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## PRESS RELEASE

### **New \$7.3 Million USAID Program to Improve Economic Growth and Local Governance in Ten Municipalities**

**TIRANA**—Today's Memorandum of Understanding (MOU) Signing Ceremony between USAID and the mayors of 10 participating municipalities launched USAID's new, four-year \$7.3 million Local Governance Program in Albania (LGPA). USAID Mission Director Edward T. Landau and the Mayors of Fier, Fushë Krujë, Gramsh, Himarë, Korçë, Kukës, Lezhë, Librazhd, Pogradec, and Shkodër signed Memoranda of Understanding to outline USAID assistance.

USAID's new program 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.

In his remarks to the mayors, Mission Director Landau noted, "Over the past decade, USAID assistance has helped establish the legal basis and technical skills needed for the decentralization of governmental powers to municipalities. Now, through local economic growth, the LGPA will seek to help generate the tax revenues and other financial tools that municipalities will require to exercise their powers."

The ten municipalities were selected after consideration of their fiscal capacity, small business growth rate, and expressed interest in seeking to improve public service delivery levels through a transparent and participatory development process.

The program's foundation will be the formation of a Local Economic Growth Committee in each city. With bi-partisan representation from public, private and civil society sectors, these committees will develop a strategic vision of the future economic development for their communities and prioritize immediate actions, such as improvement of public services, tax collection procedures, and asset management systems. Through these plans, LGPA will work with each of the participating municipalities to identify and attract potential investors.

Representatives of the local business community from each municipality were also present at the ceremony, which was held at the Tirana International Hotel.

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