



FUNCTIONAL AREA PROGRAMME DURRËS

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I. ABSTRACT

The new Municipality of Durres rather than a local unit of the Republic of Albania, is a centre where economic and social interactions for the whole country are networked and joined. With 85% of active companies, the totality of the administrative centers of main public enterprises at regional level (and some at country level, such as the Port of Durres or Albanian Railways), and 65% of the population, the administrative unit of Durres (current municipality) is clearly the dominant unit of the new Municipality, incomparable with the socio-economic strength of the other five units. As a result Durres is expected to prevail and determine the practical development of the whole New Municipality.

On the other hand the other five units (Manez, Sukth, Katund i Ri, Rrashbull and Ishem) come far behind Durres in terms of job (among 11% and 72% of the employees respectively of Ishmi and Rashbull work in the LU of Durres) public services at the regional level, medical and education activities (mainly universities). The flux of old-aged citizens from Durres towards these five units is statistically insignificant.

Regarding the economic development of the New Municipality of Durres, it is de-facto part of the Metropolitan Zone Tirana - Durres. As such, it is affected directly by national developments, both of public investments and in attracting foreign investors. The analysis allows us to understand that the economic structure of the New Municipality of Durres in order to be consistent, should be oriented toward clusters of enterprises, which are actively affected by the strategic support policy from the central government (much more than the Municipality). Here we can focus on a) processing of garment and leather-footwear assisted with public investments in research, product development & processes and in marketing, distribution and sale; b) transport logistics with central government assistance in developing and modernizing the legal context of customs procedures and transport infrastructure; c) agriculture with public assistance in support of farmers and internationalization of Albanian products.

At country level the New Municipality of Durres is unique in terms of concentration of strategic projects and respective investments in infrastructure. Among the main ones to be mentioned are the Blue Highway that runs the Municipality from North to South; Railway development and connection with Macedonia and Kosovo; Development of the Port of Durres; Industrial Zone development of Spitalla of 250 ha and employments opportunities of up to 5,000 people, etc. The amount of investments and number of jobs resulting from these governmental developments, is significantly higher than it probably can be “created” by the Municipality support only. But equally important are the possible negative externalities of those projects for the local residents. Impact of Municipal authorities in determining the profiles of these investments and their orientation in function of the inhabitants of Durres, will be one of the challenges of the New Municipality.

Regarding to the public services of the New Municipality, our attention is drawn by two main groups: direct administrative public services to citizens, such as civil services, and public services to the context surrounding the citizen, such as waste management, water and sanitation, etc. In the first case, during 2015-2016 the New Municipality will have as primary challenge maintaining the quality and network service at the same level at least as before the RAT. This

will be conditioned by the effective coverage extension of services throughout the territory. However the experience and the expertise of the actual Municipality of Durres completed with the experience and field knowledge of the personnel to other five units are advantages that should be used wisely to produce success. With the consolidation and modernization of the new municipal administration, is expected that the efficiency of these services grows.

In general in Albania, we observe that public services like waste management, water and sanitation (and perhaps road maintenance) are gradually being transferred to separate enterprise from the local public administration (and even central). The waste case is the most typical. In this prism it remains the responsibility of local authorities to ensure the maintenance of an acceptable level of service to citizens with a democratic cost.

However any significant development of the New Municipality of Durres will be conditioned by implication, dedication and financial support from central government. But the real and meaningful implication of local actors in all stages of identification, planning, costing, tendering, implementation, monitoring the initiatives and public policy will be a necessary and essential condition for a successful Municipality. Furthermore, this approach should not include only the major LU, that of Durres, but all the active forces spread in Ishem, Rrashbull, Sukth, Katund i Ri and Manez. Each model imposed from above without the approval of the inhabitants of the New Municipality of Durres in all its administrative units would create centrifugal forces between the units of the territory of the New Municipality, and as a result would decrease the effectiveness of the job of the new local unit.

As a conclusion even if the New Municipality Durres for the moment is obviously dis-balanced in favour of the city of Durres, this new unit by its geographical location, industrial structure, human profile and millennial history, offers practical opportunities for a success scenario not only at national level but also at the international level. The new five units, if they become an active part of the planning and strategic development of the new Municipality, will offer Durres the geographical, business and human ability space to be the model municipality of the Republic of Albania in the XXI century.

The cohesion between six local units and the dedication of the economic units and its inhabitants, has the potential to make the New Municipality of Durres a national actor, which together with Tirana Municipality, can direct the development of the territory in the country in the upcoming years.

II. METHODOLOGY

Data gathering was based on the following components:

- *desk research*. Mainly development studies for each of the six LGUs completed with statistical data (INSTAT data on demography, Ministry of Finance for legal business entities; NRC for the number of active businesses, Publications of Durres municipality and the Region for the data on the Region of Durres; National Employment Service for employment; ShtetiWeb for sectorial policy documents 2014-2020, etc.).
- *meetings with representatives of all local government units* (at least three times in each unit). These meetings initially served to introduce the project dldp and CDI. They were based on a preliminary agenda and list of presence. The agenda focused on: a) the present situation of LGUs; b) the collection of information mainly from the Department of Taxation, the Department of Development and the Department of Economics / Finance; c) developing intra-LGU projects and those in preparation influential inter-LGU;
- *illustrative survey* in 62 economic entities of the County of Durres. The aim was to *identify serious trends on the nature of qualifications requested by enterprises in Durres*;
- *meetings with representatives of stakeholders* in the development of FA Durres (Albanian Regions Fund, Regional Development Agency, the Chamber of Commerce of Durres, University Alexander Moisiu, NGOs active in regional development plans of Durres, etc.).

The treatment of information resulted in regularization and homogenization of information, classification, organization and functioning of their logical interconnection. The next step was the preparation of the analysis structure and the presentation of results.

Methodological problems arise from:

- Production of the INSTAT data only at the county level (at commune level or municipality is extra rare exception);
- Non-systematic registering of the closure or businesses in NRC, although in the resulting tax offices they may result as inactive;
- Presentation in the local tax of subjects that own agricultural land and / or urban areas and their non-registration in NRC and consequently neither in the taxpayers register in central taxes.

As a result, the figures presented are approximation illustrations that express development trends.

The economic analysis phase has followed these steps:

- The preparation of the work plan. Included the identification of the most important local and national actors, sectors of activity, the problems of amalgamation depending on the law 115/2014 and the stage of advancement of the law on decentralization, as well as relevant logistics.
- Identification of the sources of information. Data were built by the authors based on data provided by INSTAT, tax data from LGU's own functional area, from publications and data from the Ministry of Finance, the NRC, the National Employment Service, from the interview with 62 economic entity based on a questionnaire, as well as from the

individual conversation with the responsible of the sectors of finance, economic development, tax, municipality and commune leaders, responsible urban planning, etc. By underlining the differences between these sources of information, our calculations are supposed to indicate serious trends on a comparative level, rather than absolute quantitative and data.

- Use the nomenclature of classification of economic activities for the classification of data by the sector of activity (based on NVE REV 2, INSTAT 2014).
- Involvement of stakeholders. At this stage we are focused on actors who have information and direct interest in the analysis of functional area. This includes municipalities and commune mayors, officials of the ADF, members of the Chamber of Commerce and Industry Durres, local businessmen, school principals, academic from the University Alexander Moisiu, etc. At this stage, we have noticed that the city of Durres is over-represented by civil society actors compared to the other five municipalities. As a result, we have adapted the access to the forum by postponing it in time, as well as by adopting the objectives.

The analysis is built on well-functioning and efficiency of FA of Durres. As a result, we are focused on the modalities of interaction of the units between them, more than in the strategic development plans of the whole.

