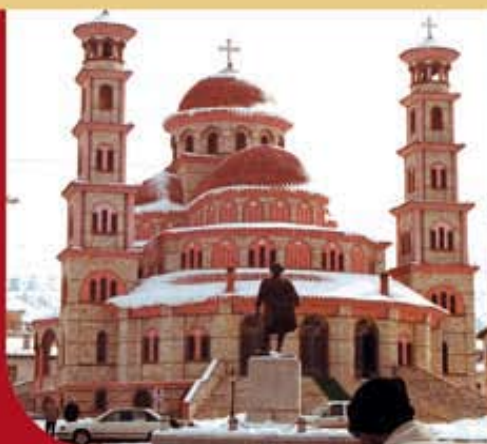


MUNICIPALITY OF KORÇA



STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

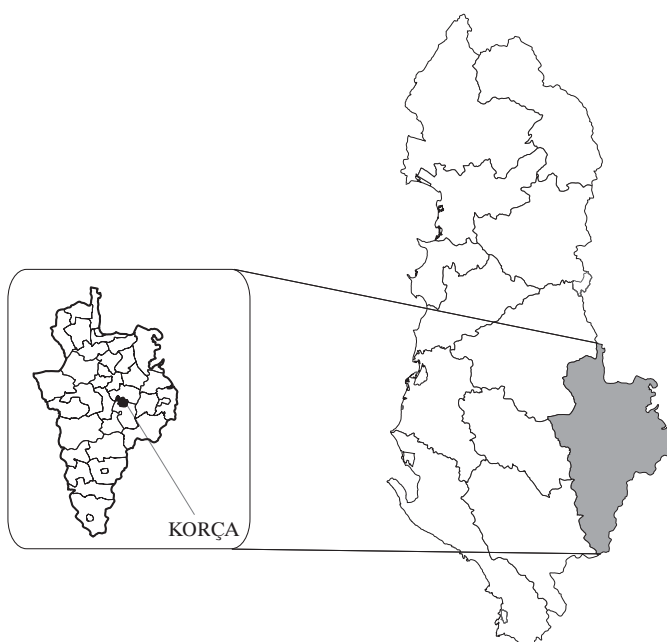


IN THE SERVICE AND INTERESTS OF THE COMMUNITY

MUNICIPALITY OF KORÇA

Strategic Plan for Economic Development

2005 – 2010



Tirana 2006



MUNICIPALITY of KORÇA

This strategic plan has been written by large stakeholder groups from the Municipality of Korça with advice and guidance from the World Bank Group, the Open Society Institute and FLAG. The World Bank Group, Open Society Institute and FLAG do not accept any liability for the accuracy or content of the strategy; they do however congratulate the Municipality for the quality of their work.



Cover design: Kilica Graphics
Editors: Artan Rroji and Dr Iain Wilson
Printing house: Maluka shpk

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Acronyms

DELTA	Developing Enterprise Locally through Techniques and Alliances
EDCM	Economic Development Commission of the Municipality
EDDM	Economic Development Department of the Municipality
FLAG	Foundation for Local Autonomy and Governance
LGI	Local Government and Public Services Reform Initiative (part of the Open Society Institute of the SOROS Foundation)
SMEs	Small and Medium Enterprises
SPLLED	Strategic Plan for Local Economic Development
SWOT	Strengths, Weaknesses, Opportunities and Threats
WB	World Bank



Mayor's deliberation

The City of Korça is located in the south-east of Albania and is one of the largest cities in the country in terms of both population size and surface area. The municipality has a relatively well developed infrastructure, which enables its citizens to have the chance of enjoying a normal standard of living.

Historically, agriculture in Korça has been the mainstay of the region, with trade taking place with other large cities whether in Albania or abroad. The city is surrounded by rich agricultural land and lies close to the borders with Greece and Macedonia. Its geographical location is regarded as one of the strengths that favour its economic development. However, the future development of its agribusiness rests on the concept of its wider economic development. For example, Korça is a tourist destination and lies very close to other tourist destinations within Albania.

Other important advantages of Korça that need to be highlighted are the obedience of its citizens to the law and the existence of its historical traditions, professionalism and culture, while the labour costs in the city are low, as a result of the generally low wages.

On the other hand, the city's infrastructure does need many improvements, and the municipality's limited budget does not provide for many possibilities for investment, while the tax policies do not favour the development of businesses. The current economic level is low, and the same is true for the purchasing power of the population. Moreover, the citizens are reluctant to spend money.

There is an imminent danger that a considerable number of existing businesses, especially large ones, will leave the city. During the country's decade and a half of transition to a market economy, the economical structures of the Municipality of Korça have done little more than create an obstacle to the wider economic and social development of the city. The contemporary structures have been unable to generate employment possibilities.

In order to stop this negative trend, the Municipality has now developed a fresh strategy, one that aims to promote the economic development of the city based on the local development of businesses. This new strategy is focused on close collaboration between the municipality and the existing and potential small- and medium-sized enterprises, which are seen as a major element in the economic development of the city. The concepts and methodology of the Local Economic Development on which this collaboration is based have to do with creating conditions for improvement of the business environment, for promoting the creation of new businesses and developing existing businesses and their possibility for enlargement, while at the same time attracting foreign and national investors.

The implementation of this concept requires that the municipal authorities, through the development of partnerships between local government and the private sector, play a new role in the city's economic development, so that together they can decide on common goals and implement LED projects. This strategy demonstrates the vision of the economic development of the municipality over the next five years, through supporting business development by applying the objectives that should be achieved and implementing programmes and projects for achieving these objectives. The process of the development of a Strategic Plan was an important factor in establishing concrete collaboration between local government and the private sector.

The end goal that we seek to achieve is, through the implementation of this Strategy, the establishment of better conditions for the economic development of the city of Korça, and, consequently, the creation of better living conditions for its citizens.

This Strategy was developed in collaboration with and through the constant assistance of the DELTA programme of the World Bank, financed by the SOROS Foundation.

Special thanks go to:

- the GTZ project 'Support of the private economy in the Korça-Pogradec Region', which worked on the preparation of the Business Vision;
- the Korça Chamber of Commerce and Industry;
- the businesses of the city.

In order to fulfil all the goals defined in this Strategy, the City of Korça, given its modest resources, needs the financial and political assistance of central government and the technical assistance, expertise and financial resources of the international organizations operating in Albania.

Robert Damo
Mayor of Korça City



I. Introduction

A strategy for the Local Economic Development (LED) of various municipalities in Albania has been developed within the framework of the programme ‘Developing Enterprise Locally through Techniques and Alliances’ (DELTA). It was implemented during 2004 and 2005 and supported both financially and technically by the World Bank (WB; Local Economic Development Department) and the Institute for an Open Society (SOROS), through the Local Government and Public Services Reform Initiative, LGI, Hungary. A strategy for, and in partnership with, each of the municipalities of Berat, Durres, Korça, Lezha and Shkodra was prepared with the collaboration of the Albanian organisation Foundation for Local Autonomy and Governance (FLAG). The goal of the programme was, and continues to be, to develop strategic action plans that will have an impact in the restructuring of local economic development policies at the municipal level, especially those relating to the development of the private sector in Albania.

The methodology employed in DELTA promotes improvement of an environment that supports and facilitates the development of business and strengthens capacities and collaboration of local authorities with community groups, in general, and local businesses, in particular, for the development of a common Vision and a Strategic Plan for Local Economic Development (SPLED).

The Strategic Plan developed by each municipality will serve the purpose of institutionalising private-public partnerships and developing local programmes and projects that will lead towards the preparation of an agenda for sustainable development of the municipality. Through strengthening institutions, infrastructure and policies that support private enterprises, the projects outlined in each SPLED will help develop and strengthen Small and Medium Enterprises (SMEs) and increase local employment possibilities while at the same time increase revenues for the municipal budget.

The framework of DELTA enabled local capacities to be developed through a periodic review of the process of LED planning in order to provide for its sustainable institutionalisation in the respective local government.

II. Preamble

The change of the political system in Albania, the transformation of the country's economy, from a highly centralised to a free market version, and the opening up of its markets and resources to those elsewhere in the world, especially those in Europe, has introduced a new challenge for its communities, particularly its businesses and local governments, namely the challenge of building a local economy and business structure capable of adapting to world markets and to competition.

During Albania's transition, the structure of its businesses changed and continues to change at both the national and local level. Before transition, large public companies dominated the market, while now it is dominated by SMEs. The initiation of the decentralisation process, allowing local governments to have a greater influence in the business environment, has naturally inclined the interests of SMEs towards local government policies. Every day, more responsibilities regarding provision of services and creation of regulations related to the business environment are being transferred from central to local government.

This economic transformation has brought to the table of our Municipality a new role: to lead the process of stimulating regeneration and growth of the economy and thus provide continuous improvement in the quality of life of our community, through improving the local business environment with regard to the economy and the competitiveness of businesses.

Given the current situation, it is becoming more and more clear to our community that great efforts have to be taken in order to define the most important directions needed for successful development and marketing of our resources in order to create competitive advantages that will sustain the existing businesses and attract new ones. This is the only way for our community to use its resources intelligently in order to make its economic system successful and sustainable.

Of significance in the development of this whole process has been the direct engagement of the municipality in LED planning, in which it played a leading, coordinative and promotional role. The process has been supported further through our city's public institutions, its business community and civic society, and through other partners, with a common effort that has enabled a common vision to be reached and the most important directions defined for the creation of a comfortable environment for LED, and one that promotes businesses and increases employment.



III. Importance of SPLED for our community

The initiative of our municipality to develop a SPLED was carried out within the framework of efforts taken in exercising its legal function as a promoter and supporter of economic development within the jurisdiction of its territory, aiming to use in the most effective and efficient way possible its human, natural, social, institutional, financial and physical resources, in order to create a friendly environment for residents, businesses and visitors.

The transition process has forced substantial changes to be made in the way the city adapts to the trends and requirements of a successful LED. At the same time, the diversification of the local economy, required for it to fit the demands of the free market, and its development dynamics call for adjustments and re-evaluation of the relationship that exists between municipality and community, for building working systems and collaboration structures that will help in the gradual rehabilitation and continuous consolidation of a sustainable, healthy economy in our city.

In this new situation, in which our municipality is open to international and national competition for attracting businesses and creating jobs, it is imperative that efforts are made to define future directions, focusing on and managing well the available resources.

Our city government has previously made efforts to find and convince investors to enter our community, but these have often been sporadic and not well-coordinated with other local, or sometimes more distant, factors. In addition, the physical improvement of the local environment, quality of services and financial incentives required to ensure that existing businesses continue and new businesses seek to operate in our city, has been inadequate, because of the limited legal authority and financial capacities of our municipality.

Regardless of these difficulties, the role it is playing has always been increasing in strength, initially from an observer of local economic development and business performance into an actor actively involved in creating incentives and spaces in direct support of business and as a main generator of economic growth and employment. The experience of the Strategic Plan development has shown us that only local government, as the authority in whom the political and non-political interests of different groups in society come together, can play the major important role in stimulating economic development, through adopting a new mentality and work practices and through maintaining relationships with the actors and organisations that operate in its community.

Our community needs a wise local government, functional partnerships and civic pride, and we believe that the present strategy has laid the foundations for these.

IV. Strategic Plan

This is the first LED Strategic Plan that has been developed for our municipality and it represents an effort made to change the quality and way of governing and the decision-making process.

Effective use of the economic advantages possessed by our community and attraction of private investors depend very much on the quality of local governance, the services provided and quality of the local policies that are developed and implemented. These have an impact upon the infrastructure of the services available for businesses, such as electricity and water supplies, transportation, telecommunications, waste management and urban planning. The fact that most businesses operating in our municipality are micro-, small- or medium-sized, which depend greatly upon the quality of services offered by the local government, makes even more important the latter's role in creating a friendly environment that fosters the development of business.

This Strategic Plan aims to correct the factors that have had up to now a negative impact on the economic development of the municipality and on the quality of local governance, and by doing so to reduce the barriers and risks of doing business here. The planning process helped in assessing these factors, and through this procedure an active review of the economic base and development factors of the municipality was achieved, leading to a better understanding of the opportunities for and obstacles to creating economic growth and attracting investors. During this process, our partners evaluated the local strengths, weaknesses, opportunities and threats (SWOT analysis), the key factors that need to be addressed in order to coordinate sustainable economic development.

During the formulation of the Strategic Plan, the Planning Commission reviewed the available human and natural resources, the economic status of the city and its surrounding areas, its cultural and historical heritage and comparative advantages, and the desires and needs of the community.

The Law on 'The Organisation and Functioning of Local Governments', No. 8652, dated 31.07.2000, Article 10/III, states that '... municipalities shall assume responsibilities for the following exclusive functions of Local Economic development ... that of the preparation of programmes for local economic development', making the development of a strategic plan a legal obligation for the municipality.

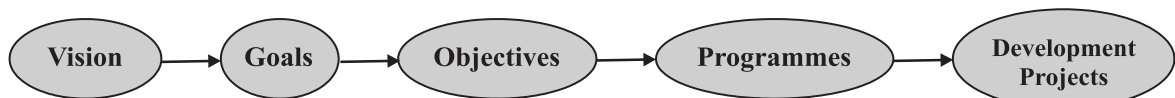
The present plan was prepared over a period of 16 months. We understand that the desired improvements and changes cannot happen within a short time. However, the leadership of our municipality, together with the public and private actors, will be devoted to its implementation in the medium term and the making available of adequate resources for it to happen as quickly as possible, as this plan is very likely to succeed in achieving its goals.



The Strategic Plan was approved by Municipal Council in Act No. 31 dated 16th May 2005.

Structure of Strategic Plan

The main elements in a SPLED are the vision, goals, objectives, programmes and individual projects, which can be structured as follows:



Korça, because of its geographical position, tradition and culture, etc., is one of the most important cities in Albania. The Strategic Plan it has developed is an ambitious one and is focused on the positioning of the city as:

- an important urban and educational centre;*
- a promoter of local and euro-regional economic development;*
- a competitive environment for businesses.*

Through creating partnership between local government and local businesses, improving existing or installing new infrastructure and developing human resources the municipality aims to foster an appropriate environment for the development of new businesses and the growth of existing ones. This will lead to job creation, growth of the economy and improvement in the quality of life for all the citizens of the region.

Philosophy behind Strategic Plan

The SPLED of our municipality aims to outline the vision and strategic goals the city has for its development and to guide and consolidate the efforts made by the municipality and community to develop an environment that is both supportive and favourable for the development of business here.

Our SPLED has been designed to address the needs of both our leaders and our community to improve the quality and diversity of jobs that are available and to improve the quality of life for our citizens and of the environment for the development of business.

The Municipality and all the actors involved in the development process began implementing their vision by focusing on the primary philosophical goals that lie behind the development of our SPLED:

- Provide for the community and local government a guiding document for determination of future directions of economic growth;
- Provide an example of a strategic decision-making process that incorporates collaboration among local politicians and the business community;
- Facilitate the efforts for collaboration among public and private partners, for a coordinated development of the municipality;
- Establish a decision-making framework for issues such as public services, infrastructure and collaboration with business;
- Establish a new experience and install a culture of planning economic development;
- Create an environment favourable for development and growth of existing businesses, because we believe that in a community where businesses are dissatisfied there is little chance that new businesses will be created;
- Influence the financial and technical support policies of central government and donating agencies;
- Give our municipality the appropriate leadership authority required for planning economic development;
- Enable transparent and effective local governance that responds professionally to the needs and requirements of residents and visitors.



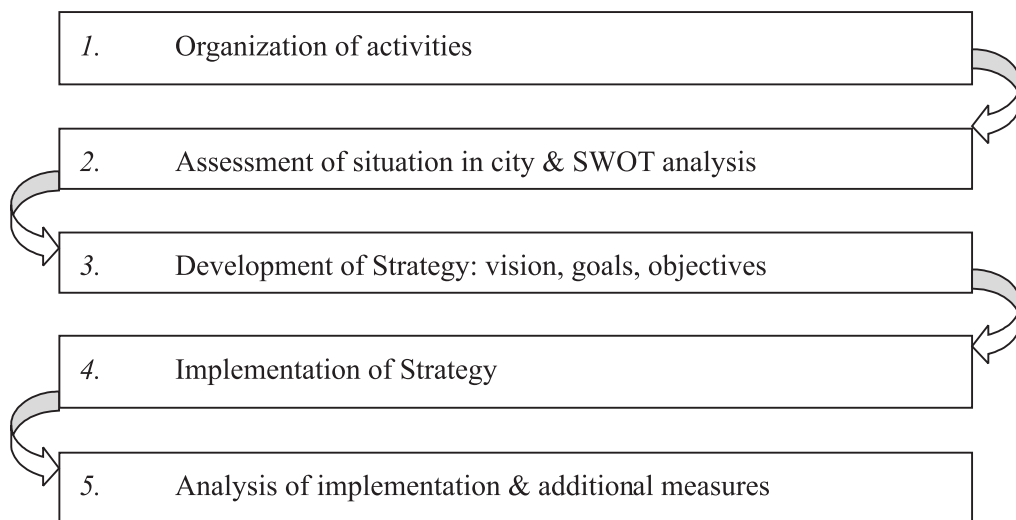
V. Development of Strategic Plan

The development of the Strategic Plan was completed using the methodology applied by the World Bank. In using a holistic strategic planning process it is important to achieve an inclusive agreement where economic, social and environmental needs are balanced.

