dramatic changes this assets' presentation through Municipal Assets Catalogue have brought to the municipality. "The registration of the municipal assets and the publication of all the information on these assets – said Mrs. Cimo - will be of great benefit to the business community by giving them the opportunity to explore investment opportunities and create a friendly environment for potential investors. The business and investors community is considered to be the primary beneficiary. In addition, a business friendly environment, increased investment opportunities and transparency will benefit the surrounding community through creation of new jobs, increased level of tax collection and municipal budget, resulting also in improved quality of life as the Municipality will have better resources to use in improving public services".

The municipal assets catalogue, said Mayor of Gramsh Municipality Mr. Kastriot Zera, is a first attempt toward a more effective management of the assets of Gramsh Municipality. We strongly believe that it will be an indispensable tool in promoting local economic opportunities, attracting the domestic and foreign investments in the territory we administer, generating and increasing the local revenues.

The Municipality of Gramsh is now on the edge of signing an agreement with a domestic investor that has showed interest in renting one of the municipality's assets to start a sewing place that would provide employment to 200 women in Gramsh.

Our goal, said Mr. Zera, is to increase the revenues from leasing of land and buildings from 5.2% in 2008 to 7% in 2009.