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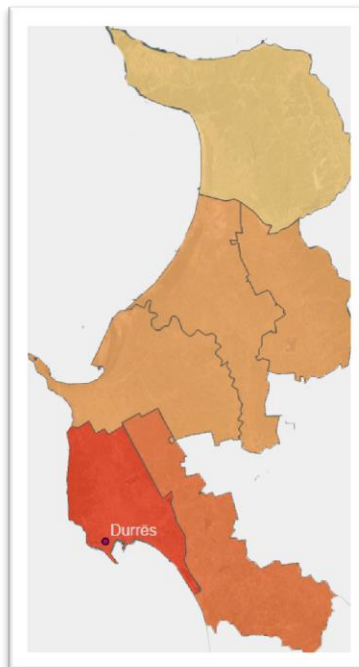
III. GENERAL OVERVIEW OF FUNCTIONAL AREA DURRES

III.1. Geographical position & Infrastructure

The Functional Area of Durres (FA Durres) comprises Durres Municipality, including Durres city. It consists of the Municipality of Manza based in Manez, Municipality of Sukth based in Sukth, Ishmi commune in its northern extremity based in Likmetaj, Rrashbull commune in its southern extremity based in Rrashbull, and Katundi i Ri commune with a centre in Katundi i Ri. The municipality is located between 41 and 36 'to 41 and 15' north latitude and 19 and 15 'to 19 and 38' east longitude. It is extended from the Cape of Rodon in the northwest to Prroi i Agait after the so-called "Kavaja Rock" in southwest. There is an area of 430 km², with an average altitude above sea level of 2-6 meters. Durres city itself occupies the western part of the county of Durres between the coordinates 41 and 18 ' and 40' 'north latitude to 19 and 26' and 21 ' east longitude with a surface of 1,626 ha area. The total length of the border is 121.3 km, out of which 52.4 are land borders, 61.8 sea borders and 7.1 are river borders.

In the western part, Durres is bordering the Adriatic Sea, with a rugged coastline. Land borders are with Tirana and Kruja district in the east and northeast and with Kavaja district in the south and southeast. All units, except Manza have access to the sea. Only Kantundi i Ri and Rrashbull have a direct geographical contact with the Municipality of Durres.

Map 1. Functional Area Durres



The Municipality of Durres (in this study the term New Municipality of Durres and the Functional Area Durres determine the same territory) has a favourable geographical position and is located at the junction of major trade routes. Among the main streets are: Durres-Ohrid-

Manastir-Sofia-Istanbul, Durres-Elbasan-Korca-Florina-Thessaloniki. Durres has a great strategic importance. Durres is located on the coasts of the Adriatic Sea, about 33 km in the west of the capital Tirana. It is located in one of the closest points of the Adriatic Sea, opposite the Italian ports of Bari (300 km away) and Brindisi. Today, the city spreads out on building settlements in the east. The country is very low above the sea level in the south bay of Durres. The distances are 39 km away from Tirana; 30 km from the international airport "Mother Teresa"; 150 km from the border with Montenegro (Hani Hoti); 243 km from the border with Kosovo (Morin); 162 km from the border with Macedonia (Qaf Thane) and 184 km from Tushemisht, and also 178 km away from Bllata.

Durres is the centre of the Albanian railway system. Also, Durres is the most important port in the country and is connected to Italy by ferry lines Durres - Bari, Durres - Ancona, Durres - Trieste. It is connected with Slovenia via the ferry line Durres - Kuper. Furthermore Durres is the starting point of corridor 8, as well as the junction of the most important lines of streets, where the most important line is Durres - Kukes – Morine, which connects Albania with Kosovo.

The Port of Durres has a total surface of 1.4 km² and an aquarium of 0.67 km². The entrance channel is 9.5 meters deep, 40 m wide and 1.2 miles long. There are 11 aprons operating in the port, from 6.6 to 11 m deep and with a length of 2,200 m. The total surface for the storage of goods is 270,000 m² of which 27,000 m² are covered.

In the port of Durres are charged and deposited all kinds of minerals, fuel, cement and articles of different categories. Currently, in the port of Durres the number of ferries is doubled compared to a year ago. In total, there are 40 ferries that connect Durres with other Mediterranean ports, which are placed every week in this port.

The container terminal is under construction. Besides the quay and the square that are at its disposal, at the port of Durres, there are also a range of accessories that help in the charging – depositing process of the terminal containers.

The Port of Porto Romano serves for mooring and depositing tankers that bring hydrocarbons and gas in the Port's terminal. Together with Petrolifera, Porto Romano is the largest port for hydrocarbons in Albania, where are distributed most of the imported products that are consumed in the country.

III.2. Geological structure and climate

Durres is part of the near Adriatic plain that extends from Lezha to Vlora. Geological development of the territory of Durres belongs to Pliocene and Quaternary when the near Adriatic plain began to appear on the water as part of the continent. Sea was finally pulled away. During this period, in Quaternary, have occurred more processes that have led to the formation of the anticline and syncline structures. Durres territory consists also of terrigenous sediments (sandstones, conglomerates, clay, limestone, etc.). In the territory of Durres there are also alluvial flows. The earthquakes have also influenced in forming the landscape of Durres. The

underground resources as coal (mainly in the Municipality of Manza, etc) are also a consequence of this geological structure.

Durres has a Mediterranean climate. The temperature is from about 5 ° C below zero in January to about 28 ° C in July and August. June, July and August are the hottest and driest months of the year. A number of factors such as planetary factors (cosmic) and local ones influence in forming the climate. The local factors are related to the relief. The most active factor influencing the climate of Durres is the sea through which is made possible the circulation of the Atlantic and the Mediterranean air masses. Part of local factors is also the human activity, which in Durres is expressed by intervening in natural conditions. Here we can mention the swamp drying, de-hilly areas, the building of water gatherers or the construction of industrial objects, etc.

The winds are an element of a great geographical and agro meteorological importance for the western plain. A characteristic wind of Durres is the brisa. During the summer in Durres there are about 71 days with brisa, and 18 days during the winter. The average annual number is 191 days. In accordance with the weather, brisa starts from 9-10 o'clock in the morning and continues until 16-18 o'clock in the afternoon. Its average speed in the afternoon is 4-6 m / s. Winds that blow in Durres are Murrai, Shiroku and Juga. Another element of the climate is cloudiness. The average number of cloudy days is 89.9 days / year while the one of brighter days is 110.6 days a year.

III.3. Environmental resources

Air. Based on the monitoring of the first 6 months of 2012 (about 7,500 monitoring) the air quality in this period in Durres Municipality is problematic, as a result of increased PM.2.5 and PM10 particles. Contributing factors are: the increasing volume of construction, the raise of dust, the circulation of vehicles, in certain places, the poor quality of roads, the increasing number of industries, the poor quality of fuels or their burning waste in containers in the city, but also from their burning in the landfill area. All these factors constitute a serious threat for the future of air quality in Durres.

Water. Durres area is rich with shallow underground waters. This is the reason they are also easily threatened by pollution. Taking into account the Durres pastime as an industrial area in the period of the communist regime, this pollution is even more disturbing. The shallow underground waters in Durres area come from Ishmi and Erzeni. These waters have a pH content of 7 to 9 and are drinkable. Tirana aquifer water is very strong with about 18 -300 dH; the average level goes from 10 to 200 dH and the maximum is 250 dH. The completion of growing needs of Durres is thought to be done through new flows from Bovilla of Tirana. This means that flows in Durres will be doubled from 350 l / s to 700 l / s.

Land. The land in Durres, as we mentioned it above has different characteristics. It contains farmland, forests and pastures in Manze and Ishem, sandy soil on the sea shore and the land of industrial and former industrial areas.

Seismicity. Durres is considered as the centre of earthquakes in Albania. Acceleration varies from 0.2g in all territory to 0.3-0.38g in the south and the north west of the country.

III.4. Functional area composition, the administrative unit borders and connections

In accordance with the Law no. 115/2014 "On the administrative and territorial division of local government units in the Republic of Albania" 31/07/2014, which defines as local government units (LGU), 61 municipalities and 12 districts. The FA of Durres is part of Durres District and consists of 6 administrative units (AU): Durres, Sukth Ishem, Katund i Ri, Rrashbull and Manez. In their composition these AUs include in total 3 towns and 40 villages (as well as six regions and 14 neighbourhoods of Durres).

Functional Area of Durres (FAD) is composed as follows (and will be referred as such in the remainder of the document):

- AU Durres: Durres City
- AU Sukth: Sukth City, Hamallaj, Kulle, Perlat, Vadardhe, Rushkull, Hidrovori;
- AU Ishem: Likmetaj, Kertushaj, Kapidanaj, Gjuricaj, Lalez, Kuraten, Bize, Drac, Shetaj;
- AU Katund i Ri: Katund i Ri, Jube, Qerret, Fllake, Bisht-Kamez, Rinia, Erzeni, Sukth, Adriatic;
- AU Rrashbull: Rrashbull, Arapaj, Shenavlash, Shkallnur, Manskuri, Romanat, Bozanhije, Xhafzotaj;
- AU Manez: Manez City, Armath, Borc, Hamallaj, Kameronas, Rade, Shkalle, Manez Village.