Four groups, each focusing on a different area, worked to develop a common SWOT analysis for the municipality, one that combined each separate analysis. After collecting and processing preliminary statistical information relating to the current economic situation in Korça, a survey of 70 SMEs active in the city was conducted. Each business completed a questionnaire designed to gather opinions on a number of issues. The SWOT analysis provided a summary of those opinions with regard to economic development of the region.

Overall analysis identified a number of weaknesses that would present obstacles to a fast development of the city of Korça. However, a number of advantages were also identified that will be helpful in assisting the growth and development of local businesses. Through exploitation and development of the opportunities, the major part of the weaknesses and threats can now be reduced or even eliminated, making the municipality of Korça attractive for both local and foreign investors.

The LED strategy is closely related to the development of businesses, because these are the foundations of economic development. The preparation and implementation of the LED strategy was a five-step process, in which the municipality was and continues to be involved. These steps were:



The vision arrived at by the City of Korça reflects all reasonable possibilities for development through description of its economic future and its advantages. The vision provides a clear direction for the development of its economy until 2010, and beyond.

The material presented here describes the situation at the end of the third step of LED planning and reflects the views of the community of Korça through which it has defined and agreed upon a vision for the development of the city.

Guiding principles

The principles that guided the Municipality and the Planning Commission during the formulation of the Strategic Plan include the following:

- Economic success is balanced with quality of life;
- Economic growth is balanced with social and environmental requirements;
- The municipality is a key factor in improving the local investment climate;
- Collaboration among municipal government, businesses and civic society is a key element in sustaining economic progress;
- Strategic planning is a holistic integrated process, institutionalised in the municipality;
- SPLED determines the main directions for economic development, but doesn't control it;
- Improvement of the entire business environment is targeted, not simply individual businesses;
- Protection and support for existing businesses is as important as attraction of new businesses, as they act as a very good marketing tool for promoting the business climate;
- Development of employment using internal resources is more important than creating employment through external factors;
- Establishing Public-Private partnerships in decision-making and in improving the local economy is important;
- The private sector is the main generator of economic development.

Methodology

Our municipal government considers SPLED as the best and most systematic method available for management of change, for ensuring consensus of the community and for generating a common vision for a better economic future. The strategic planning process enabled the coordination of efforts and resources that will lead towards improvement of the economic situation and, consequently, the establishment of a framework that aims to create a healthy well-balanced environment for the economy and an improved quality of life for the citizens. Although outlined here very simply, this methodology was found to be very complex given the amount of effort and decision making required.



The strategic planning process was accompanied by capacity building and facilitation activities. For capacity building purposes, DELTA organised a study tour to Hungary where three workshops were held on the following topics:

- Stages and techniques for development of SPLED;
- Institutional structure for development, implementation and monitoring of SPLED in partnership with the community;
- Introduction of regional best practices in SPLED;
- Methodology of development and assigning of priorities to projects.

Planning process

The foundation of an effective strategic planning process rests upon a sound understanding of the most important issues that face a community. The issue of economic development could be outlined as one of problems to be solved, needs to be addressed and capabilities to be employed. The process applied here enabled the unification of the opinions and choices of local government with those of businesses and other representative agencies.

The planning process was structured to be undertaken in five phases:

1. Organisation of the efforts;
2. Evaluation of the competitiveness of the local economy;
3. Development of the strategy;
4. Implementation of the strategy;
5. Revision of the strategy.

The planning process was carried out over a 16 month period and made it possible to identify all the needs, ideas, issues and possibilities for development.

Over the planning process period a number of consultations, evaluations and common decision-making events relating to the presentation and priority of the key issues for economic development were considered.

At moment of writing, the municipality has completed the first three phases and has now entered the fourth.

Organisational approach to Plan development

The organisational approach that was applied allowed in the decision-making process the direct and institutionalised participation of a wide group of people representing the community along with the mayor, members of city council and the municipal staff.

The participation was institutionalised and structured through the LED Planning Commission established and headed by the Mayor. The role of the Commission was to draft and review the Strategic Plan and this responsibility continues with supervision and evaluation of the plan's implementation. The structure of the Commission was laid out in such a way as to allow the grouping of the member base according to field of development and interest.

A crucial element in this structure was and remains the Core Team, headed by the Economic Development Department of the Municipality (EDDM) and in which the business community had one representative. The Core Team played a crucial role in coordinating the work of the commission members with the DELTA partners and other local and central agencies and organisations interested in and committed to the development of the municipality.

Participation and consultation

Formulation of the Strategic Plan document was the main aim of the Municipality, but it aimed to involve in the planning process other actors who would have a decisive role in developing the strategy. It would have been impossible for our local government to carry out the whole process alone. Therefore, it was necessary also to involve the expertise of other people from the community who could bring to the process a wide range of experiences, ensuring that the most able individuals in the community had the chance to present their opinions and preferences to address the most critical issues involved in local growth and economic development.

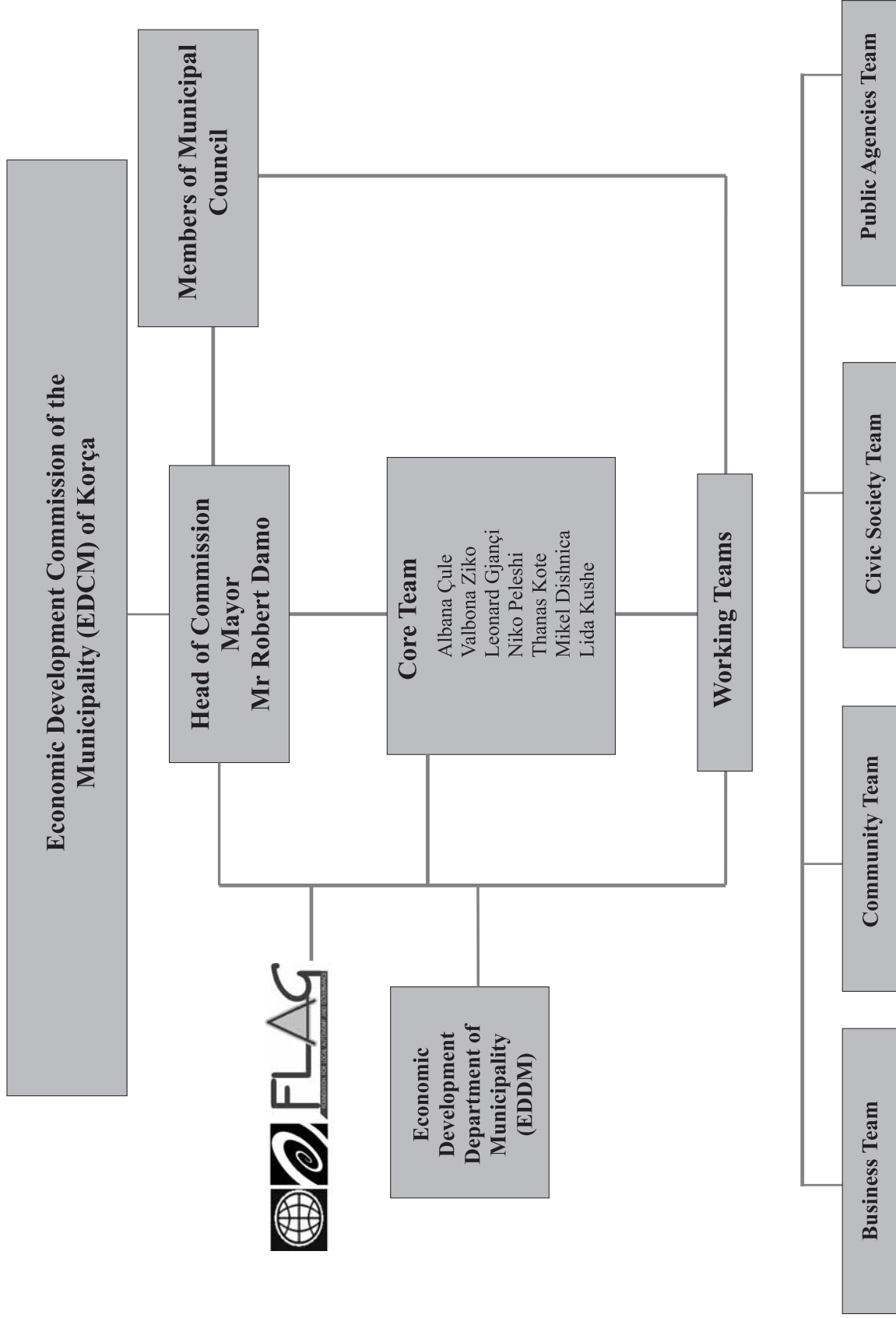
In all, 40 people were directly involved in the planning process, including representatives of local government, the business community, banks, educational institutions, including the university, public enterprises, NGOs and other individuals acknowledged in the community for their levels of expertise and contribution to society.

The municipality made a great effort to keep engaged and focused throughout the process this large group of actors, who voluntarily gave priceless assistance in formulating the Strategic Plan draft.

As a result of this inclusiveness, the direct involvement of people outside of local government who participated in the process gave full local ownership to the Strategic Plan.



MUNICIPALITY of KORÇA



List of participants:

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Aleko Papakozma	Architect
Aurel Grabocka	Director, Regional Development Agency
Robert Stratoberda	Civil Society Representative



Summary of assessment of local economy

The current condition of the local economy in Korça was subject to a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, which considered the basic economic and social data and the local views expressed in a business survey and those of the Planning Commission.

The data gathered included statistics and information relating to the local natural, human and financial resources, the structure of the economy and businesses, level and structure of employment and education and qualifications of the work force.

During the development of the SWOT analysis, the Planning Commission included a sector analysis carried out by the working teams. SWOT analysis was used as the base platform for the development of the Strategic Plan. Analysis of the local situation was continued by the Planning Commission members, which identified the main economic growth advantages and challenges facing our community.

Perceptions of businesses

Local governments have a mandate to promote the development of local SMEs. However, this mandate is considered by the private sector to be legally restrictive, especially with regard to the provision of resources to undertake business activities.

To investigate this issue further and to understand the concerns of local businesses in more detail a survey was carried out in the city. The goal of the survey was to collect information and gather the views of the business community on the local economic situation, the prospects of doing business here, the conditions and regulations that affect the growth of local businesses, the policies and practices that hinder the growth of existing businesses and the demands and needs of the community for an improvement in the business environment.

The Business Environment survey was carried out in March and April 2004 and **70 businesses** from different categories participated.

The main perception of businesses is that local governments do not have the appropriate means or authority to assist the development of SMEs. This perception is enhanced by lack of communication and poor dialogue between local government and business.

Inclusion of the opinions of local businesses in the formulation of the Strategic Plan was an important step in initiating the decision-making process. Through this step the opinions of a group of people who have the biggest influence on the economic growth of the municipality was considered.

Seventy (3.9 %) of the 1,800 businesses registered with the Municipality of Korça were surveyed, of which 24 were manufacturing businesses, 25 were involved in trade, 15 in service provision and six were construction businesses. These businesses had been active for periods ranging from one to ten years, with the majority in operation for six to ten years. Of these businesses, 46 had one owner, 19 had more than one owner and five were cooperatives. About one half, 37, of the businesses had fewer than five employees (mostly one), ten had six to ten employees, 16 had eleven to 50 employees and seven had more than 50 employees.

Vision and Goals

Vision

The purpose of generating a vision for our local economic development was to enable our community to articulate where it wants to be in the future and to choose the path it would like to follow to get there. The vision will provide for the citizens and local government a clear idea of what has to be done and how to concentrate their energies and resources.

The vision was developed by the Economic Planning Commission (EDCM), after consulting different segments of the community and after it had been presented publicly in the local media. The aim was to generate a vision that could be developed and accepted by as many actors and interest groups as possible, and which would provide a thorough description of the preferred economic future of our city.

A vision in this context is an ideal, which has its roots in the natural, geographic, economic, historical and cultural reality of the region. It aims to capture the expectations and aspirations of a community, and define a clear direction for the development of its city. We believe that in our case the vision summarises realistically the desires and capacities of our community. We aim to share this vision continually with various groups from our community, so that it becomes widely known and accepted and thus becomes a guide in making the ideal a reality.

Our vision will be re-evaluated by the community, including the decision-makers in local government, in order for it to reflect on any necessary changes, new desires and circumstances and recent evaluations.

Goals

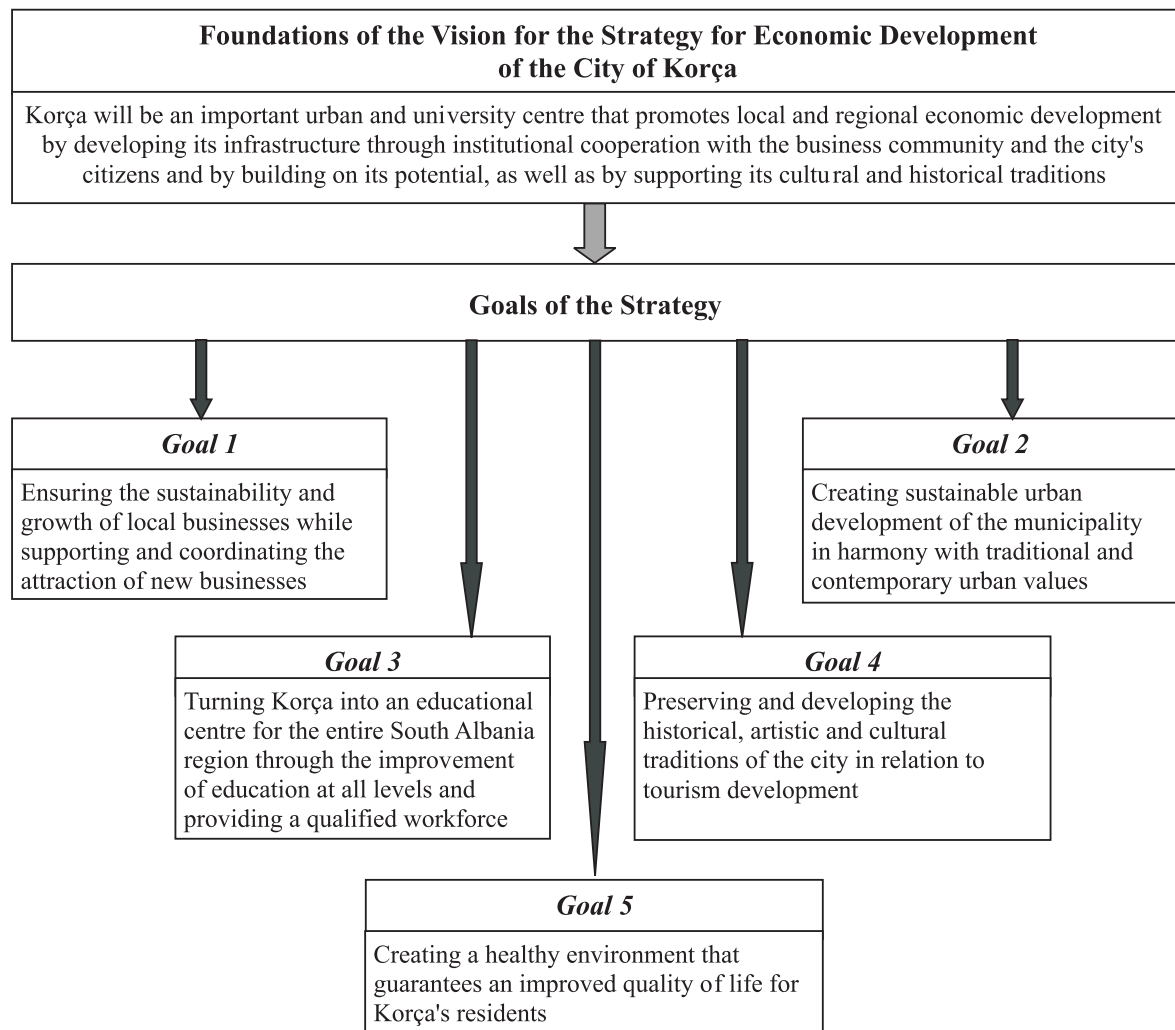
Determination of LED goals helps us to take decisions about the ways and means of achieving the changes we need. Even though some of the goals and actions required are not directly related to creating jobs or to attracting new businesses, the future of our community is based on sound foundations such as level of education and quality of life, city infrastructure and municipal services. In our view,



businesses do not develop and flourish in and are not attracted to communities that do not offer adequate levels and quality of infrastructure and services required by a healthy business environment.

In order to achieve its LED goals, our city is focused on accessing its natural and human resources. In order to develop the goals, the Planning Commission considered the opportunities and threats facing the municipality, its history of economical development and that of the region.

LED goals express the main directions in which the development of the municipality will follow, and are given below according to importance to LED and to the creation of a favourable environment. They are developed through careful analysis of the vision and deal with issues crucial to the development of the city.