Durres Municipality is divided into six regions which include 14 neighbourhoods. Below is an overview of the administrative division of the Municipality of Durres (Durres Municipality consists of the Administrative Unit of Durres in the New Municipality Durres):

Table 1: The administrative division of the Durres Municipality

	Region No 1	Region No 2	Region No 3	Region No 4	Region No 5	Region No 6
Surface km ²	2.98	1	0.6	10.32	15.8	15.4
Population	28,667	28,737	27,718	53,890	34,999	34,015

Neighbourhoods included in each Administrative Unit or Region are:

- Region 1: quarters 1, 2, 3, 4
- Region 2: quarters 6, 7, 9, 10, 11
- Region 3: quarters 5, 12, 16
- Region 4: quarters 8, 15, 18
- Region 5: quarters 17, 13, 14
- Region 6: neighbourhoods part of Region 5, 4, 3 (newly created)

Region 4, 5 and 6 are among the regions that have informal areas with significant surface and population.

All the AUs are in a more or less favourable distance from the centre of FA, the city of Durres. The unit with the furthest distance from Durres is Ishem with 37 km. The distance of some others AUs from the city of Durres is inconsiderable. The infrastructure that connects Sukth and Rrashbull with Durres city is new, built in the past 10 years, and each of these units has access to the centre in less than 30 minutes.

The connection of all the new AUs varies depending mainly from the distance from Durres and the history of trade and human exchanges. The “most distant” units are Ishmi and Manza. In general, all the units are connected with Durres city through exchanges of decisive nature such as employment, education and health, and share the same continued territory. Public services such as waste management, sanitation and drinkable water are also important. Five of them (Durres, Sukth, Ishem, Katund i Ri, Rrashbull) lie directly on the coast and manage a part of the coast by sharing common interests in infrastructure, urban, environmental and industrial development oriented mainly towards tourism, trade, fason and processing industry.

Durres Municipality, as the second biggest in the country (after Tirana) has also areas with special profile as follows:

a) *Area of Porto Romano* represents one of the most complex sites of land use of Durres Municipality. This area was previously used for chemical activity; this makes it a high risk area. The area also has some important archaeological traces (an ancient wall to protect it). In the near future this area will become an industrial park. An expansion of low-density settlements, mainly informal is developed also in this field, to the south. These settlements are identified as priority areas of urban redevelopment by ALUIZNI, responsible for the legalization of informal settlements.

b) *Rrashbull* - This is yet an informal area within the common boundary of Durres in the west, for which ALUIZNI also has a plan for legalization.

c) *The highway axis* – Although it is located outside the city and in the inter-connection area of different levels of highways, this area falls within its administrative boundary. From the first point of the location, the area has a very strategic value in relation to the development of the metropolitan axis between Durres and Tirana.

III.5. History, culture, traditions, tourist attractions

The New Municipality of Durres is one of the richest geographical areas in a historical and cultural perspective. As a gateway in Albania, the city of Durres offers the first experience and impression of tourists who come to Albania from the sea.

III.5.1. Presentation of history

Durres can be compared to the greatest cities of the ancient and medieval Mediterranean. The city of Epidamn - Dyrrah was built by Illyrians Taulants, in XIII-XI centuries BC. In the conditions of a Mediterranean climate, the most appropriate area for housing was that of Erzeni River and Western plain surrounding it. In the bay coastline of Durres was settled the first centre or the Liman with the name Dyrrah. According to ancient authors, this city was founded by two kings with Illyrian origin named Dyrrah and Epidamn. At the time of Emperor Anastasius I (491-519) and Justinian I (527-565), the city suffered significant transformations in its urban structure by taking the features of a typical Christian-byzantine city.

In XI-XV century, Albanian territories were known by the name of State of Arber. This state, reached its peak in the period of the reign of Gjergj Kastriot. According to the Ottoman chroniclers of XVI century, Durres was considered as "The Second Constantinople" and was occupied and destroyed by the Turkish on 13th of August 1501. Only in XVII century, the city began to recover by becoming the centre of the transit trade of the Middle Albania. A group of patriots headed by Ismail Qemali raised in Durres the Independence flag on 28th of November 1912. After the Ottoman Empire, the city was under Serb (1913), Austro-Hungarian (1916) and Italian (1918) occupation.

During the Albanian monarchy (1924-1939) Durres won a new breathlessness and noble citizenship and made its city a capitalist economic model. On 7 April 1939 the city and its surroundings were occupied by Italian and German military troops and in November 14, 1944, Durres was declared free by the Albanian National Liberation Army. During the Socialist period (1945-1990), the investments belong to certain branches of industry, collectivization of agriculture, expanding higher education, and establishment of a series of socio-cultural objects. In the early 90s the democratic system was introduced with lots of problems for the transition phase, but with prospects for the future. The new system and the economic reforms that were implemented in Albania and in Durres after 1990s, brought significant transformations in the economic, social life and in the urban structure throughout the area.

III.5.2. Cultural heritage, museums and ethnographic

Durres is a city with ancient culture, for his own ancient origin. The city has inherited a lot of values of the past, historical and archaeological centres as the amphitheatre, the Byzantine Fences, the Venetian Tower, the surrounding Wall of the Castle, the Royal Villa, the Observation Tower but also the cultural and religious centre of the Basilica in Arapaj ruins, the castle of Rodon etc.

In Durres, there are plenty of museums and monuments such as the Archaeological Museum, the Ethnographic Museum, Mujo Ulqinaku Monument, John Lennon Monument, Sabri Tuci Monument, Orpheus Mosaic etc. The city retains today full trace from the later culture, contributing also in providing valuable international personalities like Alexander Moisiu, who was born in Kavaja and was grown up and educated in Durres. The city has consolidated cultural institutions, like Alexander Moisiu theatre, the Entertainment theatre, folk dances and songs ensemble which still performs for the public, professional musicians etc. Activities at national and international level as the Durres International Film Festival, The musical festival of jazz,

Poetry contest Poeteka, International Festival of Modern Dancing, Folk and Civic Song Marathon, Olive Celebration, International Festival of Chamber Music, Summer Book Fair etc, are organized in Durres also.

The ethnography of Durres, belongs to the culture of Middle Albania, where women dress with panths and vest, in the head they hold a small scarf decorated with imitation coins, while men wear trousers, short black woollen jacket or red vest, and in the head they put felt cap with flat tips. Also the songs and dances belong to the culture and traditions of the Middle Albania.

III.6. Demographic trends

According to the Population and Housing Census of 2011 the total population of Durres County is 262.785 inhabitants, of which about 203,000 belong to the Durres district and 59.814 belong to Kruja district. According to this data, this county is ranked the fourth in Albania by the number of population and like Tirana, is one of the leading destinations for internal migration.

But the 2011 Census data are much lower than those of the Civil Registry (CR). According to it, in January 2012 the population of the county of Durres results 414.677 (in Durres 336.524 inhabitants and in the district of Kruja 78.153 inhabitants). The big difference between the resident population and that in CR comes as a result of high immigration that comes mainly from the city of Durres and surrounding areas. This factor is reflected in a very high frequency of the representation of the common Albanian-foreign enterprises, located mainly in Durres city (as we will see later).

Population Census of 2011 identifies a population growth of 9% in this region, mainly in urban areas. Population in urban areas of the county (municipalities) grew by 56% during this period. Larger flows are believed to have come from rural areas of the county itself which have shrunk by 46%, and from northeast mainly situated in the Swamp area, Municipality of Durres.

More specifically, referring to 2011 Census the general population of the FA is 175.110 inhabitants. Gender composition is nearly equal to 87.613 men and 87.497 women. The active population aged 15-64 interval represents about 68.22% of the total number of residents.

Currently in the Regional Directorate of Employment in Durres (RDED) are registered in total 8.956 unemployed job seekers, of which 4.640 are women. Since the other Employment Centre of the county is in Kruja (which registers 1,100 unemployed of which 596 are women), RDED data cannot be dissolved in administrative unit range in the FA of Durres. At the county level, youth up to 25 years old, constitute 29.5% of unemployed, while 42.6% are unemployed with secondary education. Employment and professional training will be treated in section IV.2 of the analysis.

Table 2: Population in the FA Durres

AU	Inhabitants		
	In total	Males	Females

	In total	0-14	15-64	65+	In total	0-14	15-64	65+	In total	0-14	15-64	65+
Durres	113,249	21,799	78,528	12,922	56,511	11,467	38,817	6,227	56,738	10,332	39,711	6,695
Sukth	15,966	4,058	10,502	1,379	7,999	2,136	5,178	685	7,967	1,949	5,324	694
Ishem	5,001	1,174	3,229	598	2,487	596	1,598	293	2,514	578	1,631	305
Katund i ri	10,161	2,453	6,715	993	5,071	1,273	3,332	466	5,090	1,180	3,383	527
Rrashbull	24,081	5,700	16,092	2,289	12,194	3,022	8,045	1,127	11,887	2,678	8,047	1,162
Manez	6,652	1,502	4,400	750	3,351	778	2,204	369	3,301	724	2,196	381
In total	175,110	36,686	119,466	18,931	87,613	19,272	59,174	9,167	87,497	17,441	60,292	9,764

Source: INSTAT, Census 2011, Authors calculations

The Municipality of Durres is one of the largest in the country with a surface of 298.3 km² and a population of about 219.867 inhabitants, with a density among the highest in the country of 737.3 inhabitants / km². The structure of the population of this local unit is 85% urban and 15% rural.

The FA of Durres is an area with a very high population density of 681 inhabitants / km². It is two times higher compared to the national level density of 343 inhabitants / km². Although the AU of Durres occupies only about 11.24% of the total surface of the FA, it represents about 64.67% of the population of the FA having a significantly higher density. The AU of Ishem covers about 26.9% of the territory, but has a density of only 55 inhabitants /km².

Table 3: Density of population and the distance of the AU Durres

AU	Population	Surface Km ²	Density Inhabitants / km ²	Distance from the center of the FA
Durres	113,249	38.00	2,980.00	0.00
Sukth	15,966	53.00	301.00	14.00
Ishem	5,001	91.00	55.00	37.00
Katund i ri	10,161	54.00	188.00	19.00
Rrashbull	24,081	59.00	408.00	10.00
Manez	6,652	43.25	154.00	15.00
In total	175,110	338.25	681.00	

Source: INSTAT, Census 2011, Authors calculations

The average distance of the five AUs from the city of Durres (Durres FA centre) is 19 km, but is noted that the AU of Ishem, which has a low density of population has at the same time the largest distance of 37 km from the centre of FA and simultaneously from the services offered there.

The FA of Durres is visible with a monocentric character. It is noted the existence of a major regional centre with a strong flow of new residents. The city of Durres, together with its

surroundings is very important for the whole area as an economic centre. But, while the regional centre is very powerful, there are also sub-smaller centres which serve as local centres for the rural areas surrounding them. In a way, in the FA of Durres are found areas with two types of specialized centres: the great capital of the region that constitutes the economic & social epicentre and administrative/cities distributed in the area, where people take some of the utilities and use local markets. Furthermore, in Durres FA, exchange trends are identified and are relatively observable among residents of the AU of Katundi i Ri, Rrashbull and Sukth.

III.7. Key features of Durres Functional Area – DLDP approach

III.7.1. The concept of Functional Area

The term "functional area" refers to the notion that space - at any level (municipalities, counties and so on) - should not be defined by administrative boundaries or historical ones, but should be based on the basis of inter-actions that occur in that space. This is to show, for example, the way that is used by its residents or the cooperation that occurs between different government and economic entities.

The concept of functional area, in the context of the study of DLDP, is used to define a space where there is an intense and frequent interaction among the residents and institutions for economic, social, and cultural purposes. The functional area is organized around an urban centre that has the highest number of population, compared with other centres within the area and has the ability to provide the full range of public services that a local unit should provide.

At the centre of the functional area concept is placed the citizen and his needs for ongoing exchanges in the territory that exceed the existing administrative boundaries. Citizens interact with the state administration, business centres and employment centres providing services, education and health, and arts and culture. Defined criteria are used to conduct the analysis of exchanges, highlighting the main poles that support the development in each area. Functional areas are built on the economic and social structure of the territory and they are identified mainly through movements for employment, economic potential and value chain (concentration of businesses); supply of services and network of physical infrastructure. The centres of the functional areas have greater population and density; they are travel destinations for work purposes and have businesses concentration and variety of activities.

III.7.2. Territorial and administrative reform, as well as dldp study on functional areas

The study of the FA is not a new methodology, but it is a study that was made and tested in other countries. This study was conducted between September and December 2013 in five counties: Diber, Durres, Kukes, Lezha and Shkodra (where will be focused the third phase of DLDP 2014-2017).

The main objective was to identify the LGU (or groups of LGUs) as stable partners which can be in the centre of regional development dynamics and that can serve as models for delivering services efficiently.

Since the Albanian government wanted to reduce the number of LGUs, in order to strengthen the capacities of LGUs and reduce costs, the government agreed to use and customize the Study of Functional Areas (SFA). The government has recognized the importance of this study and has chosen the methodology of functional areas as strategic key for undertaking the territorial reform.

The DLDP study was focused on the analysis of the indicators of interactions as following:

- 1) Institutional interaction between the local units for public services such as waste management, water supply, sewage, etc;
- 2) Economic interaction, including: the number of businesses, economic diversity, mobility of the workforce, potential of economic development, consumption, quality of life and services;
- 3) Distance and access to public services such as: health and social services, education, public transport etc.
- 4) The number and the density of population

The main findings of the DLDP study include:

- i) Identification and description of key geographical patterns of functional areas that exist in five counties in the study. There were identified three main types of functional areas:
 - a) Concentric model: important especially for the poorest and most isolated areas, with only a centre and some few distant LGUs on the suburb, and with little interactions.
 - b) Polycentric Model - important for the largest districts of Durres and Shkodra, where smaller centres co-exist with a larger regional centre;
 - c) Cross-border model - there are areas that are close to national borders, regional or areas with frequent interaction between these borders.
- ii) Using the methodology of functional areas, it becomes possible to identify the new areas with some LGUs, which would fulfil the needs and demands of citizens in a better way through a more effective and efficient service management, as a result of a strengthen cooperation between the existing LGUs or their union.

The concept of functional areas is available and can be functional. However, the approach used should not be a substitute for democratic decision-making; but the study should be used as a tool used to facilitate the rational and well informed policy making.

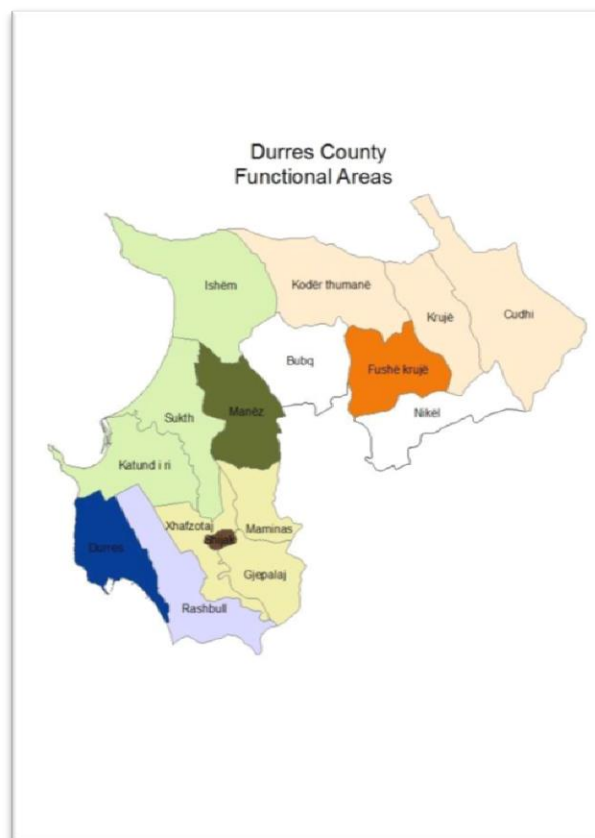
III.7.3. Findings and proposals of dldp study for FA Durres

This study classified Durres (together with Shkodra) as polycentric model areas. The main characteristics of this type of FA include:

- The existence of a major regional centre with a strong flow of new residents. Both cities Shkodra and Durres are capitals of their respective regions and are very important for the district and regions as economic centres.
- While the regional centre is very powerful, there are also sub-smaller centres which serve as centre for their surrounding poor rural areas. Therefore, these areas have two centres: the great capital of the region but also a smaller city centre of the area where people obtain some of the services and use local markets.

Accordingly to the territorial reform, the study presents some solutions for the amalgamation of LGUs in larger units. The study has served to influence the important political decisions i.e. move toward really great LGUs around the major regional centre or to identify some LGUs with sub-regional character, choosing thereby the strengthening of smaller cities as respective centres for the areas surrounding them.