Expected benefits

The benefits expected as a result of the implementation of our Strategic Plan are multiple, but the most important are the following:

- Provision of guidance to the municipal council and administration during the annual and mid-term budget preparation process, allowing for focus on the implementation of the projects included in the SPLED;
- Focus applied to the human and financial resources available in the areas identified, maximizing the benefits and making it possible to achieve the goals and objectives of the SPLED;
- Strengthened sustainable partnership in decision-making, with co-financing provided by local government and the business community;
- Increase in capacities of the municipal administration, especially of the EDDM;
- Coordination of activities of organisations and agencies responsible for implementation of different parts of the SPLED;
- Provision of a realistic calendar for the implementation of the SPLED;
- Identification of the expected results;
- Development of an efficient system of communication between the Municipality and its partners;
- Facilitation of marketing of the potential for and the possibilities of doing business here;
- Establishment of a monitoring system in collaboration with the community in order to follow up on the completion of activities and the evaluation of the results anticipated in the SPLED;
- Improvement in the management system in the Municipality in the function of implementing programmes included in the Plan matrix;
- Provision of guidance for lobbying and negotiating with local, national and international actors interested in or being involved in projects in our SPLED;
- Provision of guidance for local government and donors to allocate funds and to focus on available resources.

Implementation

A SPLED is the official plan for the administration of a local government and the institutions and enterprises under its control and as such is an on-going evolving plan. The SPLED for our city has begun and will follow four stages:



1. Activation of the financial resources and allocation of the funds;
2. Realisation of public-private partnerships;
3. Monitoring and evaluation of the Plan;
4. Re-evaluation and improvement of the Plan.

Given that the timeframe for implementation of our SPLED is longer than that of a political mandate, the success in the implementation of this strategy depends on the continuous engagement of the local government and civil service in achieving the objectives and implementation of the outlined projects.

The Municipal Council, as the key factor in provision of support for the SPLED, will provide guarantees for the allocation of municipal funds for financing of the projects. In addition, it will provide effective advice for the approval of improvements suggested by the Planning Commission and executive authority of the municipal government.

The Mayor and the Head of the EDDM will coordinate the programmes, projects and financing from central government, donors and local or international organisations, so that they follow and support the SPLED. In addition, they will initiate and implement adequate improvements in the management of the process and restructure the staff according to the implementation of the SPLED. The success of the implementation will depend heavily on how the organisations and agencies involved in the Strategic Plan will manage the particular elements they are responsible for.

While the community will experience progress with the implementation of the SPLED, the plan itself will need to be revised, evaluated and improved in order to address new conditions and situations. The Economic Development Commission of the Municipality (EDCM) will monitor and evaluate the implementation of the Plan, while keeping in mind that the community should also have access to the monitoring process.

Organisational approach to Plan implementation

The municipality appointed the EDCM as the main institution to review and evaluate the Strategic Plan implementation process. Every four months, EDCM will hold a meeting to discuss progress made in the implementation, based on reports prepared by the EDDM. It will also, once a year, in August, discuss and approve findings and evaluations, and add suggestions that will be presented to the Mayor and then to the Municipal Council for discussion and approval.

The composition of this Commission may change. However, the responsibilities will remain the same: supporting, monitoring and reviewing Plan implementation. Meanwhile, the Mayor, in consultation with EDCM, may appoint working groups to support implementation of particular parts.

EDCM will develop and approve an annual activity plan for reviewing the Strategic Plan. The funds for supporting its operations will be approved by Municipal Council, at the request of the Mayor.

The EDDM is the structure that is directly responsible for following up the implementation process, and it will mainly:

- provide adequate administrative logistical support for the activity of the Planning Commission;
- coordinate the activities of the actors identified in the Plan and of those that will be involved later on;
- provide staff for the working teams that will support the Planning Commission;
- prepare and present for the Mayor and Planning Commission reports on the performance of the implementation process;
- find data and information required by the Mayor and Planning Commission.

Financing of Strategic Plan

Financing of the Strategic Plan is a major effort for the Municipality, equal to the effort made in plan development. The Implementation Matrix (Chapter IXc) identifies estimated costs, and gives the actual and potential partners. The total cost of Plan implementation is 7,720,750,000 leke, equivalent to 61,766,000 euros.

The Municipal Government will finance the Strategic Plan through its own budget, and this began in 2005. The Council will also continually include the implementation of the programmes and projects of the Plan in the municipality's annual and mid-term budgets.

The Strategic Plan will be co-financed by central government, the local business community and other community groups, donors and local and international organisations. Commitment of the business community through direct investments offers an additional financial guarantee for its implementation and success.



VI. Overview of Korça community

Location

The Korça Region of Albania is located in the south-east of the country and shares borders with two other countries, Greece and Macedonia. The region comprises four municipalities, those of Korça (the Prefecture centre), Pogradec, Bilisht and Erseka.

Climate

The climate of the region is classified as continental, with cold winters and relatively hot summers, in contrast to the lowland Mediterranean and Alpine mountainous regions of the country.

Surface area: 3,697 km² (some 12 per cent of the total area of the country)

Population size: 360,000 inhabitants (10 per cent of the population of Albania)

Number of registered businesses: 4,000

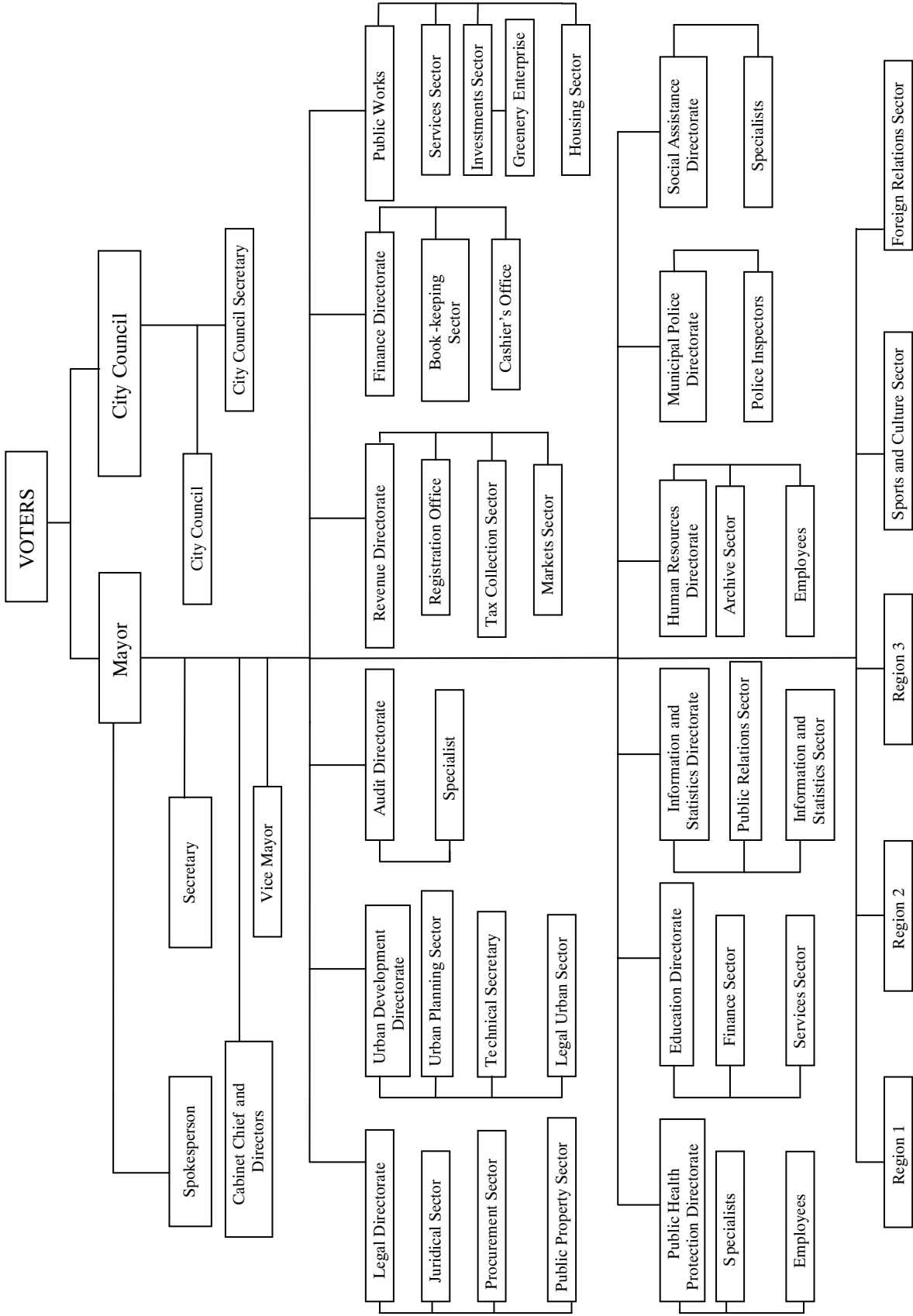
Distance from other cities in the Balkans:	Tirana, Albania	180 km
	Port of Durrës, Albania	200 km
	Port of Thessalonica, Greece	250 km
	Skopje, Macedonia	280 km
	Shkodra, Albania	300 km
	Prishtina, Kosova	430 km
	Sofia, Bulgaria	500 km
	Bucharest, Romania	900 km

Education

The city has a number of primary and secondary schools, as well as a university, an important institution in the region and the country. Every year many students graduate in a range of subjects, including those related to business and agriculture.

Municipal government

The organizational structure of the municipal government is shown on the next page.





VII. Economic profile of Korça

The following is a brief description of the main business sectors in the region of Korça.

Agriculture

The fact that Korça has the second largest surface area of agricultural land in the country, makes agriculture the most important sector in the region's economy, accounting for 32 per cent of total revenues. However, in Albania, division of land among small family-run farms has led to low productivity and created obstacles to specialization, to farming of market-oriented produce and to the introduction of modern agricultural technology. The high cost of using agricultural fertilisers and pesticides means that the region's farmers, as in the rest of the country, are incapable of supplying the local demand for agricultural produce, which means that low productivity and high costs are typical characteristics of this sector of Albania's economy.

This picture becomes even more depressing when the extremely seasonal nature of the market is considered. Local production is unable to fulfil even the local demand, and it can supply the market for only a few months a year, leaving much space for the importing of foreign produce. The sector simply is uncompetitive in the wider market.

Nevertheless, Albanian produce does have certain advantages over foreign imports. Due to the favourable climate the yields are potentially high and due to the limited application of chemical fertilizers and pesticides its agricultural produce is mostly organic, even though it is not labelled or certified as such. Unfortunately, though, for the reasons given above, these highly sought-after products cannot penetrate the markets, neither here nor abroad. The farms are not market-orientated and, in general, are not well-organised into associations or cooperatives.

Mid-term prospective for the sector

Unification of the region's small farms into larger ones would create the possibility for the modernization and mechanization of the agricultural sector in Korça. This would increase productivity and the competitiveness of Albanian products in the region. Free-trade agreements have been signed among Balkan countries and their implementation will encourage Albanian farmers to find new ways of surviving under new market conditions, through reducing costs and identifying products that are in short supply (such as blackberries, strawberries, etc.). The supporting programmes made available by various international institutions and NGOs operating in the region have provided an important input by advising on the future directions Albania's agriculture might take.

The demographic movement of villagers into the city and the recent passing of a law on the sale and purchase of agricultural land are important factors that will promote the creation of larger farms. As its most important resource, agriculture will continue to hold a dominant position in the economy of the Korça region.

Clothing

This sector makes up about 31 per cent of the region's economy, virtually the same as the agricultural sector. However, clothing manufacture is the largest sector with regard to number of enterprises and employees (between 4,500 and 5,000 employees, mainly women). In most cases the enterprises are joint ventures between Albanian and Greek businessmen. The raw material is imported for Albanian businesses to manufacture the finished article.

Mid-term prospective for the sector

Due to increasing labour costs in Albania, this sector will not remain attractive for much longer. Foreign companies that import clothing into their own countries are oriented towards markets that offer lower labour costs. Thus, in Albania, orders are decreasing each year, and only those companies that create direct business relationships with large foreign clients who bypass foreign brokers will have the chance to survive.

One possibility for this sector would be to manufacture products for the local market. In Albania, this is a relatively small market and it will provide opportunities for only for a limited number of companies while the competition will be fierce, but it is a market that exists nevertheless.

Agribusiness

The region of Korça is home to one of the largest groups of food processing businesses in the country, producing meats, salamis, dairy products, alcoholic and non-alcoholic drinks, as well as farming snails, etc. The number of agro-processing businesses has been constantly growing during recent years, and the sector has become a very important employer in the municipality. The new businesses process fruits, vegetables, dairy products, wine, oil, flowers, etc., and most of these companies are SMEs. The proportion of companies that operate in this sector now stands at 87 per cent of the total number of enterprises in the region, while the number of businesses employing between six and ten people is steadily growing.

Mid-term prospective for the sector

Due to the region's favourable resources for agro-processing this sector is now one of the priorities in the mid-term strategy for local economic development. With the development of its agriculture sector, Korça business has a genuine opportunity to become a player on both the national and trans-regional Balkan stages.

Construction

In the Korça region there are 53 construction companies currently in operation. These companies build private homes, private and public trading centres and other constructions, and manufacture various construction materials. Some enterprises have established well-organised company structures



and are trying to cooperate and build relationships with international companies. This industry has developed a high economic dynamism and has great potential for further growth that would improve the economy and increase employment in the region.

Mid-term prospective for the sector

Given the increasing demands of returning emigrants, the residential construction market perspective will remain sustainable in the mid-term. The efforts to reduce the informal economy will reduce the relatively high number of construction enterprises and will promote a healthy development of the sector.

Some national and international projects influencing this sector, especially with regard to infrastructure, have already been approved. The implementation of several projects has been planned for the 2004 to 2008 period, and include a new road from Korça to Qafe Thane and to bring ease of access to the Korça region of roads that are part of International Corridor VIII. The local construction companies that are capable of renewing their technology, improving their quality standards and human resources, and building partnership relationships with experienced foreign companies will have a good chance of being successful in tenders for future projects.

Tourism

Because of the region's tourism potential and developing infrastructure, the quality and capacity of hotels have been improving in recent years. Currently, in the municipality there are ten hotels, offering some 400 beds, while in Pogradec there are 17 hotels offering a further 520 beds. At the moment, revenues from tourism contribute only a fraction of the overall economy of Korça, but for Pogradec, they are a considerable economic factor.

Mid-term prospective for the sector

Improvement in infrastructure and increased investments in tourism attractions will generate an increase in revenues from this sector. In the neighbouring countries of Greece and Macedonia, the tourism industry is well-developed and very competitive. The Korça region could use its historical, cultural and natural resources to improve the mid- and long-term revenues from this sector.

Foreign investments

There are 81 foreign companies currently operating in the Korça Region. These make up slightly more than three per cent of the total number of foreign companies operating in Albania. Foreign investments in the region total 30.3 million euros, some 3.7 per cent of the whole amount invested in the country.

Infrastructure

Roads

Compared to other regions of the country, the Korça region has a good quality network of roads. Moreover, there are also under way investments being made in improving the roads connecting Korça with the west of the country, that is with the capital city Tirana and the sea-port city of Durres, along Corridor VIII.

Electricity

The electricity supply for the Korça region was recently, in February 2004, significantly upgraded. Now it is possible for the provision of electricity at the standard European voltage, though the number of hours of supply is still limited given the poor operational procedures of the state-owned company, which is incapable of delivering electricity 24 hours a day. In 2005, another project will be implemented and this will include reconstruction of the main transformer of the city's power station.

Sewerage and water supply systems

The German Government has made several significant investments in the water supply and sewage systems in the Korça region. The following construction projects have particularly improved, or will improve, the situation in the city:

- New water-pump station and distribution network for Korça;
- New water drainage system for Korça;
- New water-pump station and distribution network for Pogradec;
- Sewage treatment plant for Pogradec;
- New water drainage system for Pogradec.

Financial sector and banking system

In addition to the Albanian banks, there are six foreign banks operating in the city of Korça:

National Bank of Greece (NBG, Greek); Tirana Bank (Greek); ProCredit Bank (German); National Commerce Bank (BKT, Turkish); Raiffeisen Bank (Austrian); American Bank of Albania (American).

Two other foreign banks are in a preparatory stage of opening branches in the city, and will offer nearly all normal banking services. The consolidation of political stability in both Albania and the Balkan region will reduce the level of risks encountered by the banks, having a positive effect on interest rates. Meanwhile, deposits made by Korça's inhabitants amount to 100 million USD, and



this is money that can be invested by the banks. Introduction of fuller banking services to both individuals and businesses, particularly to SMEs, is an on-going job and a process that needs constant development.

Regional development programmes

As mentioned above there are many development programmes and projects under way in the region of Korça, and these are summarised below:

- German Government, through KfW and GTZ, has invested and is in the process of investing an amount of about 50 million euros in the development of the Korça and Pogradec region.
- SIDA, Swedish International Development Agency, is investing in the construction and operation of local rural markets and in the issues of migration, democratization and private sector development. It is implementing 15 projects related to rural development.
- East-West Institute is coordinating a triangular network formed by Korça, Bitola (Macedonia) and Kozani (Greece), entitled 'Euro-Region', which, based on a common strategy, will attract important investments into the area.
- ADF, Albanian Development Fund, is financed by the governments of several countries, particularly the French government. The funds are being used here for investments in agriculture infrastructure, irrigation systems, etc.
- Islamic Bank is investing in the rehabilitation of irrigation and drainage systems and water reservoirs in the region.
- UNDP is implementing a project entitled 'Clean and Green' in the communes of the region.
- APD, Association for Participation in Development, is offering investment possibilities in manufacturing and infrastructure in mountainous rural areas of the region.
- SNV, Dutch Development Agency, is active in rehabilitating the irrigation and drainage systems, reservoirs and roads of the region.
- MADA, Mountainous Areas Development Agency, is assisting farmers in remote areas of Albania, through, for example, provision of loans.
- Land O'Lakes, assisted by USAID, is offering assistance for the development of the local milk processing industry.
- Agrinas, the agency for investments in forestry, has projects up and running in the Korça region.