Map 2: Local Government Units of Durres District before the TAR



Source: dldp

For the District of Durres, the study identified as *the main version* the organization in four functional areas:

1. Three functional areas in Durres with the respective centres: Durres (Durres - Rrashbull); Shijak (Shijak- Xhafzotaj-Gjepal-Maminas); and Manez (Manez, Sukth, Ishem, Katund i Ri).
2. A functional area in the district of Kruja with the respective centre Fushe Kruja (Kruja, Fushe Kruja, Cudhi, Koder Thumane).

The study identified, as defining interaction for this proposal, the employment and consumption patterns, the access to services, especially important for Manez-Sukth axis (both now part of the New Municipality of Durres). Also, the study identified and discussed other solutions, as follows:

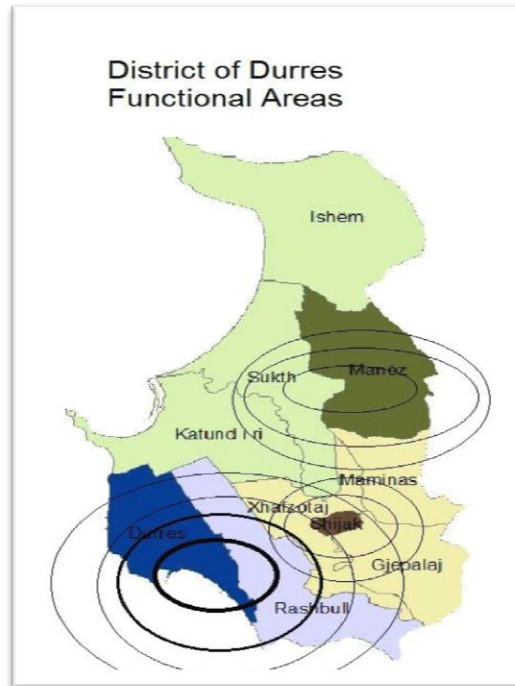
1) For the Durres District:

- Instead of a FA in Manez-Sukth, there should be two separate areas; one for the group Manez-Ishem and another one for Sukth-Katund i Ri. Although Sukth is a larger municipality regarding the population, some of the villages in Sukth receive services in Manez because of its central location and connectivity.
- Some villages of Katundi i Ri (e.g. Rinia) are closely associated with Durres for all services. Some villages of Maminas are more closely associated with Manzë than Shijak.
- The villages of Ishmi are associated with Bubqi (mainly traditional villages) also due to an improved road connection.

2) For Kruja District:

- The demographic and economic trends define the centre of the functional area in the town of Fushe Kruja while traditionally and administratively (and also historically) the town of Kruja can be the centre of the FA.
- The commune of Bubqi is associated with Ishmi but also (economically) with Vora municipality in Tirana region.
- The commune of Nikel is part of a functional area with centre in Kamez, Tirana district.

Map 3: Functional areas of Durres District proposed by the study of dldp



Source: dldp

DLDP study results (as well as those of the study of "ShtetiWeb" on the new administrative and territorial division) were consulted and compared by the group of experts of STAR project (funded by the governments of the United States of America, Sweden, Switzerland, Italy and UNDP) for the administrative and territorial reform in accordance with the methodology developed under the criteria adopted by the Parliamentary Committee for the Territorial Reform.

The proposal of the Minister of State for local government based on these studies and consultations on this territorial division and the territorial division of Durres District under the Law no. 115/2014 "On the administrative and territorial division of local government units in the Republic of Albania" 31/07/2014 is presented in the table below:

Table 4: The territorial division of Durres District according to TAR

		Proposal of DLDP	The proposal of the Minister of Local Affairs	Law no. 115/2014
1	Durres District	FA Durres, 2 existing units: <ul style="list-style-type: none"> • Durres Municipality • The commune of Rashbull 	FA Durres, with center Durres Municipality, 5 existing unit : <ul style="list-style-type: none"> • Durres Municipality • Sukth Municipality • The commune of Ishem • The commune of Katund i ri • The commune of 	FA Durres, center city Durres, 6 AU <ul style="list-style-type: none"> • Durres • Sukth • Ishem • Katund i ri • Rashbull • <u>Manez</u>

			Rrashbull	
2		FA Shijak, 4 existing units: <ul style="list-style-type: none"> • Shijak Municipality • The commune of Xhafzotaj • The commune of Gjepa • The commune of Maminas 	FA Shijak, with center Shijak Municipality, 5 existing unit <ul style="list-style-type: none"> • Shijak Municipality, • <u>Manez</u> Municipality • Commune of Xhafzotaj, • Commune of Gjepalaj • Commune of Maminas 	FA Shijak, center city Shijak, 4 AU: <ul style="list-style-type: none"> • Shijak, • Maminas • Xhafzotaj • Gjepalaj
3		FA Manz, 4 existing units: <ul style="list-style-type: none"> • Manez Municipality, • Sukth Municipality, • The commune of Ishëm, • The commune of Katund i Ri 		
4	Kruje District	FA Kruje, center Kruje Municipality, 6 existing units: <ul style="list-style-type: none"> • Kruje Municipality, • Fushe-Kruje Municipality, • The commune of Thumane, • The commune of Nikel, • The commune of Cudhi • The commune of Bubq 	FA Kruje, center Kruje Municipality, 6 existing units: <ul style="list-style-type: none"> • Kruje Municipality, • Fushë-Krujë Municipality, • The commune of Thumane, • The commune of Nikel, • The commune of Cudhi • The commune of Bubq 	FA Kruje, city center Kruje, 6 AUs: <ul style="list-style-type: none"> • Kruje, • Fushe-Kruje • Thumane, • Nikel, • Cudhi • Bubq

Source: Law No. 115/2014 "On the administrative and territorial division of local government units in the Republic of Albania", 31.07.2014

As it is noted, the division approved by law gathers now in a single unite, two Functional Areas initially proposed by DLDP study. The AU of Manez becomes part of FA of Durres, comparing to the proposal of the government,

IV. THE NEW ECONOMY OF DURRES MUNICIPALITY

IV.1. The economic profile of the functional area

Following Tirana, Durres is the second most important economic area in the country for the economic activity. According to the data of the Enterprises Register in 2013, INSTAT, Durres Region had at the end of 2013, a total of 10.599 active entities concentrated in the sectors:

- Producers of services: 8.655 entities, representing 81.6%;
- Trade: 4.304 entities, or 35.9%,
- Producers of goods: 1.944 entities, or 18.4%.

Table 5: The most important economic sectors – Economic Unit (EU)/AU

	Processing Industry			Wholesale trade / Retail / Repair etc			Transportation / Storage			Accommodation / Food Service			Public Administration / Security / etc			Average of employees / EU
	no of EU	% ref. the total of EU	no. of employees	no of EU	% ref. the total of EU	no. of employees	no of EU	% ref. the total of EU	no. of employees	no of EU	% ref. the total of EU	no of EU	% ref. the total of EU	no. of employees		
Durres	403	9,2	7626	1 702	38,7	5261	372	8,5	3330	543	12,3	1482	30	0,7	2040	6
Ishem	5	10,0	20	20	38,0	33	5	10,0	5	12	23,0	13	1	2,0	79	4
KiR	8	12,7	30	27	42,9	82	11	17,5	11	7	11,1	11	2	3,2	106	5
Manze	11	12,6	15	36	41,4	75	11	12,3	14	9	10,3	11	1	1,1	48	2
Rrashbull	41	12,2	381	148	44,2	263	25	7,5	42	66	19,7	155	2	0,6	63	3
Sukth	34	14,8	226	112	48,7	287	20	8,7	26	28	12,2	40	1	0,4	120	4
In Total	502		8298	2 045		6001	444		3428	665		1712	37		2456	
Average/sector			16,53			2,93			7,72			2,57			66,38	

Source: Taxes, LGUs, Calculations of the authors

From this table, we can notice that the Wholesale trade / Retail / Repair etc. has the greatest number of the EU (Economic Units) but with the lowest average of employees per economic unit. The public administration has the highest number of employees per organization. This should be taken into consideration during the amalgamation and restructuring of the LGUs as a result of the reform.

IV.1.1. General Introduction of FA Durres

Although with favourable geographical position and early commercial and tourism tradition, Durres district has a poverty level higher than the national average. According to LSMS 2012,

Durres region marks a poverty level of 16.2%, with depth of 3.3% and rigor of 1.1%, while average levels of these indicators in the country are 14.3%, 2, 9% and 1%. This phenomenon is a consequence of large differences in development between the richest municipalities and the communes entirely undeveloped.

Average income per capita in the LGUs of Durres region is about 54 Euros (in 2011), compared to 68 Euro at the country level. Kruje and Fushe Kruje have the highest income per capita (about 70 Euro/capita), and Bubq has the lowest (about 38 Euro/capita). Almost the same trend is observed in the distribution of local expenditures per resident. The region has a homogenous ethnic population, without ethnic minorities clearly configured.

Table 6: Active enterprises by sectors in Durres Region

	In total	Producers of goods	Agriculture, forestry, fishing	Industry	Construction	Producers of goods	Trade	Transportation and storage	Accommodation and gastronomy	Information and communication	Other services
In total	10599	1944	209	1148	587	8655	4304	820	1660	166	1705
In %	100	18.4	2	12.2	4.2	81.6	35.9	14.8	15.3	1.4	14.2

Source: INSTAT, Registry of the enterprises 2013

IV.1.2. Number, size, composition and the list of active companies in FA Durres

The number of economic units (EU) in the region of Durres, created in 2013 is 1,088. In 2013 there were 7987 entities registered as physical persons (or 75.35%) and 2,612 entities registered as legal persons.

Regarding ownership, the region of Durres counts 10,075 Albanian entities, 524 shared entities (foreign and Albanian) and 321 foreign entities. After the region of Tirana, Durres region has significantly the highest number of concentration of companies with shared ownership. In this point of view it is noticed the clear dominance of collaborations with Italian and Kosovo companies.

Table 7: The number of EUs registered in Durres region with common ownership

States	The number of economic units
Italy	309

Greece	30
Turkey	26
Kosovo	61
Macedonia	10
Germany	27
USA	8
United Kingdom	4
Austria	C
The People's Republic of China	5
Others	43
In total	524

Source: INSTAT, Registry of the enterprises 2013

Referring to INSTAT data, it is noted that 89.5% of enterprises are small economic units employing 1-4 people and only 1.4% of economic units employ over 50 people.

Table 8: No. of enterprises according to no. of employees in the Durres FA

	Number of employees			
	1-4	5-9	10-49	50+
Number of enterprises	9,485	505	461	151

Source: INSTAT, Registry of the enterprises 2013

According to the data from the Tax Offices of some AU of the FA of Durres, as well as the calculations of some authors, for the fiscal year of 2013, in the FA of Durres, the results show as active around 5,168 entities that employ 30,403 workers. About 85% of active entities of the FA develop their activity in Durres and the rest in the other five AUs (varying by 1-7% per AU). In the AUs like Ishem and Katund i Ri (only 1%), it is observed almost the non-existence of active entities compared to other similar units.

Below is a description of each administrative unit under the perspective of the economic activity.

Municipality of Durres (before TAR)

In December 2013, the City of Durres counted 4.401 entities in which are employed 27.737 employees. The sector in which are employed the majority of employees, 7.626 people, (or 27.5% of the total number of the workers employed in this AU) is the Processing Industry with

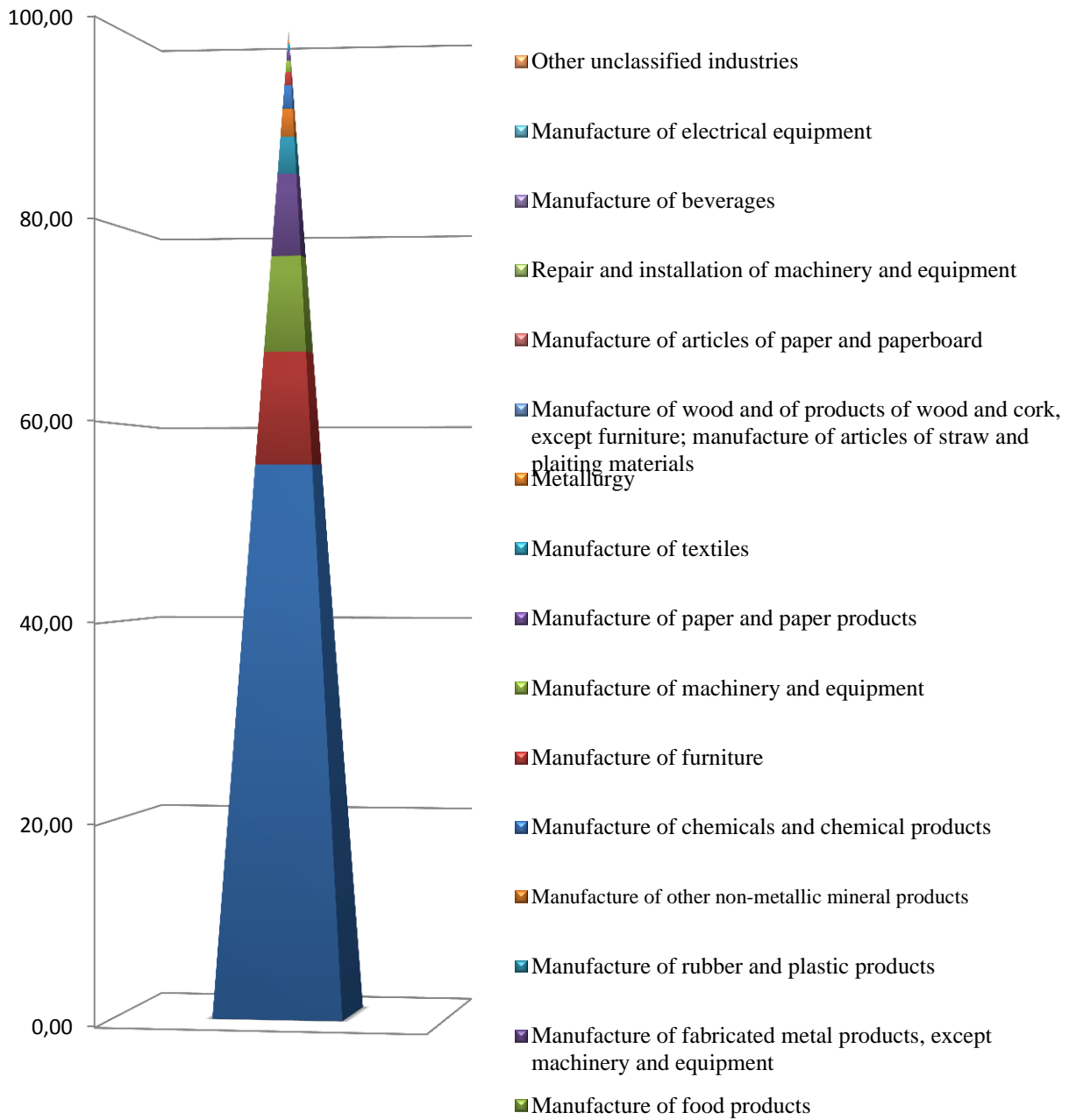
about 403 entities. "Wholesale and retail trade and repair of vehicles and motorcycles" is the second sector that includes 1,702 entities (or 38.7% of the total number of registered entities in this AU) and 5,261 employees (or 19.0% of employees). About 12.0% of employees (or 3,330 employees) in the AU of Durres deal with transport and storage in 372 entities (or 8.5% of this kind).

Table 9: Enterprises in the municipality/AU Durres with more than 150 employees

Albanian Railway	Freightage, passenger transport, charge, depose
Hospital Durres	Health service.
Sh. a. Water and sewage Durres	Deposit, treatment and distribution of water
Kastrati	Retail trade of other products in specialized stores
University "Aleksander Moisiu"	Teaching
Stella	Manufacturing and trade of confections for themselves as well as for third parties, import and export of products in
Durres Portual Authority	Activities associated with the processing of goods and passengers
Ambra	Manufacturing and trade of confections in general for men, women and children, in stofra or synthetic,
Pespa & Albania alumin	Aluminum production, import - export
Derrigal	The society has as an exclusive object the activity of shoe manufacturing
Confezione Mar	The production of different clothing for all ages, import of first materials needed in the markets
Intimoda	The production and trade of clothes on their behalf or of the third parties. import, export
Durres Municipality	Services
Alban Del	Manufacturing of footwear and leather products, synthetic materials, basic materials
Calling Group	Providing telephone services for the third parties and for themselves and in particular telephone sales, Telemark
Arus	Production for their own account or for third parties for finished footwear or their parts, bags, belts
Coral	Activities in the construction area, bar and restaurant, investor, marketing and fishing, product processing
Eco market food	Activities in the field of production, storage, and marketing of products, dairy and agricultural foods

Source: taxes administration, National Employment Service, calculations of the authors

Graph. 1. Structure in % of employees in the processing industry by its subsidiaries - Municipality of Durres (before TAR)



Source: Taxes, NES, INSTAT, Calculations of the Authors

Municipality / Administrative Unit of Sukth

In the AU of Sukth, there are about 230 subjects exercising their activity. The sector in which are active almost half of the subjects (112 subjects or 48.7% of them) *it is wholesale trade and retail trade and repair of vehicles and motorcycles*. 34 entities (or 14.8%) belong to the processing industry which employs 226 workers. In this unit, 12.2% of the total numbers of active entities work in the area of accommodation and food service.