In addition, there are a number of projects and activities carried out by other international organizations in the region, for example, NEHEMIA, Dorcas Aid.

Preparation of a plan for the economic development of the region has become imperative in order to coordinate all these activities. As no common ground for developing such a plan has been established previously it is now essential that a Strategic Plan is prepared that brings to the table of the municipality and local businesses the means to facilitate coordination of the international and national actors involved in development.



VIII. Development of a Vision for LED

As mentioned above, agribusiness development is very important for Korça, and as such it becomes a priority for the region's economic development. Modern agribusiness (typically food processing) in Korça will be supported by modern agriculture, and will be competitive and well-oriented in the marketplace.

Industrialisation of food processing arrived relatively recently in Albania. Until the mid-1950s the country's agribusinesses comprised only a number of mills, bakeries and dairies. A more modern local agribusiness industry was developed during the 1970s, while in the early 1990s, the industry expanded to include about 200 large enterprises, 600 small food-processing factories and 600 small bakeries. The quantity and diversification of the products, however, was never matched by the demands of farmers for a more developed agriculture and of the population for a greater range of produce.

During the transformations that took place in Albania after 1991, the agro-processing industry was affected, going through essential transformations and becoming a completely private industry. Agribusiness is one of the most important components in the economic development of the region and recent statistics demonstrate a qualitative and quantitative change in the supply of food as a result of the achievements of the industry.

The achievements that have been made demonstrate that a rapid development of agribusiness is an essential component in the present and future economic development of the Korça region. However, a number of problems remain and these concern satisfying consumer demand for food products, improving the import-export balance, encouraging businesses to be market-oriented, adding value with processing agricultural products, improving the competitiveness of local produce on the national and international markets, increasing employment, etc.

In order to develop this sector, not only are extensive natural raw resources required for businesses, but also a qualified work-force with relatively low labour costs. Albania still has an advantage in these respects when compared to other European countries. Another advantage for this sector is the consumer preference for and positive image of local products. This preference is based on a number of very important characteristics, such as freshness, taste and being organic. Further analysis may identify a number of other, albeit currently weak, development possibilities.

The changes that are required in the marketing and production activities in Albania for a rapid development of the local economies cannot happen overnight. For some time still to come, until the free-trade agreements become implemented in full, the Albanian market will provide good opportunities for Albanian businesses. However, with the implementation of these agreements the Albanian market will be exposed to foreign high quality products. But then, Albanian producers would also have opportunities in the new foreign markets that form parts of the agreements.

The creation of a liberalised Balkan market presents both a challenge but also an opportunity for local businesses. Neighbouring countries have more experience in private business and produce a great range of products. The quality of these products is often, but not always, higher than that of Albanian products and the marketing strategies they use are often sophisticated (e.g. for wine). Moreover, in contrast to the agro-processing industry in Albania, foreign businesses, having been open to competition for a longer period, are very focused on continuously improving their products and marketing strategies.

In addition, certain Albanian industries depend heavily on raw materials imported from neighbouring countries (such as for wine and brandy production). The transportation costs required for importing raw materials, the customs duties and low local productivity subsequently force the Albanian products to be sold at a disadvantageously high price and they face stiff competition from similar products imported from those same neighbouring countries.

In summary, products from the Korça region have certain disadvantages compared with foreign competitors, and these are because of the following:

- Neighbouring economies have experienced a higher degree of openness in their economy and higher pressure from competition, constantly improving their competitiveness.
- Foreign companies have greater expertise in marketing their products, producing a much higher commercial presence, while the products are packaged and labelled much better than their Albanian counterparts.
- Albanian businesses often employ outdated technology.
- Foreign enterprises often have high production capacities, enabling the producer to have the advantage of economy of scale. Such an advantage results in lower manufacturing costs and consequently lower prices.
- Foreign companies often have access to local low-cost raw materials. The Albanian agro-processing industry often uses raw materials imported from those same countries and its prices are thus usually higher.

The existence of a competitive agro-processing industry requires the creation of advantages, and these can be achieved through the promotion of clusters of products, and through encouraging foreign investments.



Promotion of clusters within the agro-processing sector

The promotion of clusters has generated positive results in the countries where this methodology has been implemented. The establishment of relationships among businesses involved in the chain of adding value for products has had a positive impact with regard to the competitive advantages of a particular region or country. The presence of local suppliers, modern technology, research institutions and effective institutional and legal infrastructure facilitates a reduction in operational costs for businesses and, consequently, increases the level of competitiveness.

In Albania, such clusters can be created particularly in two areas of local economic importance: meat processing and fruit and vegetable processing.

Meat processing industry

A chain can be created among local meat, herb and spice suppliers, meat processors, packaging companies and a research institute. If large investments were made in building larger farms this chain would be improved and the cluster concept could be implemented through a well-organised process, supported by the respective business institutions.

Fruit and vegetable processing industry

Local producers of fruit and vegetables are still weak in the marketplace, and most of the raw material for the fruit and vegetable processing sector is imported. However, there are some local products (such as the large lima bean) that compete well with imported products and even are exported. Orientation of farmers towards such competitive products, including also strawberries and wild berries, would provide the opportunity for processing businesses to develop. There are a few fruit processing companies in the region and some of their products have a good image in the market. Meanwhile, a number of international organizations are active locally supporting projects in this sector. A research institute is also active in the region. Thus, by introducing a cluster into this industry and by strengthening certain parts of it, the currently weak market position of local products would be greatly strengthened.

In summary, in order to increase the competitiveness of local products, the following strategies need to be adopted:

- Improving the operational efficiency of local businesses and increasing their capacities would reap benefits in economies of scale. It would reduce unit costs and enable businesses to charge lower prices. This would increase the share for local agro-products on the local market, and with involvement of foreign investors would increase the possibility of penetration of foreign markets.

- Allocating strategies of product development according to type of produce would improve its market position. This requires making efforts to increase the number of products that are available. The current situation in the local agro-processing sector demonstrates that this industry is in its first steps of development, reflected in the absence of assortments in each product category, a vacuum that is filled by importation. Increasing the range of assortments would reduce the space available for imported products.
- Promoting a good image of local produce for the Albanian consumer through improving production and marketing processes would improve its market position. This requires improving hygiene standards and introduction of modern and attractive packaging and informative labelling, with provision of regional trade marks and quality certificates.
- Employing modern advertising techniques and other promotional materials would improve the market position of Albanian products.

Thus, more competitive sale strategies, renovation of marketing methodologies and techniques, improved operational efficiency and introduction of new products and services, which would be appreciated by the consumer, would strengthen the position of the local agricultural produce on both the local and national markets and would help local economic development while at the same time reduce the country's trade deficit.

Absorption of foreign investments in the food processing sector

Foreign investments can be many-fold and take different forms. It can arrive as provision of expertise, capital, markets or technology and ought by default to produce higher standards of quality of products. Private institutions and specialists should be involved in this process as a means to promote the capabilities of local businesses and comparative advantages of the region. In order to create a favourable situation that stimulates the flow of foreign investments into the region, synergy among all actors should be exploited.

Meanwhile, systematic regional marketing must be organised and implemented in order to promote the image of the region and attract investors. At the same time, the business community should be informed continuously with regard to the vision of business development and about new challenges arising in the market. Businesses ought to reflect on their level of economic development and the level they would like to achieve and study documents relating to regional development while focusing their efforts on manufacturing more competitive products.

By pursuing such a path, foreign investments can be attracted into the Korça region. Attention should be paid to particular points. There must be:



- Continuous improvement in human, capital and material resources;
- Continuous updating of technology and stimulation of innovation;
- Recognition and implementation of standards of quality;
- Modification of organizational structures;
- Creation and encouragement of intra- and inter-sector networks and of international relations.

Integration into the EU community is an aspiration for the Albanian people and is a process that has already started at the official level. However, the pace of the process depends a lot on the attitudes of the people of the country, while time is a critical factor for the business community. Participation in a European free-market economy brings pressure to bear on businesses to renovate their structures and technology, otherwise they will not be able to compete and will face bankruptcy. Thus, improvement of the competitiveness of the economy as a whole and that of businesses in particular must be an important key for the nation's policy makers, and for all actors involved in the process.

Of course, there are other aspects of local economic development that need to be carried out in conjunction with the above. One virtual pre-condition for LED is a parallel development of physical infrastructure, which is so essential for the region, as it is in all parts of Albania. Given that this pre-condition is being met, other areas will progress in their development, such as tourism, investments made in infrastructure for tourism, promotion of new services for tourists, regional marketing and improved traffic infrastructure in mountain areas. Meanwhile, it is another pre-condition for LED that there is a trained workforce available, and focus has to be placed on development of human resources. The University of Korça will play a key role in this regard with improvement of its academic programme and creating work experience opportunities for its students.

Conclusions

All actors involved in local business development, that is the business community, institutions linked to businesses, international organisations that support the development of business and local authorities, must accept a common vision with regard to business development and exploit the synergy of working together in order for their vision to be implemented successfully.

Given the characteristics of the current state of economic development of the Korça region and the presence of emerging SMEs, focus should be applied to encouraging their development along the following lines:

- Enhancement of services available for businesses;

- Provision of support for creation of SMEs and their sustainable development;
- Provision of continuous assistance for SMEs;
- Identification of methods to be used for development of clusters;
- Implementation of research projects and activities related to SMEs;
- Transfer of technologies;
- Development of an Industrial Park;
- Creation of a network of continuous supply of information on sustainability of businesses.



IX. Documentation of the Strategic Plan

The Strategic Plan comprises the following documents:

- a. SWOT, consolidated analysis
- b. Matrix of Plan goals, objectives, programmes and projects
- c. Matrix of Plan implementation
- d. Matrix of prioritisation of projects
- e. Project fiches

a. **SWOT, consolidated analysis**

	Internal	External
Positive	<u>Strengths</u>	<u>Opportunities</u>
	1. Geographical position; neighbouring two other countries	1. Development of tourism
	2. Reasonable regional infrastructure	2. Returning emigrants: human resources potential
	3. Sufficient human resources	3. Development of agro-processing businesses
	4. University city	4. Presence of potential donors
	5. Well-functioning local government	5. Cross-border cooperation
	6. Banking system	6. High <i>per capita</i> income
	7. Sufficient natural resources	7. Cooperation among municipality, businesses and rest of community
	8. Diversity of businesses	8. Development of family tourism
	9. Functioning sewage and drainage systems	9. Promotion of traditions and culture
	10. Existence of tradition and culture values	
	11. Emigrants returning with new skills	
	12. Confidence of donors in community	



Negative	<u>Weaknesses</u>	<u>Threats</u>
	1. Professionals are leaving the city	1. Unfair competition
	2. Emigration	2. No cooperation between political forces
	3. Agricultural land divided into small plots	3. Influence of politics in business
	4. High interest rates	4. Opening up of regional markets
	5. Lack of initiatives for starting new businesses	5. Frequent changes in legislation
	6. High degree of informality in businesses	6. Low growth rate of population
	7. Lack of professional marketing	7. Accurate information not available
	8. Damaged infrastructure in city	8. Little attraction of investors from neighbouring countries
	9. Community indifferent to becoming involved in decision-making process	
	10. No large enterprises	
	11. Existence of monopolies	
	12. Lack of simulating policies for businesses	
	13. Lack of urban plan	
14. Poor access to information		

b. Matrix of Plan goals, objectives, programmes and projects

VISION:					
Korça will be an important urban and university centre that promotes local and regional economic development by developing its infrastructure through institutional cooperation with the business community and the city's citizens and by building on its potential, as well as by supporting its cultural and historical traditions					
Goals	Objectives	Programmes	Projects	No.	
Goal 1: Ensuring the sustainability and growth of local businesses while supporting and coordinating the attraction of new businesses		G1:O1:PG1: Provision of conditions, incentives and spaces for development of SMEs	G1:O1:PG1:p1: Construction of a multifunctional centre to accommodate local and regional fairs and other activities	1	
			G1:O1:PG1:p2: Creation of a Public Private Partnership (PPP), as a research coordination centre in support of local economic development	2	
	G1:O1: Increase the number and capacities of businesses in Korça Municipality and increase by 20% the number of jobs in the city by year 2010	G1:O1:PG2: Improvement of municipal services offered to businesses	G1:O1:PG2:p1: Establishment of a 'One-Stop-Shop' in Korça City Hall in order to facilitate procedures for businesses	3	
			G1:O1:PG2:p2: Development and approval of guidelines for placing business advertisements and signs and managing façades in shopping areas	4	
			G1:O1:PG3: Development of partnerships among the municipality, businesses and the community as a whole	G1:O1:PG3:p1: Carrying out of common investments by the municipality, businesses and the community in order to improve the infrastructure of the areas in between apartment buildings and entertainment centres	5
			G1:O1:PG4: Provision of training opportunities for businesses	G1:O1:PG3:p2: Creation of a database of specialists in a range of areas, in order to facilitate their identification by businesses and potential employers	6
				G1:O1:PG4:p1: Establishment of a Training Centre for professional development	7



MUNICIPALITY of KORÇA

Goals	Objectives	Programmes	Projects	No.	
Goal 2: Creating sustainable urban development of the municipality in harmony with traditional and contemporary urban values	G2:O1: Integrated urbanization of the city territory in accordance with legal and contemporary criteria	G2:O1:PG1: Compilation of a regulatory framework for the territorial development of the municipality G2:O1:PG2: Urban construction and rehabilitation, coordinated by municipality and local institutions	G2:O1:PG1:p1: Development of a comprehensive urban plan of the city respecting the urban traditions and incorporating new concepts in economics	8	
			G2:O1:PG2:p1: Development of the area around the French Cemetery into a residential area G2:O1:PG2:p2: Opening up for urban development the zone from the entrance to the city along Erseka Road to the main health clinic G2:O1:PG2:p3: Implementation of the partial urban plan for the area between the city ring road near to the ex-storage area and the highway G2:O1:PG2:p4: Construction of new sewage system and network	9 10 11 12	
	G2:O1:PG3: Modernisation of the municipality and civil registry office	G2:O1:PG3:p1: Computerization of the data management and work procedures of the municipal government G2:O1:PG3:p2: Computerization of the Civil Registry Office G2:O1:PG3:p3: Development of a database, and relevant computer software, of all addresses in Korça	G2:O1:PG2:p5: Rehabilitation of the electricity distribution system including that of the industrial area (Zemblak Substation)	13	
			G2:O1:PG4: Exchange of information between municipality and local institutions	G2:O1:PG4:p1: Development of digital maps for the engineering networks of local institutions	14 15 16 17
			G2:O2:PG1: Improvement of urban streets and public services in cooperation with the community	G2:O2:PG1:p1: Reconstruction of the main streets of the city G2:O2:PG1:p2: Rehabilitation of the cobblestone streets and pavements in the old part of the city G2:O2:PG1:p3: Installation of street lighting in all public spaces in the city	18 19 20

Goals	Objectives	Programmes	Projects	No.
Goal 3: Turning Korça into an educational centre for the entire South Albania region through the improvement of education at all levels and providing a qualified workforce	G3:O1: Functioning of Korça University according to the principals and criteria of the Bologna Declaration	G3:O1:PG1: Increase in the quality of teaching standards and facilities	G3:O1:PG1:p1: Construction of new facilities in order to improve the quality of teaching and accommodation for students at Korça University	21
	G3:O2: Improvement in the quality of all school premises and facilities	G3:O2:PG1: Create conditions for quality pre-university education	G3:O2:PG1:p1: Physical rehabilitation of all secondary schools in the city G3:O2:PG1:p2: Constructing a modern sports complex in the area between the Demokracia and Naum Veqilharxhi Schools	22 23
Goal 4: Preserving and developing the historical, artistic and cultural traditions of the city in relation to tourism development	G4:O1: Intensive and professional promotion of the tourist potential of the Korça area	G4:O1:PG1: Building, in cooperation with businesses, of systems to promote the tourism potential of Korça and the surrounding area	G4:O1:PG1:p1: Establishment of a tourism information centre	24
	G4:O2: Increase in the number of facilities that qualitatively promote the history and culture of Korça	G4:O2:PG1: Qualitative promotion of the city's history and culture through means of public institutions	G4:O1:PG1:p2: Publication of annual calendars of sports events and cultural activities G4:O2:PG1:p1: Rehabilitation of the environment of the AZ Cajupi Theatre	25 26
			G4:O2:PG1:p2: Reconstruction of the Old Bazaar	27
			G4:O2:PG1:p3: Construction of a History Museum in the city	28



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Goals	Objectives	Programmes	Projects	No.
Goal 5: Creating a healthy environment that guarantees an improved quality of life for Korça's residents	G5:O1: Reduction of pollution from urban waste to minimal levels	G5:O1:PG1: Treatment of urban waste according to the legal standards	G5:O1:PG1:p1: Rehabilitation of the present urban waste landfill	29
		G5:O1:PG2: Reducing air pollution in the city	G5:O1:PG1:p2: Construction of new landfill for city waste disposal and treatment	30
	G5:O2: Increase the green spaces in and around the city	G5:O1:PG2: Reducing air pollution in the city	G5:O1:PG2:p1: Establishment of a system for monitoring air quality in the city	31
		G5:O2:PG1: Improvement in the level of greening of the city streets and squares	G5:O2:PG1:p1: Rehabilitation of the green areas along the main streets and in the squares of the city	32

b. Matrix of Plan implementation

B, Businesses; C, Citizens; CG, Central government; Co, Community; D, Donors; DPH, Directorate of Public Health; H, Historians; I, Institutions; M, Municipality; RKESH, Regional KESH; S, Specialists; St, Students T, Tourism Interests; U, University lecturers.