Map 4. Municipality / Administrative Unit Sukth



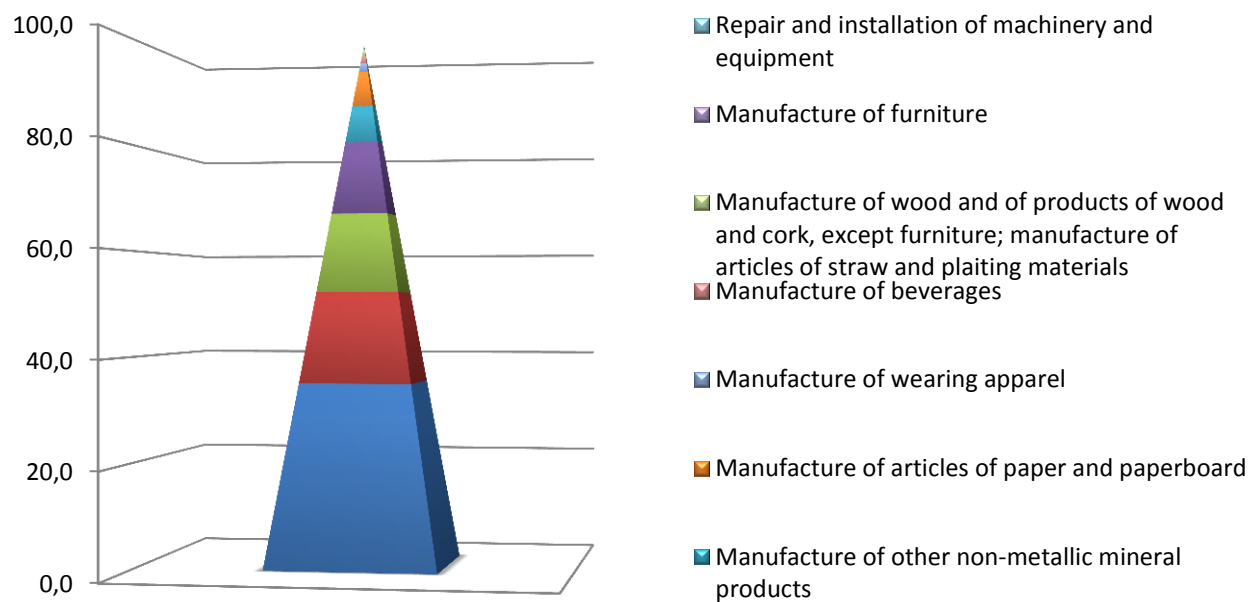
Source: Instatgis

Table 10: The main enterprises in the Municipality / Administrative Unit Sukth

Kastrati sh.a	Creation, installation and utilization of plants, stations, units, lines for trade
G. I. G.	Shoe Trade, clothing manufacturer of plastic footwear, sewing for themselves and third parties, import-export
KAPPA - OIL	Import and export, marketing of lubricating oils.

Source: Taxes, NES, Calculations of the Authors

Graph. 2. Structure of employees in the processing industry by its subsidiaries, in Sukth Commune



Source: Taxes, NES, INSTAT, Calculations of the Authors

Commune / Administrative Unit Ishem

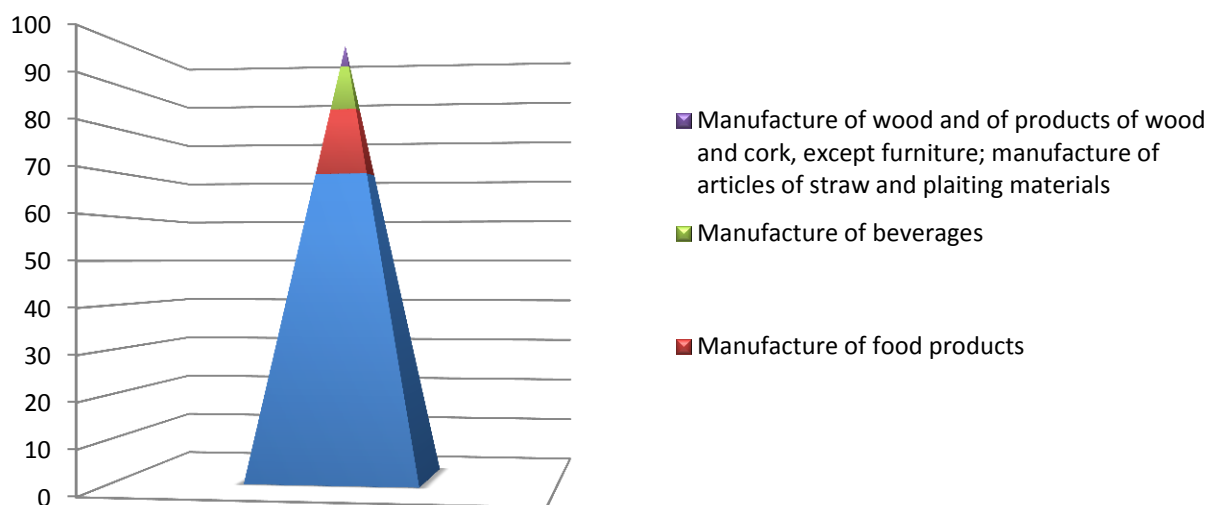
In the AU of Ishem, about 40% of the employees in the unit level work for the *public administration and security & compulsory social insurance*. 17% of employees (or 33%) work in *wholesale and retail trade sector*. Repair of vehicles and motorcycles is represented by 20 entities (or 38% of those who are active in this unit). The third sector that employs the largest numbers of employees in this AU is *Health and social work activities* with 79 employees (or 14% of the total).

Map 5. Commune / Administrative Unit Ishem



Source: Instatgis

Graph.3. Structure in% of employees in the processing industry by its subsidiaries, in Ishem Commune



Source: Taxes, NES, INSTAT, Calculations of the Authors

Table 11. The main enterprises in the Commune / Administrative Unit Ishem

RROTULL-BETON	Production and wholesale and retail trade of concrete, their products, trade of lime, building materials
ECO ALBA GROUP	Handling, transport, trade, intercession without obstacle, collection and waste digestion

Source: Taxes, NES, Calculations of the Authors

Katund i Ri Commune

As in the AU of Ishem, in the AU of Katund i RI, the sector comprising the largest number of employees is public administration and security, and compulsory social insurance. Of the 308 employees in this AU, 106 of them (or 34.4%) are included in this field. In the sector "Wholesale

and retail trade and repair of vehicles and motorcycles" are included 26.6% of employees (or 82 employees) in 27 economic units (or 42.9% of the total number of registered entities in this AU).