Project No.	Project Title	Value (leke)	Value (€)*	Financial contribution								Implementation			Status†	Targeted group
				Municipality		Communities		Central gov.		Other donors		Partners	Start	End		
%	Leke	%	Leke	%	Leke	%	Leke	%	Leke							
1	G1:O1:PG1:p1: Construction of a multifunctional centre to accommodate local and regional fairs and other activities	15,000,000	120,000	33	5,000,000	33	5,000,000	0	0	33	5,000,000	B	June 2006	2006	SF	B
2	G1:O1:PG1:p2: Creation of a Public Private Partnership (PPP), as a research coordination centre in support of local economic development	1,875,000	15,000	33	625,000	33	625,000	0	0	33	625,000	M, B	Oct. 2005	2005	SF	M, C
3	G1:O1:PG2:p1: Establishment of a 'One-Stop-Shop' in Korça City Hall in order to facilitate procedures for B	1,875,000	15,000	33	625,000	0	0	0	0	67	1,250,000	B	Sept. 2005	2005	SF	B, M
4	G1:O1:PG2:p2: Development and approval of guidelines for placing business advertisements and signs and managing façades in shopping areas	125,000	1,000	100	125,000	0	0	0	0	0	0	M, B	Mar. 2005	2005	FA	B, C, M



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Project No.	Project Title	Value (leke)	Value (€)*	Financial contribution								Partners	Start	End	Status†	Targeted group		
				Municipality		Communities		Central gov.		Other donors								
				%	Leke	%	Leke	%	Leke	%	Leke							
5	G1:O1:PG3:p1: Carrying out of common investments by the municipality, businesses and the community in order to improve the infrastructure of the areas in between apartment buildings and entertainment centres	25,000,000	200,000	25	6,250,000	25	6,250,000	25	6,250,000	25	6,250,000	0	6,250,000	M, B	June 2006	2007	SF	M, B, Co
6	G1:O1:PG3:p2: Creation of a database of specialists in a range of areas, in order to facilitate their identification by businesses and potential employers	2,500,000	20,000	25	625,000	10	250,000	65	1,625,000	0	0	0	0	S, D	Jan. 2006	2006	SF	S, C
7	G1:O1:PG4:p1: Establishment of a Training Centre for professional development	8,750,000	70,000	0	0	0	0	0	0	0	0	8,750,000	CG, B, D	June 2005	2005	FA	S, C	
8	G2:O1:PG1:p1: Development of a comprehensive urban plan of the city respecting the urban traditions and incorporating new concepts in economics	10,000,000	80,000	38	3,750,000	0	0	0	0	0	0	6,250,000	M, B	June 2005	2006	SF	B, C	
9	G2:O1:PG2:p1: Development of the area around the French Cemetery into a residential area	37,500,000	300,000	17	6,250,000	17	6,250,000	33	12,500,000	33	12,500,000	0	M, B, Co, D	June 2006	2007	SF	C, B	
10	G2:O1:PG2:p2: Opening up for urban development the zone from the entrance to the city along Erseka Road to the main health clinic	125,000,000	1,000,000	20	25,000,000	10	12,500,000	50	62,500,000	20	25,000,000	0	M, B, Co, D	June 2006	2010	SF	C, M	

Project No.	Project Title	Value (leke)	Value (€)*	Financial contribution										Implementation	Status†	Targeted group	
				Municipality		Communities		Central gov.		Other donors		Partners	Start				End
				%	Leke	%	Leke	%	Leke	%	Leke						
11	G2:O1:PG2:p3: Implementation of the partial urban plan for the area between the city ring road near to the ex-storage area and the highway	50,000,000	400,000	0	0	0	0	0	0	0	0	0	0	M, B, D	Jan. 2007	2010	C, B
12	G2:O1:PG2:p4: Construction of new sewage system and network	3,125,000,000	25,000,000	0	0	0	0	20	625,000,000	80	2,500,000,000	0	0	I, D	May 2005	2006	I, C
13	G2:O1:PG2:ps: Rehabilitation of the electricity distribution system including that of the industrial area (Zemblak Substation)	625,000,000	5,000,000	0	0	0	0	40	250,000,000	60	375,000,000	0	0	RKESH, M, D	Oct. 2005	2006	C
14	G2:O1:PG3:pl: Computerization of the data management and work procedures of the municipal government	18,750,000	150,000	33	6,250,000	0	0	0	0	67	12,500,000	0	0	M, D	June 2005	2005	C, M
15	G2:O1:PG3:p2: Computerization of the Civil Registry Office	1,000,000	8,000	63	625,000	0	0	0	0	38	375,000	0	0	M, D	Mar. 2005	2006	C
16	G2:O1:PG3:p3: Development of a database, and relevant computer software, of all addresses in Korça	3,125,000	25,000	28	875,000	12	375,000	0	0	60	1,875,000	0	0	M, D	Oct. 2005	2006	C, I
17	G2:O1:PG4:pl: Development of digital maps for the engineering networks of local institutions	3,125,000	25,000	32	1,000,000	0	0	0	0	68	2,125,000	0	0	M, I, C	Oct. 2005	2006	I, C
18	G2:O2:PG1:pl: Reconstruction of the main streets of the city	315,000,000	2,520,000	20	61,500,000	8	25,000,000	52	162,507,875	20	62,500,000	0	0	M, B	May 2005	2010	IS, FA, SF



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Project No.	Project Title	Value (leke)	Value (€)*	Financial contribution								Implementation			Status†	Targeted group
				Municipality		Communities		Central gov.		Other donors		Partners	Start	End		
%	Leke	%	Leke	%	Leke	%	Leke	%	Leke	%	Leke					
19	G2:O2:PG1:p2: Rehabilitation of the cobblestone streets and pavements in the old part of the city	375,000,000	3,000,000	23	87,500,000	7	25,000,000	37	137,500,000	33	125,000,000	M, C, D	June 2007	2010	SF	C, M
20	G2:O2:PG1:p3: Installation of street lighting in all public spaces in the city	6,250,000	50,000	40	2,500,000	0	0	10	625,000	50	3,125,000	M, C	Jan. 2006	2007	SF	C, M, B
21	G3:O1:PG1:p1: Construction of new facilities in order to improve the quality of teaching and accommodation for students at Korça University	112,500,000	900,000	0	0	0	0	0	0	100	112,500,000	M, B, D	June 2007	2008	SF	St, U
22	G3:O2:PG1:p1: Physical rehabilitation of all secondary schools in the city	5,000,000	40,000	0	0	0	0	0	0	0	0					
23	G3:O2:PG1:p2: Constructing a modern sports complex in the area between the Demokracia and Naum Veqilharxhi Schools	18,750,000	150,000	33	6,250,000	33	6,250,000	0	0	33	6,250,000	M, D, C	June 2006	2007	SF	C
24	G4:O1:PG1:p1: Establishment of a tourism information centre	2,500,000	20,000	25	625,000	50	1,250,000	0	0	25	625,000	M, T, B	Oct. 2005	2006	SF	T
25	G4:O1:PG1:p2: Publication of annual calendars of sports events and cultural activities	250,000	2,000	0	0	0	0	0	0	0	0	M, S	Jan. 2005	2005	FA	C, I
26	G4:O2:PG1:p1: Rehabilitation of the environment of the AZ Çajupi Theatre	12,500,000	100,000	0	0	0	0	0	0	0	0	M, B	Oct. 2005	2006	SF	C, A

Project No.	Project Title	Value (leke)	Value (€)*	Financial contribution								Implementation			Status†	Targeted group
				Municipality		Communities		Central gov.		Other donors		Partners	Start	End		
%	Leke	%	Leke	%	Leke	%	Leke	%	Leke							
27	G4:O2:PG1:p2: Reconstruction of the Old Bazaar	125,000,000	1,000,000	20	25,000,000	20	25,000,000	20	25,000,000	40	50,000,000	C, B	Jan. 2007	2010	SF	C, B
28	G4:O2:PG1:p3: Construction of a History Museum in the city	31,250,000	250,000	20	6,250,000	0	0	40	12,500,000	40	12,500,000	H, M, D	Jan. 2007	2007	SF	C
29	G5:O1:PG1:p1: Rehabilitation of the present urban waste landfill	125,000,000	1,000,000	0	0	0	0	0	0	0	0	M, D	June 2007	2008	SF	C
30	G5:O1:PG1:p2: Construction of new landfill for city waste disposal and treatment	2,500,000,000	20,000,000	0	0	0	0	0	0	100	2,500,000,000	M, D	June 2007	2010	FA	C, M
31	G5:O1:PG2:p1: Establishment of a system for monitoring air quality in the city	625,000	5,000	0	0	0	0	0	0	0	0	DPH	Jan. 2006	2006	FA	C
32	G5:O2:PG1:p1: Rehabilitation of the green areas along the main streets and in the squares of the city	37,500,000	300,000	33	12,500,000	10	3,750,000	0	0	33	12,500,000	C, M, B	Jan. 2005	2010	IS, FA, SF	C
Total		7,720,750,000	61,766,000		259,125,000		117,500,000		1,296,007,875		5,776,875,000					
Percentage		100.00	100.00		3.36		1.52		16.79		74.82					

*, 1 Euro = 125 Leke

†, IS, Implementation Started; FA, Funding Approved; SF, Searching for Funding.



d. Matrix of prioritisation of projects

<p style="text-align: center;">Economic Development Strategic Plan of Korça Municipality</p>		Goal					<p style="text-align: center;">Number of points</p>
		<p>Ensuring of the sustainability and growth of local businesses while supporting and coordinating the attraction of new businesses</p>	<p>Sustainable urban development of the municipality in harmony with traditional and contemporary urban values</p>	<p>Turning of Korça into an educational centre for the entire South Albania region through the improvement of education at all levels and for the provision of a qualified workforce</p>	<p>Development and preservation of the historical, artistic and cultural traditions of the city in relation to tourism development</p>	<p>Creation of a healthy environment that guarantees an improved quality of life for Korça's residents</p>	
No.	Project	1	2	3	4	5	
1	G1:O1:PG1:p1: Construction of a multifunctional centre to accommodate local and regional fairs and other activities	3					3
2	G1:O1:PG1:p2: Creation of a Public Private Partnership (PPP), as a research coordination centre in support of local economic development	2					2
3	G1:O1:PG2:p1: Establishment of a 'One-Stop-Shop' in Korça City Hall in order to facilitate procedures for businesses	3					3
4	G1:O1:PG2:p2: Development and approval of guidelines for placing business advertisements and signs and managing façades in shopping areas	2					2
5	G1:O1:PG3:p1: Carrying out of common investments by the municipality, businesses and the community in order to improve the infrastructure of the areas in between apartment buildings and entertainment centres	3					3
6	G1:O1:PG3:p2: Creation of a database of specialists in a range of areas, in order to facilitate their identification by businesses and potential employers	2					2

No.	Project	1	2	3	4	5	Pts.
7	G1:O1:PG4:p1: Establishment of a Training Centre for professional development	3					3
8	G2:O1:PG1:p1: Development of a comprehensive urban plan of the city respecting the urban traditions and incorporating new concepts in economics		3				3
9	G2:O1:PG2:p1: Development of the area around the French Cemetery into a residential area		3				3
10	G2:O1:PG2:p2: Opening up for urban development the zone from the entrance to the city along Erseka Road to the main health clinic		3				3
11	G2:O1:PG2:p3: Implementation of the partial urban plan for the area between the city ring road near to the ex-storage area and the highway		3				3
12	G2:O1:PG2:p4: Construction of new sewage system and network		4				4
13	G2:O1:PG2:p5: Rehabilitation of the electricity distribution system including that of the industrial area (Zemblak Substation)		4				4
14	G2:O1:PG3:p1: Computerization of the data management and work procedures of the municipal government		3				3
15	G2:O1:PG3:p2: Computerization of the Civil Registry Office		3				3
16	G2:O1:PG3:p3: Development of a database, and relevant computer software, of all addresses in Korça		3				3
17	G2:O1:PG4:p1: Development of digital maps for the engineering networks of local institutions		3				3
18	G2:O2:PG1:p1: Reconstruction of the main streets of the city		3				3
19	G2:O2:PG1:p2: Rehabilitation of the cobblestone streets and pavements in the old part of the city		3				3
20	G2:O2:PG1:p3: Installation of street lighting in all public spaces in the city		3				3



No.	Project	1	2	3	4	5	Pts.
21	G3:O1:PG1:p1: Construction of new facilities in order to improve the quality of teaching and accommodation for students at Korça University			3			3
22	G3:O2:PG1:p1: Physical rehabilitation of all secondary schools in the city			3			3
23	G3:O2:PG1:p2: Constructing a modern sports complex in the area between the Demokracia and Naum Veqilharxhi Schools			3			3
24	G4:O1:PG1:p1: Establishment of a tourism information centre				2		2
25	G4:O1:PG1:p2: Publication of annual calendars of sports events and cultural activities				2		2
26	G4:O2:PG1:p1: Rehabilitation of the environment of the AZ Cajupi Theatre				4		4
27	G4:O2:PG1:p2: Reconstruction of the Old Bazaar				2		2
28	G4:O2:PG1:p3: Construction of a History Museum in the city				3		3
29	G5:O1:PG1:p1: Rehabilitation of the present urban waste landfill					4	4
30	G5:O1:PG1:p2: Construction of new landfill for city waste disposal and treatment					4	4
31	G5:O1:PG2:p1: Establishment of a system for monitoring air quality in the city					2	2
32	G5:O2:PG1:p1: Rehabilitation of the green areas along the main streets and in the squares of the city					3	3

e. Project fiches

No. 1	Project G1:O1:PG1:p1: Construction of a multifunctional centre to accommodate local and regional fairs and other activities	Type of programme: G1:O1:PG1: Provision of conditions, incentives and spaces for development of SMEs
<p>Brief description of project</p> <p>The transition period has seen not only beneficial developments for Albania but also negative aspects as well. Reduction in the size of the country's population indicates a worsening in the quality and standards of life and economic activity. These developments have affected Korça just as much as they have other cities in Albania. Its private activity needs a new image and better marketing in order for it to become competitive in the region. This project aims to manage the construction of a multifunctional centre in the city to host local and regional fairs.</p> <p>Specific fairs can be held periodically to promote products, research studies and existing and new technology. The centre will serve as a site for collaboration among businesses and will act as a publicity tool in the hands of businesses of the city and region, giving Korça the privilege of being a regional fairs centre. An indicator of success will be the establishment of a tradition of holding fairs.</p>		
<p>Expected results</p> <p>Establishment of a tradition of organising periodic fairs Creation of a professional marketing tool Korça will be a regional business centre</p>		<p>Targeted groups</p> <p>City businesses Regional businesses National businesses International businesses</p>
<p>Possible actors</p> <p>Local government Chamber of Commerce and Industry Regional businesses Land owners</p>		<p>Possible contributors to the project</p> <p>Municipality Donors Business community</p>
<p>Pre-conditions</p> <p>Interest of local government, institutions and business community in supporting this idea Desire of donors and businesses to provide financial support and assistance Project of high quality Plot of land available for construction of building</p>		<p>Risk factors</p> <p>Limited budget Lack of donors</p>
<p>Estimated expenses</p> <p>Total 120,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Three years, 2005–2008</p>		<p>Impact period</p> <p>After year 2005</p>



No. 2	Project G1:O1:PG1:p2: Creation of a Public Private Partnership (PPP), as a research coordination centre in support of local economic development	Type of programme G1:O1:PG1: Provision of conditions, incentives and spaces for development of SMEs
Brief description of project <p>During the preparation phase of the various development projects the staff of the municipality collaborated with representatives of different groups from the community. The process of applying for funding and monitoring the projects is equally as important as determining the problem and developing a project. Many draft projects have a very broad scope and include the interests of a range of groups from the community, institutions, organizations, businesses, etc.</p> <p>Collaboration among these groups would make the projects successful. Thus, this project aims to set up a Public Private Partnership (PPP) in order to identify the various problems facing the community, coordinate the efforts of the various actors to draw up draft project plans and apply for funding. Finally the PPP will monitor the implementation of the projects.</p> <p>This centre will also host researchers from a range of areas to precede the development of strategies or specific plans and concrete projects. Establishing the centre will help materialize collaboration among local government, businesses and the community, and help fulfil the needs of all parties involved.</p>		
Expected results Partnership established among interested parties Real needs identified for economic development Draft proposals developed in best possible professional manner Necessary funding raised for implementation of projects		Targeted groups Community Businesses Local government Institutions
Possible actors Local government Local businesses State institutions Experts Donors		Possible contributors to the project Municipality Businesses Donors Public institutions
Pre-conditions Interest of local government, institutions and business community in support of idea		Risk factors Limited budget Lack of interest of any of the actors in collaborating
Estimated expenses Total		15,000 euros
Contact person for project Municipality		
Implementation period Year 2005		Impact period From year 2005 and continuously

No. 3	Project G1:O1:PG2:p1: Establishment of a 'One-Stop-Shop' in Korça City Hall in order to facilitate procedures for businesses	Type of programme G1:O1:PG2: Improvement of municipal services offered to businesses
Brief description of project This project is aimed at improving the way the municipality provides services to businesses by establishing a 'One-Stop-Shop' in City Hall. This office will simplify procedures for resolving business demands in the shortest possible time and will provide information on services provided by the municipality, obligations of businesses to the municipality, the legal framework under which they operate and help in completing the documentation, etc. Success of this office will depend heavily on the existence of an information database that can be helpful to both new and existing businesses. In order to implement this project successfully, a few necessary steps need to be taken including: Establishing a 'One-Stop-Shop', equipping it with necessary equipment (computers, network, copy machines, printers, etc.); Selecting and training personnel; Drawing up and approving a package of local laws to ensure development and promotion of local businesses, clarifying the specific relationship and obligations of each party and paving the road for concrete collaboration; Identifying information packages required by businesses and creating favourable investment climate. Implementation of this project will progress in parallel with the computerisation of all the departments in the municipality.		
Expected results 'One-Stop-Shop' established and equipped with all necessary materials Favourable climate ensured for efficient provision of services for businesses Concrete collaboration established between municipality and business		Targeted groups Existing SMEs New businesses Local government
Possible actors Local government Business community Donors		Possible contributors to the project Municipality Donors
Pre-conditions Interest of local government, institutions and business community in supporting idea High quality including all necessary parameters		Risk factors Limited budget Lack of qualified personnel
Estimated expenses Total		15,000 euros
Contact person for project Municipality		
Implementation period One year, 2005–2006		Impact period After 2005



No. 4	Project G1:O1:PG2:p2: Development and approval of guidelines for placing business advertisements and signs and managing facades in shopping areas	Type of programme G1:O1:PG2: Improvement of municipal services offered to businesses
Brief description of project Because of the absence of guidelines regarding placement of advertisements and business signs and façade management in shopping areas, much argument is generated between businesses and local officials over payment of dues. Thus, it is essential that transparency and correctness is created for this issue. The guidelines laid out in this project will improve this situation immensely, by spelling out clearly the precise obligations of businesses and the municipality concerning advertising and other related issues. Every point in the guideline will conform with the requirements of businesses and will have been approved by the Municipal Council. As a result, each obligation will be respected according to consensus.		
Expected results Guidelines created and enforced for placing and paying for advertisements Efficient and effective payment of taxes and dues for advertisements and business signs Awareness raised of businesses and local government over transparency		Targeted groups Businesses Local government
Possible actors Local government Businesses Municipal Council		Possible contributors to the project Municipality Businesses
Pre-conditions Guidelines developed in conformity with requirements of businesses Approval by Municipal Council		Risk factors None identified
Estimated expenses Total 1,000 euros		
Contact person for project Municipality		
Implementation period Year 2005		Impact period After January 2005

No. 5	<p>Project G1:O1:PG3:p1: Carrying out of common investments by the municipality, businesses and the community in order to improve the infrastructure of the areas in between apartment buildings and entertainment centres</p>	<p>Type of programme G1:O1:PG3: Development of partnerships among the municipality, businesses and the community as a whole</p>
<p>Brief description of project</p> <p>The municipality's limited budget is often an obstacle to the city's development and thus to improving the quality of life of its citizens. Collaboration among the municipality, businesses and the community is essential for implementing many of the projects and resolving many of the problems. The business community frequently has good ideas and experience for resolving these problems, but collaboration with the business community has often been minor. However, the municipality has now created a very good relationship with the business community, developing in common draft projects for implementation.</p> <p>Lack of recreational facilities in the city is one major problem. Collaboration between municipality and businesses would provide the opportunity for a modern recreational facility to be built. In this project, the municipality will make available an area for, e.g. a swimming pool, and will implement the project, while businesses will prepare a business plan and finance part of the project. The community could also contribute financially.</p> <p>This practice could be followed for various other ideas put forward by the municipality, community and businesses.</p>		
<p>Expected results</p> <p>Concrete collaboration established between municipality, businesses and community Improved quality of life for citizens Increased interest of business community in helping resolve city's problems</p>		<p>Targeted groups</p> <p>Community Local government Businesses</p>
<p>Possible actors</p> <p>Community Local government Businesses</p>		<p>Possible contributors to the project</p> <p>Municipality Business community Donors</p>
<p>Pre-conditions</p> <p>Interest of local government, businesses and community in supporting idea Access for the municipality to the facilities Serious engagement to prepare qualitative project</p>		<p>Risk factors</p> <p>Delay in registering city's properties Limited budget Little desire of businesses, community to become project partners</p>
<p>Estimated expenses</p> <p>Total</p>		<p>200,000 euros</p>
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>2005 and in continuation</p>



No. 6	Project G1:O1:PG3:p2: Creation of a database of specialists in a range of areas, in order to facilitate their identification by businesses and potential employers	Type of programme G1:O1:PG3: Development of partnerships among the municipality, businesses and the community as a whole
Brief description of project <p>The foundations of development lie in the exchange of information. Various institutions and experts possess a range of information that is not easily accessible to those who are interested, often because they simply do not know where to look. Currently, people commonly resolve their problems by using their network of personal connections, often friendships, but even then they do not necessarily find an optimal solution. In many instances, the problems require professional intervention.</p> <p>One solution to this problem, to facilitate the finding and use of appropriate information, would be the creation of a network of specialists. A detailed database could be established of all specialists, according to profession. To find the right person, someone would need only to have access to the network. This idea could be extended to a range of resources, e.g. books, for which the solution would be to establish a network among public libraries.</p>		
Expected results Detailed database created containing information on subject and specialists Ease of access provided to the network Information accessible to all Resolution of citizens' problems facilitated		Targeted groups Experts from various areas Citizens
Possible actors Experts interested in being part of the network Local government Donors		Possible contributors to the project Municipality Donors
Pre-conditions Participation of experts in this process assured Donors attracted to finance this project		Risk factors Limited budget
Estimated expenses Total 20,000 euros		
Contact person for project Municipality		
Implementation period Years 2005–2007		Impact period After 2005

<i>No. 7</i>	Project G1:O1:PG4:p1: Establishment of a Training Centre for professional development	Type of programme G1:O1:PG4: Provision of training opportunities for businesses
<p>Brief description of project</p> <p>Transition to a free market economy requires an improvement in the qualifications of employees in all private and public institutions and of all individuals wanting to compete in the job market. Currently, there is a high demand for training in particular areas: for example, businesses require computer operators who have knowledge of the use of a range of software, foreign languages, etc.</p> <p>The municipality stimulates and promotes such opportunities by providing institutional support. Former state-owned factories, which are now not functioning and which have deteriorated, are being refurbished for use in this initiative. In one such facility (the former precision tools factory) a training centre and office will be established for professional training, financed by the Ministry of Labour.</p>		
<p>Expected results</p> <p>Professional training provided Improved professionalism of employees and job hunters Employees stimulated Improved quality of work</p>		<p>Targeted groups</p> <p>University students Public sector employees Private sector employees</p>
<p>Possible actors</p> <p>Local government Central government Businesses Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Municipal Council's approval of aims and functions of municipal property Municipal Council's approval of project Interest of central government Interest of donors</p>		<p>Risk factors</p> <p>Limited budget</p>
<p>Estimated expenses</p> <p>Total 70,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2006</p>		<p>Impact period</p> <p>After 2006</p>



No. 8	Project G2:O1:PG1:p1: Development of a comprehensive urban plan of the city respecting the urban traditions and incorporating new concepts in economics	Type of programme G2:O1:PG1: Compilation of a regulatory framework for the territorial development of the municipality
Brief description of project <p>Given the drastic demographic and economic changes that have taken place in the city, as in all of Albania, the development of a new Urban Plan is particularly important. This project aims to solve various problems by drawing up and implementing a new urban plan. Its problems are now critical and include improving the local infrastructure and stimulating economic development, reducing poverty and improving the quality of life for all citizens, as well as their well-being.</p> <p>This project can be completed through the undertaking of partial urban plan studies. The project would include developing terms of reference and carrying out urban studies of the city centre, the surrounding hillsides, the city's industrial areas, etc.</p> <p>Demographic enlargement of the city is a positive phenomenon, but can be disastrous, as Albania's cities clearly demonstrate, if no urban plan has been created prior to the urban development. The plans must be prepared in accordance with contemporary standards, include the likely future development of the city and allow the municipality to manage its resources well.</p>		
Expected results Partial executive urban plans developed New Industrial Zone determined Improved urban environment Improved local infrastructure		Targeted groups Community Business Local government
Possible actors Local government Local business Donors Experts Civic society		Possible contributors to the project Municipality Donors Local businesses
Pre-conditions Local government and businesses interested in supporting the idea Desire of donors to support project both financially and technically		Risk factors Inadequate budget Lack of potential donors
Estimated expenses Total 80,000 euros		
Contact person for project Municipality		
Implementation period Three years, 2005–2008		Impact period Starting in 2008

No. 9	Project G2:O1:PG2:p1: Development of the area around the French Cemetery into a residential area	Type of programme G2:O1:PG2: Urban construction and rehabilitation, coordinated by municipality and local institutions
<p>Brief description of project</p> <p>A number of partial urban studies of new residential areas in the city have been carried out in recent years. A qualitative study exists for the French Cemetery area and has been presented in public and been welcomed by both experts and citizens. Unfortunately, implementation of this study is being delayed by a number of legal and technical obstacles.</p> <p>Successful implementation of this project requires close collaboration between the municipality and construction businesses. By establishing a partnership it will be possible to discuss the details of sharing the costs and benefits of the project.</p> <p>The municipality wants to achieve several aims through implementing this project. It aims to develop this zone as a well-serviced residential area and to provide shelter for homeless families in municipal owned apartments, on agreement with the businesses. Increasing the number of residents in this area will act to stimulate the creation of new businesses, ensuring the zone's sustainable development.</p>		
<p>Expected results</p> <p>Collaboration established between municipality and construction businesses Modern residential area constructed Situation for homeless families alleviated New businesses created</p>		<p>Targeted groups</p> <p>Construction businesses Homeless families Local community Local government</p>
<p>Possible actors</p> <p>Municipality Construction businesses Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Business community</p>
<p>Pre-conditions</p> <p>Completion of privatization process Establishment of public-private collaboration Approval of Municipal Council</p>		<p>Risk factors</p> <p>Delays in privatization process Lack of financial resources</p>
<p>Estimated expenses</p> <p>Total</p>		300,000 euros
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>After 2005</p>



No. 10	Project G2:O1:PG2:p2: Opening up for urban development the zone from the entrance to the city along Erseka Road to the main health clinic	Type of programme G2:O1:PG2: Urban construction and rehabilitation, coordinated by municipality and local institutions
Brief description of project Development and extension of the city of Korça requires not only new roads to be built, but also the rehabilitation and extension of the existing roads. The increase in the number of vehicles on the roads and of constructions in and around the city has damaged the existing roads, which are now also often heavily congested. These roads neither have the appropriate quality nor are located in the right place to serve as main axes for the city. Opening up for urban development the zone at the entrance of the Erseka Road to the main health centre and road construction would help resolve this problem and ease the traffic flow in the city. The implementation of this project requires both construction of a new road and the demolition of several residences, leading to the issue of land expropriation and compensation for land owners. Successful implementation of the project to contemporary standards would generate opportunities for new businesses to open in the area and help local development and that of the city.		
Expected results Improved quality of life for citizens Improved urban infrastructure New businesses established in zone		Targeted groups Community Local government Businesses
Possible actors Community Local government Businesses Donors		Possible contributors to the project Municipality Donors Community
Pre-conditions Land expropriated agreeably and owners well compensated Interest of local government, businesses and community in supporting idea Sufficient funds to implement project Serious engagement to prepare quality project Donors available		Risk factors Problems during expropriation and compensation process Limited budget Lack of desire of businesses or community to become partners Lack of donors
Estimated expenses Total 1,000,000 euros		
Contact person for project Municipality		
Implementation period Years 2005–2010		Impact period After project implementation

No. 11	<p>Project G2:O1:PG2:p3: Implementation of the partial urban plan for the area between the city ring road near to the ex-storage area and the highway</p>	<p>Type of programme G2:O1:PG2: Urban construction and rehabilitation, coordinated by municipality and local institutions</p>
<p>Brief description of project</p> <p>Given the demographic changes that have taken place in Korça, the growth of the city requires careful studies prior to implementation of projects with regard to its sustainable development. The municipality has identified the main problematic areas with regard to urban development, and studies have already been undertaken for some parts of the city, including the area around the former storage facility.</p> <p>Delays in project implementation mean that local inhabitants continue to be deprived of adequate infrastructure, while new businesses fail to be created in such areas. Implementation of this particular project will be enhanced through collaboration with the business community, particularly construction businesses, and the institutions responsible for providing adequate services to the community.</p>		
<p>Expected results</p> <p>Collaboration established among local government, businesses and institutions Normal, sustainable development of this area of the city New spaces created for development of new businesses Improved quality of life for citizens</p>		<p>Targeted groups</p> <p>Community Various institutions Businesses Local government</p>
<p>Possible actors</p> <p>Local government Institutions Businesses Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors Business community</p>
<p>Pre-conditions</p> <p>Project legal framework defined Interest of institutions, business and donors in financing project</p>		<p>Risk factors</p> <p>Lack of institutional collaboration Limited budget</p>
<p>Estimated expenses</p> <p>Total</p>		<p>400,000 euros</p>
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>After 2005</p>



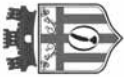
<i>No. 12</i>	Project G2:O1:PG2:p4: Construction of new sewage system and network	Type of programme G2:O1:PG2: Urban construction and rehabilitation, coordinated by municipality and local institutions
Brief description of project		
<p>In the city of Korça, many successful pilot projects have been or are being implemented. In continuation of this experience, a major project has been compiled to construct a new sewerage network. The existing network is very outdated and damaged: there are many problems with broken pipes, etc. Of serious concern is the constant release of raw sewage into the environment, the fields, streams, etc.</p> <p>In order to solve this problem, this project foresees the construction of a new sewage treatment plant and pipe line system. It is an ambitious project and has attracted the intention of several potential donors.</p> <p>A very important component of the project is transparency and raising awareness in the community of the benefits of the project, benefits that will outweigh inevitable temporary inconveniences, e.g. interruption to various services, such as the road system.</p>		
Expected results		Targeted groups
New sewage system for the city New sewage treatment plant Improved technology Improved environment		Community Local government
Possible actors		Possible contributors to the project
Institutions Local government Donors		Municipality Donors
Pre-conditions		Risk factors
Interest of local government, community and institutions in supporting this idea Raising awareness and convincing the public of the project benefits Donors attracted		Lack of collaboration among institutions Lack of collaboration of the community Lack of donors
Estimated expenses		
Total		25,000,000 euros
Contact person for project		
Municipality		
Implementation period		Impact period
Years 2005–2006		After 2006

No. 13	Project G2:O1:PG2:p5: Rehabilitation of the electricity distribution system including that of the industrial area (Zemblak Substation)	Type of programme G2:O1:PG2: Urban construction and rehabilitation, coordinated by municipality and local institutions
<p>Brief description of project</p> <p>During Albania's transition period many services have experienced severe problems. One such problem has been the distribution of electricity to the citizens. A high priority for the local government was the installation of a mid-voltage electricity supply network at optimal parameters.</p> <p>Thus, a new power sub-station has been constructed at Zemblak, a village in the outskirts of Korça, while the project that will be implemented this year will construct a cable network for the 27 transformer cabins, which have also to be renovated. The areas that will benefit directly from the project will be the city's residential and industrial areas, which will have an improved service.</p>		
<p>Expected results</p> <p>Improved electricity distribution network in the city Provision of electricity at optimal parameters Improved conditions for business development in the city Provision of better services for citizens</p>		<p>Targeted groups</p> <p>Citizens Businesses</p>
<p>Possible actors</p> <p>KESH Local government Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Renovation of distribution cabins Collaboration established between local government, KESH and donors</p>		<p>Risk factors</p> <p>Lack of donors</p>
<p>Estimated expenses</p> <p>Total 5,000,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2006</p>		<p>Impact period</p> <p>After 2005</p>



No. 14	Project G2:O1:PG3:p1: Computerization of the data management and work procedures of the municipal government	Type of programme G2:O1:PG3: Modernisation of the municipality and civil registry office
<p>Brief description of project</p> <p>Korça has about 84,000 inhabitants, while the municipal staff comprises just 123 employees. Even though the various departments in the municipality try hard to coordinate their activities in providing services to the community, the system is such that it is impossible to avoid delays, while the municipal employees are overworked. Citizens waste time going from department to department, while it is impossible for the employees to have instant access to the appropriate information.</p> <p>The goal of this project is to improve the quality of services the municipality provides, with a fast, modern, legal and transparent service being introduced. This will be done through establishing a new service delivery system and a modern user-friendly system.</p> <p>In order to achieve its vision the city aims to:</p> <ul style="list-style-type: none"> Consolidate in a unified computerized system all processes related to citizens' demands; Exercise a successful, transparent monitoring process; Improve procedural efficiency with best practices and an advanced computerized system. <p>The installed network will comprise at least 45 computers.</p>		
<p>Expected results</p> <ul style="list-style-type: none"> Improved speed and quality of decision-making process Better monitoring of financial and other processes Efficient implementation of investments Improved internal planning and checks Information standardised Increased responsibility of employees Improved communication among citizens, municipal departments, sectors, etc. Better working conditions for employees 		<p>Targeted groups</p> <ul style="list-style-type: none"> Municipal employees Citizens
<p>Possible actors</p> <ul style="list-style-type: none"> Local government Chamber of Commerce and Industry Donors 		<p>Possible contributors to the project</p> <ul style="list-style-type: none"> Municipality Donors
<p>Pre-conditions</p> <ul style="list-style-type: none"> Interest of local government and institutions in idea Desire of donors to provide financial support and assistance for project Project of high quality 		<p>Risk factors</p> <ul style="list-style-type: none"> Limited budget Lack of donors
<p>Estimated expenses</p> <p>Total</p>		150,000 euros
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>One year, 2005</p>		<p>Impact period</p> <p>After 2005</p>

No. 15	Project G2:O1:PG3:p2: Computerization of the Civil Registry Office	Type of programme G2:O1:PG3: Modernisation of the municipality and civil registry office
<p>Brief description of project</p> <p>The fast pace of development of the city requires a fast and qualitative delivery of services for citizens. Improving service delivery is a constant problem: the common practice of all Albanian institutions is for citizens to have to show a range of certificates, causing unnecessary queues and creating dissatisfaction for services for which they have the right to receive. The work of the registrar office employees is very complicated because of the use of a very outdated book-keeping system (created in 1974) and the great number of customers.</p> <p>Computerization of the registrar office is essential to reform the system and resolve citizens' requests efficiently. In fact, a law exists for the computerization of the country's registrar offices but requires the hiring of computer experts and registry employees and equipping the offices with computers and ancillary equipment. This project will install the equipment and train the employees.</p>		
<p>Expected results</p> <p>All entries in register transferred into computer database Fast service provided for citizens Work of registrar employees facilitated</p>		<p>Targeted groups</p> <p>Community Local government</p>
<p>Possible actors</p> <p>Local government Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Interest of local government and donors in supporting idea Serious engagement to prepare serious project</p>		<p>Risk factors</p> <p>Limited budget Lack of donors</p>
<p>Estimated expenses</p> <p>Total 8,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2006</p>		<p>Impact period</p> <p>After 2005</p>



No. 16	Project G2:O1:PG3:p3: Development of a database, and relevant computer software, of all addresses in Korça	Type of programme G2:O1:PG3: Modernisation of the municipality and civil registry office
<p>Brief description of project</p> <p>The city of Korça has characteristic architecture, distinguishable from other cities in Albania and of interest to tourists. However, it is often difficult for visitors to find places of interest in the city because of the poor system of addresses and absence of street names, caused in part by the proliferation of illegal constructions but also by the desire of the Communist system not to make such information readily available; legend has it from fear of invasion and the idea of causing confusion to any invaders. Also, many roads in the city share the same name or have no clear distinguishable border. For all these reasons it is essential that the roads are named and equipped with signs, and with numbers or names assigned to the buildings.</p> <p>The municipality is in the middle of naming all roads and numbering all buildings; so far, about 300 streets and 20,000 houses have been registered. Carrying out this project is a very important element in the city's development. Services provided by various institutions, such as Albtelecom, KESH, etc., also have difficulty in identifying customers' addresses. In addition, the development of the city requires much promotional material to be prepared (e.g. maps, leaflets). Tourists or investors should have access to such information, which gives precisely the location of different places of interest, while future studies will be facilitated with provision of reliable information.</p>		
<p>Expected results</p> <p>Sustainable database created Every building in city allocated name or number, and each road a specific name Improved presentation of city Development guided along European standards</p>		<p>Targeted groups</p> <p>Community Local government Institutions Businesses Tourists and visitors</p>
<p>Possible actors</p> <p>Local government Donors Local businesses</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Interest of local government and business community in supporting idea Preliminary study of current situation</p>		<p>Risk factors</p> <p>Lack of financial resources</p>
<p>Estimated expenses</p> <p>Total 25,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>One year, 2005</p>		<p>Impact period</p> <p>After 2005</p>

<i>No. 17</i>	Project G2:O1:PG4:p1: Development of digital maps for the engineering networks of local institutions	Type of programme G2:O1:PG4: Exchange of information between municipality and local institutions
<p>Brief description of project</p> <p>The development of a city has many layers. The fruits and benefits of development are many, but also many are the problems that it causes. These problems usually stem from a lack of continuous cooperation among the various institutions and a lack of feedback. Typical examples include the regular digging up of roads by different institutions for their own purposes (electricity, telephone, water and sewage networks). Also, as these institutions often do not have precise maps of network installations, there is much damage done in making new installations, defeating work done previously and causing great inconvenience for citizens.</p> <p>The enlargement of the city and creation of new districts requiring services have to be undertaken on the basis of accurate cartography. In this project, data from all institutions will be gathered and entered into a GIS database for printing of digital maps that include the service networks.</p>		
<p>Expected results</p> <p>Continuous collection of data and establishment of constant institutional collaboration Creation of digital service mapping Improved quality and safety of servicing work</p>		<p>Targeted groups</p> <p>Institutions Local government</p>
<p>Possible actors</p> <p>Community Local government Businesses Donors Institutes</p>		<p>Possible contributors to the project</p> <p>Municipality Donors Public institutions and enterprises</p>
<p>Pre-conditions</p> <p>Interest of local government and institutions in supporting idea Collaboration established among institutions Serious engagement in preparing qualitative project Donors attracted</p>		<p>Risk factors</p> <p>Insufficient and inaccurate data Absence of experts to implement project Lack of donors</p>
<p>Estimated expenses</p> <p>Total</p>		25,000 euros
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2007</p>		<p>Impact period</p> <p>After 2007</p>



No. 18	Project G2:O2:PG1:p1: Reconstruction of the main streets of the city	Type of programme G2:O2:PG1: Improvement of urban streets and public services in cooperation with the community
<p>Brief description of project</p> <p>Improvement of the city's infrastructure is one of the main factors that will have an important impact on the development of its businesses. Korça is constantly growing, and a large number of development projects are needed, in particular to improve the city's infrastructure. New districts are developing and they need contemporary services, while most roads in the old districts need to be reconstructed.</p> <p>Improvement of the city's streets will ease traffic congestion and reduce damage to cars, buses and lorries. Improvement of the roads is an important part of Korça's economic development and of all strategies that serve its goals by creating appropriate conditions for existing and new businesses.</p>		
<p>Expected results</p> <p>Improved transportation infrastructure Best possible conditions established for creation of new businesses Conditions established for development of existing businesses</p>		<p>Targeted groups</p> <p>Community Businesses Local government</p>
<p>Possible actors</p> <p>Local government Community Donors Business community</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Interest of local government and community in supporting idea Desire of donors to provide assistance and finance Quality projects</p>		<p>Risk factors</p> <p>Limited budget Lack of donors Lack of interest of community to collaborate</p>
<p>Estimated expenses</p> <p>Total 2,520,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Five years, 2005–2010</p>		<p>Impact period</p> <p>From year 2005</p>

No. 19	Project G2:O2:PG1:p2: Rehabilitation of the cobblestone streets and pavements in the old part of the city	Type of programme G2:O2:PG1: Improvement of urban streets and public services in cooperation with the community
<p>Brief description of project</p> <p>The city of Korça has inherited important cultural, artistic and historical values from the past. The difficult period of transition has generated such negative effects that the artefacts, remains and traditions that express these values have been or might yet be damaged. Some characteristics that differentiate Korça from other cities in Albania are its town house architectural style and cobbled roads.</p> <p>Many interventions to improve the city's network of utilities have seriously damaged these roads, and worse still, have caused in families disinterest in the age-old tradition of keeping the roads clean. Now these roads are falling apart, covered with dust during the summer and mud during the winter.</p> <p>A considerable investment of 50 million leke has made possible the rehabilitation of 15,000 m² of cobbled roads but left un-repaired another 4,000 m². Conservation of its historical values would help Korça keep its identity and reinstate the old tradition of keeping the roads clean, which ultimately would lead to more tourists visiting and staying in the city and at the same time improve the quality of life for its citizens.</p>		
<p>Expected results</p> <p>Tradition and historical and cultural values of city preserved Korça's image as a special city maintained More tourists attracted Improved quality of life for citizens</p>		<p>Targeted groups</p> <p>Business Community Local government</p>
<p>Possible actors</p> <p>Central government Donors Business Community Local government</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Protected historical areas of the city defined Interest of donors</p>		<p>Risk factors</p> <p>Limited budget Lack of donors</p>
<p>Estimated expenses</p> <p>Total</p>		<p>3,000,000 euros</p>
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>After 2005</p>



No. 20	Project G2:O2:PG1:p3: Installation of street lighting in all public spaces in the city	Type of programme G2:O2:PG1: Improvement of urban streets and public services in cooperation with the community
<p>Brief description of project</p> <p>The electricity supply situation has for many years been a thorn in the side of the city, reducing quality of life and impeding economic development. This problem is being alleviated partly through a range of projects supported by various donors.</p> <p>The city is growing faster than is financially affordable for the municipality. However, installation of street lighting in the city's suburbs would not only improve the life of citizens and assist development of businesses but also increase safety in these areas. Currently, some 60 per cent of the city's streets have lighting, excluding the new residential areas and the ring road. An additional 500 street lamps need to be installed to alleviate the problem.</p>		
<p>Expected results</p> <p>Improved quality of life for the community Possibility created for businesses to stay open during evening hours Improved safety in public areas</p>		<p>Targeted groups</p> <p>Business Community Local government</p>
<p>Possible actors</p> <p>Local government Local businesses Local community Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Partnership established among local government, businesses and community Raised awareness of citizens to care for investments Interest of donors</p>		<p>Risk factors</p> <p>Lack of collaboration between interested parties and local government Limited budget Lack of donors</p>
<p>Estimated expenses</p> <p>Total 50,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2006</p>		<p>Impact period</p> <p>After 2006</p>

No. 21	<p>Project G3:O1:PG1:p1: Construction of new facilities in order to improve the quality of teaching and accommodation for students at Korça University</p>	<p>Type of programme G3:O1:PG1: Increase in the quality of teaching standards and facilities</p>
<p>Brief description of project The presence of a university is an asset for the city of Korça and will assist its economic development, with graduates employed in the city's businesses. Better trained and higher quality graduates will create improved human resources that will support this economic development. Currently, the good functioning of the university is jeopardized by a lack of facilities, while those that do exist are run down. This project aims to improve these facilities by creating new spaces and installing related infrastructure, which will be important factors in improving standards towards those of other European universities. In addition, increasing the number of teaching facilities, programmes and students would increase the standing of the university in the region, while businesses will benefit from a higher inflow of people into the city and through increased competition among graduates.</p>		
<p>Expected results Improved teaching facilities Increased number of faculties at the university Qualitative improvement of graduates Improved human resources</p>		<p>Targeted groups Academics Students Businesses Local government</p>
<p>Possible actors Local government Central government Businesses Donors</p>		<p>Possible contributors to the project University Ministry of Education and Science Donors</p>
<p>Pre-conditions Registration of properties owned by local government Approval by Municipal Council of making available for the university city properties</p>		<p>Risk factors Non-approval by Municipal Council of project Limited budget Lack of donors</p>
<p>Estimated expenses</p>		
<p>Total</p>		<p>900,000 euros</p>
<p>Contact person for project Municipality</p>		
<p>Implementation period Years 2005–2010</p>		<p>Impact period After construction of facilities</p>



<i>No. 22</i>	Project G3:O2:PG1:p1: Physical rehabilitation of all secondary schools in the city	Type of programme G3:O2:PG1: Create conditions for quality pre-university education
<p>Brief description of project</p> <p>The academic year 2005–2006 began well. The municipality has created the possibility for reconstruction of the Mesonjetorja, Sevasti Qirjazi and Sotir Gura 9-Year schools, the New Sports School, Raqi Qirinxhi Middle School and Kindergarten No. 5. However, there are many other 9-year and middle schools that require reconstruction.</p> <p>Next year, the municipality will rehabilitate other schools, in particular focusing on the physical condition of the buildings, the sports facilities and perimeter walls, thus creating good teaching and learning conditions.</p> <p>The municipality has approved building permission for the perimeter wall reconstruction of Kindergarten No. 5 and the schools in Ajet Gjindoll Street, the reconstruction of Stavri Themeli and Asdreni 9-Year schools and the sports facilities of Raqi Qirinxhi School.</p>		
<p>Expected results</p> <p>Improved environment for teaching Improved environment for learning Increased attendance in public schools</p>		<p>Targeted groups</p> <p>Local government School children Teachers</p>
<p>Possible actors</p> <p>Local government Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors Ministry of Education and Science</p>
<p>Pre-conditions</p> <p>Interest of local government, teachers and pupils in supporting project</p>		<p>Risk factors</p> <p>Limited budget Lack of donors</p>
<p>Estimated expenses</p> <p>Total 40,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2006–2007</p>		<p>Impact period</p> <p>After 2006</p>

No. 23	Project G3:O2:PG1:p2: Constructing a modern sports complex in the area between the Demokracia and Naum Veqilharxhi Schools	Type of programme G3:O2:PG1: Create conditions for quality pre-university education
<p>Brief description of project</p> <p>Developing a city requires the taking of a long-term view. However, given the current economic situation of the country, building recreational facilities in new urban areas seems to belong to the future. Nevertheless, the area near to the Demokracia and Naum Veqilharxhi schools is home to about 25,000 people, many of whom are youths or children. The sports complex they currently use is located 4 km away and not easily accessible, while the small children have absolutely nowhere safe to play.</p> <p>This project will build one volleyball court, two basketball courts, one handball court, one five-a-side football pitch, one playground for children, two long-jump runways and pits and one gymnastics ring. In addition, trees will be planted and decorative benches installed.</p> <p>Maintenance and continuity of the facility will depend on the users. For this reason, during its construction, and later on to maintain it, the young people of the area will be invited to work on the facility on a voluntarily basis. They will learn the importance of looking after something they need.</p> <p>In the morning, the facilities will be used by school children and during the afternoon, for a small fee that will be used for maintenance, other young people of the area will have access to the facility.</p>		
<p>Expected results</p> <p>Improved quality of life Improved health of youth Recreational facilities established Facility provided for athletes</p>		<p>Targeted groups</p> <p>Local youth Children Community</p>
<p>Possible actors</p> <p>Local government Local businesses Community Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors Community</p>
<p>Pre-conditions</p> <p>Interest of local government, business and community in supporting idea Desire of donors to provide financial support and assistance Project of high quality</p>		<p>Risk factors</p> <p>Limited budget Lack of donors</p>
<p>Estimated expenses</p> <p>Total</p>		150,000 euros
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>After its construction</p>



No. 24	Project G4:O1:PG1:p1: Establishment of a tourism information centre	Type of programme G4:O1:PG1: Building, in cooperation with businesses, of systems to promote the tourism potential of Korça and the surrounding area
<p>Brief description of project</p> <p>Korça city has inherited a wealth of historical and traditional values. Most visitors and tourists leave the city with a good impression and with the desire to come back one day. The impressions are of different kinds: natural, cultural, historical, etc. Therefore, this city, and the region around it, has the opportunity to develop a market in tourism, as well as one for holding conferences and other activities.</p> <p>Unfortunately, the city is missing professional marketing expertise. For this reason, this project aims to establish a regional information office and centre to help coordinate the efforts of businesses that operate in this sector. This office will provide information on tourism attractions and services, such as hotels, restaurants, prices, etc. Brochures will be designed according to type of business and an annual calendar of cultural activities published. This will help increase the flow of tourists into the region.</p>		
<p>Expected results</p> <p>Professional tourism marketing established More tourists attracted Conditions created for collaboration between municipality and tourism businesses</p>		<p>Targeted groups</p> <p>Tourism businesses Citizens</p>
<p>Possible actors</p> <p>Local government Regional tourism businesses</p>		<p>Possible contributors to the project</p> <p>Municipality Donors Business community</p>
<p>Pre-conditions</p> <p>Interest of local government and business community in supporting idea Qualitative and realistic project</p>		<p>Risk factors</p> <p>Lack of concrete collaboration between businesses and city</p>
<p>Estimated expenses</p> <p>Total 20,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Year 2005</p>		<p>Impact period</p> <p>After 2005</p>

No. 25	Project G4:O1:PG1:p2: Publication of annual calendars of sports events and cultural activities	Type of programme G4:O1:PG1: Building, in cooperation with businesses, of systems to promote the tourism potential of Korça and the surrounding area
<p>Brief description of project</p> <p>The development of tourism in the region of Korça is one of the main directions local businesses have foreseen for the development of the city. In collaboration with tourism businesses, the municipality has been initiating various projects to promote and develop this sector.</p> <p>The tourist information centre (see G4:O1:PG1:p1:) and other agencies will distribute guides, maps and other relevant materials. This project plans to prepare annual calendars of cultural and sports events, which will help attract tourists to the city. These calendars will be prepared by the Municipality's Department of Culture and Sports, in collaboration with other institutions that will benefit from publication of such material.</p>		
<p>Expected results</p> <p>Cultural activities in city promoted Increased number of national and foreign tourists visiting city Improved promotional process for businesses Increased number of cultural and sporting activities More stimulating environment in city</p>		<p>Targeted groups</p> <p>National and foreign tourists Tourism businesses</p>
<p>Possible actors</p> <p>Various cultural and sports institutions Local government Tourist agencies Donors</p>		<p>Possible contributors to the project</p> <p>Municipality</p>
<p>Pre-conditions</p> <p>Collection of all relevant information Collaboration established between local government and tourism businesses</p>		<p>Risk factors</p> <p>Lack of collaboration among institutions that possess relevant information</p>
<p>Estimated expenses</p> <p>Total 2,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2006</p>		<p>Impact period</p> <p>After 2005</p>



No. 26	Project G4:O2:PG1:p1: Rehabilitation of the environment of the AZ Cajupi Theatre	Type of programme G4:O2:PG1: Qualitative promotion of the city's history and culture through means of public institutions
<p>Brief description of project</p> <p>The AZ Cajupi Theatre is a unique institution. It was inaugurated 40 years ago, but has 50 years of professional experience. During the changes that have taken place in Albania during the country's transition to democracy, the theatre has experienced many difficulties, but has survived through the work, dedication and passion of its artists. Being the only local institution that has a permanent professional activity, it assumes responsibility for fulfilling many of the artistic needs of the local community and beyond: for example in 2000 and since then, this institution has, together with the municipality, hosted an international theatrical comedy known as 'Balkans 2000'.</p> <p>Unfortunately, the condition of the building and its environment has deteriorated and it is now an inappropriate venue for shows, musical performances and plays, etc. The building was constructed in 1953, and badly needs refurbishing. Reconstruction of the theatre is imperative and will be a very important investment for serving the cultural development of the city. This project aims to rehabilitate the theatre and enable it to hold many activities and premières in the future.</p>		
<p>Expected results</p> <p>Improved facilities for artists Improved facilities for audience Conditions established for reviving cultural life of the city</p>		<p>Targeted groups</p> <p>Artists Citizens Tourists</p>
<p>Possible actors</p> <p>Local government Community Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Ministry of Culture, Sports and Youth Donors</p>
<p>Pre-conditions</p> <p>Interest of local government and community in supporting idea Interest of donors in supporting project Project of high quality</p>		<p>Risk factors</p> <p>Lack of funding</p>
<p>Estimated expenses</p> <p>Total 100,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>One year, 2005–2006</p>		<p>Impact period</p> <p>After 2006</p>

<i>No. 27</i>	Project G4:O2:PG1:p2: Reconstruction of the Old Bazaar	Type of programme G4:O2:PG1: Qualitative promotion of the city's history and culture through means of public institutions
Brief description of project The Old Bazaar in Korça is one of the most distinguished cultural monuments in the region. As a factor in the economic development of the city during the 18 th century, it is of high cultural and historical interest. The bazaar has deteriorated badly and is in urgent need of restoration. The buildings are badly damaged and the façades nearly destroyed. Given the country's transition to democracy and an open market economy, it is appropriate to bring the bazaar back to its previous condition, for with its economic importance in the history of the region it will once again become a source of revenues through attracting tourists to the city. The municipality has initiated efforts to reconstruct the bazaar by rehabilitating the sewage system and traditional entrance, but much remains to be done. This project aims at a complete rehabilitation of the bazaar, based upon a study that has already been carried out.		
Expected results Identity of Old Bazaar restored Current market relocated New space created for businesses to operate in Old Bazaar Raised awareness of land owners of importance of investing as partners in reconstructing their own buildings Increased number of tourist attractions in Korça		Targeted groups Citizens Municipal government Businesses
Possible actors Local government Community Donors		Possible contributors to the project Municipality Ministry of Culture, Sports and Youth Donors
Pre-conditions Identification of funding required Identification of donors required		Risk factors Lack of funding
Estimated expenses		
Total		1,000,000 euros
Contact person for project Municipality		
Implementation period Years 2005–2010		Impact period After 2010



No. 28	Project G4:O2:PG1:p3: Construction of a History Museum in the city	Type of programme G4:O2:PG1: Qualitative promotion of the city's history and culture through means of public institutions
<p>Brief description of project</p> <p>The city of Korça has an extensive cultural heritage, reflected not only in the traditions of the population but also in its various cultural institutions. The city has a number of museums, but it does not have a History Museum.</p> <p>There are many artefacts possessed by people and institutions in the region for which display in a history museum is appropriate. Subsequent generations will be able to learn much of the history of the region and the most important episodes in the development of the city. The museum will serve as a force for future development, while at the same attract visitors to the city.</p> <p>Realization of this project will be possible if the intellectual capacity of the city is coordinated to prepare the material that should be displayed in the museum. The municipality will make available either an appropriate plot of its land or one of its buildings for this purpose.</p>		
<p>Expected results</p> <p>Extended cultural base of the city Important element established in presenting history of region and its people Increased interest of youth in city's history Increased number of tourist attractions</p>		<p>Targeted groups</p> <p>Citizens Intellectuals University Historians Municipal government Tourism businesses</p>
<p>Possible actors</p> <p>Historians Local government Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Ministry of Culture, Sports and Youth Donors</p>
<p>Pre-conditions</p> <p>Identification of funding and donors Construction site agreed upon and approved by Territory Regulation Commission <i>or</i> building identified and conversion to museum approved by Municipal Council Involvement of intellectuals and historians in project</p>		<p>Risk factors</p> <p>Lack of funding</p>
<p>Estimated expenses</p> <p>Total 250,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>After 2010</p>

No. 29	Project G5:O1:PG1:p1: Rehabilitation of the present urban waste landfill	Type of programme G5:O1:PG1: Treatment of urban waste according to the legal standards
<p>Brief description of project</p> <p>Rehabilitation of the present waste management facility in Korça is a matter of urgency. Following a feasibility study and determination of a new site, the current site needs to be closed down and sealed off properly. It is located above the city reservoir and has been filled with all sorts of waste, dumped without criteria, polluting the environment and threatening the city's drinking water. The problem is becoming more pronounced in the surrounding residential areas, with gases released from the site becoming a further health problem.</p> <p>This project foresees not only the cleaning up of the present landfill, but also converting it into a green area, one that could be used in the future for recreational purposes, and one that would improve substantially the quality of the surrounding environment.</p>		
<p>Expected results</p> <p>Rehabilitated landfill site Environment protected from pollution Pollution of city's drinking water supply prevented Increased number and size of green areas in city</p>		<p>Targeted groups</p> <p>Citizens Local government</p>
<p>Possible actors</p> <p>Local government Community Donors NGOs</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Identification of funding and donors required Detailed landfill rehabilitation project prepared</p>		<p>Risk factors</p> <p>Lack of funding</p>
<p>Estimated expenses</p> <p>Total 1,000,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>After 2010</p>



No. 30	Project G5:O1:PG1:p2: Construction of new landfill for city waste disposal and treatment	Type of programme G5:O1:PG1: Treatment of urban waste according to the legal standards
<p>Brief description of project</p> <p>In Albania, preservation of the environment is constantly gaining precedence on the list of priorities. Improvement in the quality of life of citizens is closely linked to on-going projects that aim to promote a clean and healthy environment.</p> <p>One of the most effective ways of improving the environment in a city is to upgrade waste management techniques. The Municipality of Korça is working with international donors and experts on a project to construct a new landfill and waste processing site that will serve all communities in the Prefecture. A feasibility study has been completed and the State Commission for Regulation of Territories has approved a site, in Maliq, a few kilometres north of Korça, for location of the waste treatment plant. Meanwhile, the Municipalities and Communes of the Prefecture have signed a Memorandum of Understanding with regard to use of the site.</p> <p>The implementation of this project will solve many of the pollution problems caused by urban waste of the city, and at the same time will serve the needs of the Prefecture.</p>		
<p>Expected results</p> <p>Construction of new landfill to contemporary standards Efficient processing of urban waste Improved techniques for protection of environment Site accessible by all municipalities and communes in prefecture</p>		<p>Targeted groups</p> <p>Community</p>
<p>Possible actors</p> <p>Donors Local government</p>		<p>Possible contributors to the project</p> <p>Municipality Donors</p>
<p>Pre-conditions</p> <p>Memorandum of Understanding signed between municipalities and communes Interest of donors</p>		<p>Risk factors</p> <p>Lack of donors</p>
<p>Estimated expenses</p> <p>Total 20,000,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2007</p>		<p>Impact period</p> <p>After 2005</p>

No. 31	Project G5:O1:PG2:p1: Establishment of a system for monitoring air quality in the city	Type of programme G5:O1:PG2: Reducing air pollution in the city
<p>Brief description of project</p> <p>A study of air quality in Korça city, completed by the local Directorate of Primary Healthcare, in collaboration with the Institute of Public Health, Tirana, uncovered pollution levels far higher than the maximum levels set by WHO with regard to particle suspension. This particulate matter comprises large dust particles scattered by car tyres and produced by vehicle exhausts and construction works, as well as from unpaved roads.</p> <p>The existing cobbled roads are no longer cleaned by the public authorities, nor are they repaired quickly, causing increased pollution problems. The scattered particles damage the upper respiratory system and the eyes. Some particles penetrate lung tissue and, e.g. lead, cadmium and polycyclic aromatic hydrocarbons, damage the alveoli, causing chronic bronchitis. High lead levels are also responsible for birth deformities and poor development of the nervous system.</p> <p>Continuous monitoring of these parameters will provide information for institutions responsible for resolving these problems.</p>		
<p>Expected results</p> <p>Clean environment maintained Continuous information provided to community on pollution levels Improved services to preserve environment</p>		<p>Targeted groups</p> <p>Community Local government</p>
<p>Possible actors</p> <p>Directorate of Primary Healthcare in Korça Municipality Institute of Public Health, Tirana Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Ministry of Environment Donors</p>
<p>Pre-conditions</p> <p>Creation of appropriate database Establishment of institutional collaboration Appropriate equipment available</p>		<p>Risk factors</p> <p>Lack of collaboration between local and national institutions Delays in services that solve such problems</p>
<p>Estimated expenses</p> <p>Total</p>		<p>5,000 euros</p>
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Years 2005–2010</p>		<p>Impact period</p> <p>After Years 2005</p>



No. 32	Project G5:O2:PG1:p1: Rehabilitation of the green areas along the main streets and in the squares of the city	Type of programme G5:O2:PG1: Improvement in the level of greening of the city streets and squares
<p>Brief description of project</p> <p>The establishment of a stable democratic system in Albania requires efficient and transparent governance. It is essential to involve citizens in the decision-making process and in implementation of common projects.</p> <p>The leaders of the city of Korça and the surrounding communities have decided to work together on projects that will bring citizens closer together and closer to government and enable them to participate in the processes, raising awareness of the way their money is being spent and of the quality of the output. The implementation of this project will promote public-private partnership in the region.</p> <p>The families in the suburbs are often particularly poor. The current condition of the areas in which they live is appalling, while open land and streets, if any, are full of rubbish, and of dust during the summer and mud during the winter. Often citizens scatter their rubbish, endangering even their own health.</p> <p>Recently, there have been improvements made in this situation and, with this positive development, environmental projects have special status. This project anticipates the conversion of existing free spaces into parks and child playgrounds.</p>		
<p>Expected results</p> <p>Interest in changing service provision promoted Community involved in decision-making Community problems resolved Ideas and suggestions made on how to use a limited budget efficiently Raised awareness in community of reasons for and ways of making decisions</p>		<p>Targeted groups</p> <p>Community Local government Business community</p>
<p>Possible actors</p> <p>Local government Community Donors</p>		<p>Possible contributors to the project</p> <p>Municipality Donors Community</p>
<p>Pre-conditions</p> <p>Interest of local government and community in supporting idea Interest of donors in supporting project Green areas considered as priority investment</p>		<p>Risk factors</p> <p>Limited budget Lack of potential donors Lack of interest of community in collaborating</p>
<p>Estimated expenses</p> <p>Total 300,000 euros</p>		
<p>Contact person for project</p> <p>Municipality</p>		
<p>Implementation period</p> <p>Two years, 2005–2007</p>		<p>Impact period</p> <p>After 2005</p>

Annex 1: Report on ‘Survey of Locally Enabling Business Environment’

Introduction

The business survey that formed part of the development of the Strategy was conducted during the period March to April, 2004 and is reported here. The purpose of the survey was to provide additional information for the process of Local Economic Development planning in the Municipality of Korça. At the same time, the way the survey was carried out was aimed to provide further experience for the municipality, particularly for the Development Office.

The report below is a concise presentation of the main findings of the survey. In addition, a broader report was prepared, where the performance of all five municipalities participant in the DELTA project can be compared. The survey data are also available electronically, creating the opportunity for each municipality to make further analyses according to their needs.

This survey was carried out in close collaboration with the Office of Economic Development in the Municipality of Korça. Mrs Albana Çule made a special contribution in organizing the survey.

Statistical description of the sample of businesses interviewed

- Seventy businesses operating in Korça were interviewed, representing about 3.9 per cent of the businesses registered with the Municipality (1,800 businesses according to the list provided by the municipality).
- Opinions were gathered from the following business representatives: owner in 54 businesses, general manager in six businesses and senior manager in ten businesses.
- Forty-six of the 70 businesses had one owner, five were cooperatives and nineteen had more than one owner.
- Twenty-four of the businesses were manufacturing businesses, 25 were involved in trade, 15 in service provision and six were construction businesses.
- The length of time that the businesses had been active ranged from one to ten years, with most being active from six to ten years.
- Thirty-seven of the businesses reported that they had fewer than five employees (mostly one), ten had six to ten employees, 16 had eleven to 50 employees and seven more than 50 employees.



Main findings

Opinions about the business climate in Korça

- 54% of the businesses reported that it was difficult for them to find qualified workers, while 34% reported the opposite. (Question 9.)
- 40% reported that they were short of sales & marketing and management skills (taken together). (Question 10.)
- 58% reported that the main source of competition was local businesses, while 26% of them reported imports as the main competitor. (Question 11.)
- There are a number of business associations in the city. (Question 12.) 33% of the businesses reported that these associations were doing a good job. (Question 22.)
- 70% of the businesses reported that they needed 10–40 days to renew their licences. Only 10% reported that they needed fewer than 10 days. (Question 16.)
- Except for the issue of electricity supply, other public services are not considered as a big problem. (Question 21.)
- 65% of the businesses reported that they had been inspected fewer than five times by the tax authority. 19% reported that they had paid fines and 4% that they had paid bribes to the tax authority. (Question 20.)
- 41% of businesses reported that the business environment has improved and 39% said the opposite. (Question 33.)
- 27% of businesses reported that the Tax Department has a negative impact on their business. (Question 25.)
- The three biggest problems that businesses had with regard to relationship with local government were: corruption and illegal practices, costs (too high and unpredictable; related to local taxes) and absence of clear regulations. (Question 17.)

Expectations of businesses

- 50% of businesses reported that they plan to invest within the municipality. Another 19% reported that they plan to invest both within and outside the municipality. (Question 8.)
- The three most mentioned expectations were: reduced taxes (51%), equality for all businesses (49%) and improved infrastructure (20%). (Question 18.)
- 20% of businesses expected the municipality to offer financial incentives through its local tax policies.

Awareness among businesses of municipality functions

- 70% and 67%, respectively, of businesses reported that did not know about the role of the LED and RED offices. (Question 22.)
- 76% of businesses reported that they were not aware of the professional associations or of the role that these associations play. (Question 22.)
- 46% of businesses were not aware of the private professional services that are available in the municipality. (Question 22.)
- 59% of businesses did not know or did not report which of the municipality’s departments had a positive role on their business (Question 24), while more than 50% could not name a department that had a negative effect. (Question 25.)
- Over 80% of the businesses did not know a department in the municipality that deals with Local Economic Development. (Question 26.)

SWOT (in the questionnaire)

Strengths

- Geographical position: related to being close to national borders, relative abundance of rich soil that could be used for agriculture, tourism resources, etc.;
- Educated and obedient people: educated with respect to ethics and technical skills; obedient with respect to the law;
- Low labour cost: wages in the area are very low;

Opportunities

- Realistic expectations of businesses: more than 75% of businesses reported they would be happy if their licence were renewed within 10 days;
- Most of expectations of businesses do not involve large costs, mainly improved procedures;
- The business community wishes to collaborate and has plenty of ideas;
- Most businesses would prefer to stay within the municipality.

Weaknesses

- Poor infrastructure;
- Poor electricity supply;



- Low level of economic development: the purchasing power of the population is very low and the local population has a habit of not spending money;
- Small size of the local market: in this sense, the geographical position becomes a weakness because the city is a long way from other main markets in the country;
- Poor tax policy.

Threats

- A considerable number of businesses, especially big businesses, are thinking of relocating;
- Corruption: this is mentioned many times as a huge constraint;
- Businesses' perception of local government is mostly related to bureaucracy, corruption, inefficiency;
- Informal economy: one of the most important factors reducing the number of registered businesses;
- Lack of awareness and, consequently, non-involvement of the business community with the policies of the municipality that are targeted at economic development.