Map 6. Commune/ Administrative Unit Katundi i Ri



Source: Instatgis

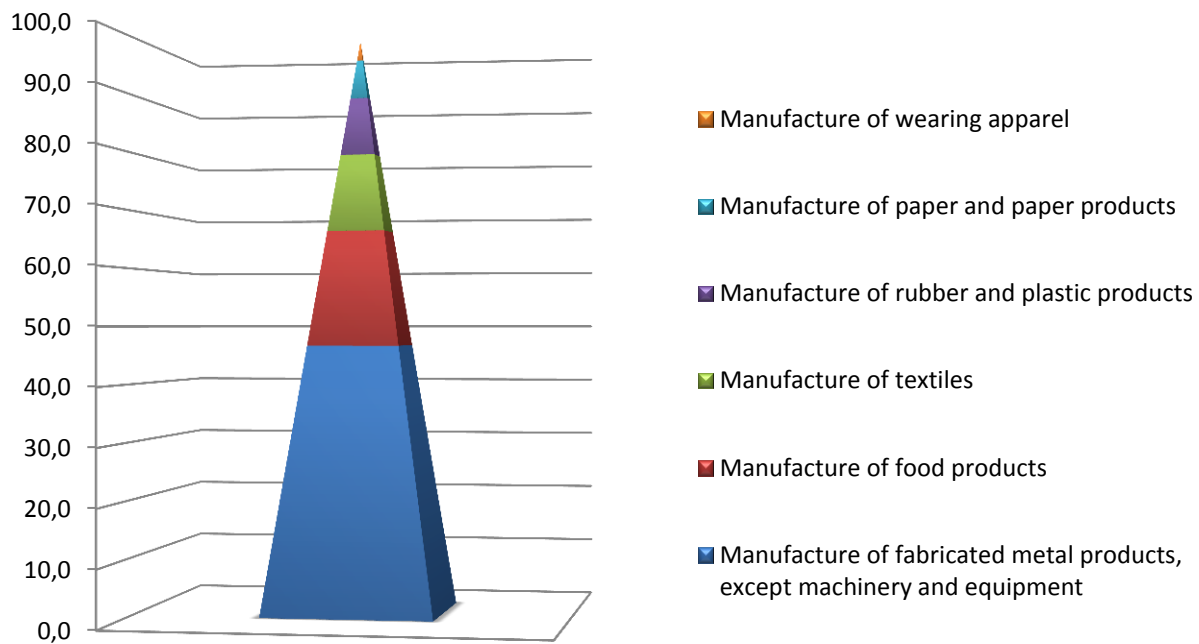
Characteristic for KiR is the volume of municipal revenues from the tax on land value in a proportional order from the depositing enterprises and the trading of hydrocarbons, located in the Porto Romano area (within the boundary of KiR). Here we can mention, Kastrati ShA, Romano Port ShA, Inter Gaz ShA, Europetrol Durres, Albania - Elda ShA, Prima Gas ShA, Genklaudis ShA, etc.

Table 12: The main enterprises in the Commune / Administrative Unit Katund i Ri

Diambe	Retail trade in non-specialized stores, where mainly is sold food, beverages and tobacco, etc.
Health center Katundi i Ri	Primary health center.
Elezi brothers construction Arusha	Construction.
Sadiku Company 2011	Production and installation of metal structures and others. Projections and electrical works, hydraulic etc.

Source: Taxes, NES, Calculations of the Authors

Graph. 4. Structure in% of employees in the processing industry by its subsidiaries, in Katund i Ri Commune



Source: Taxes, NES, INSTAT, Calculations of the Authors

Commune / Administrative Unit Rrashbull

Although with a large margin, the AU of Rrashbull occupies the second place after AU of Durres regarding the number of entities (7% of the total) and of the employees (4% of the total) registered. The population of the commune has increased from 11,000 in 1991 to 28,000 inhabitants in 2011.

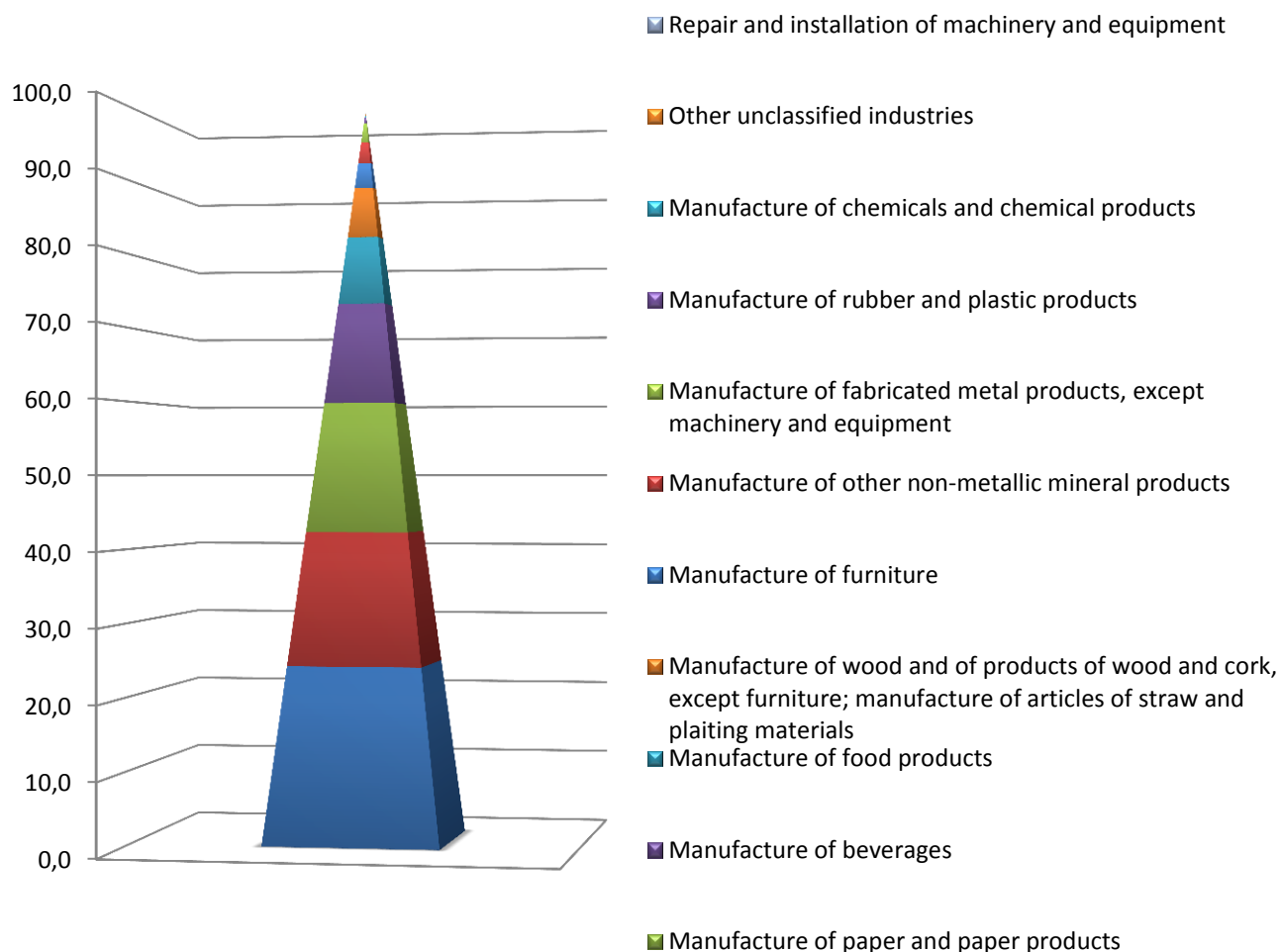
Map 7. Commune / Administrative Unit Rrashbull



Source: Instatgis

In December 2013, in the territory of AU of Rrashbull, 335 subjects with about 1,442 employees exercised their activity. Most of the subjects, 44.2% are in the sector of *Wholesale and retail trade; Repair of vehicles and motorcycles* and cover about 23.0% of the employees. Meanwhile, 33.4% (or 381 employees) of the total number of employees in this AU, are active in the *Processing industry*, represented with 41 economic units (or 12.2% of active entities in the unit). The third sector on the number of employees is *Food accommodation and service* with 13.6% of employees (or 155 entities) in 66 entities (or 19.7% of the total).

Graph. 5. Structure in% of employees in the processing industry by its subsidiaries, in Rrashbull Commune



Source: Taxes, NES, INSTAT, Calculations of the Authors

Table 13: The main enterprises in the Commune / Administrative Unit Rrashbull

ME-2008-import-export	Import-Export, sewing and various leather products with ordered material etc.
Unieuro shpk	Import-export, wholesale and retail trade of various items, sale and manufacture of confectioner
Premier system	Import-export, production, wholesale and retail trade of various goods; spedition; transportation activities, etc.
Alpen pulito	Health and hygiene service (washing facade, flooring, commercial facilities, public and non public, industrial
Beverages Canteen Skenderbeg	Production of distilled alcoholic beverages

Source: Taxes, NES, calculations of the authors

Municipality / Administrative Unit MANEZ

A total of 87 subjects with 210 employees were active in the AU of Manez in December 2013. Even in this AU *Wholesale and retail trade; Repair of vehicles and motorcycles* is the sector that employs the majority of employed, 35.7% (or 75 employees) in 36 economic units representing 41.4% of the total number of active entities in this AU. *Public administration and security;*

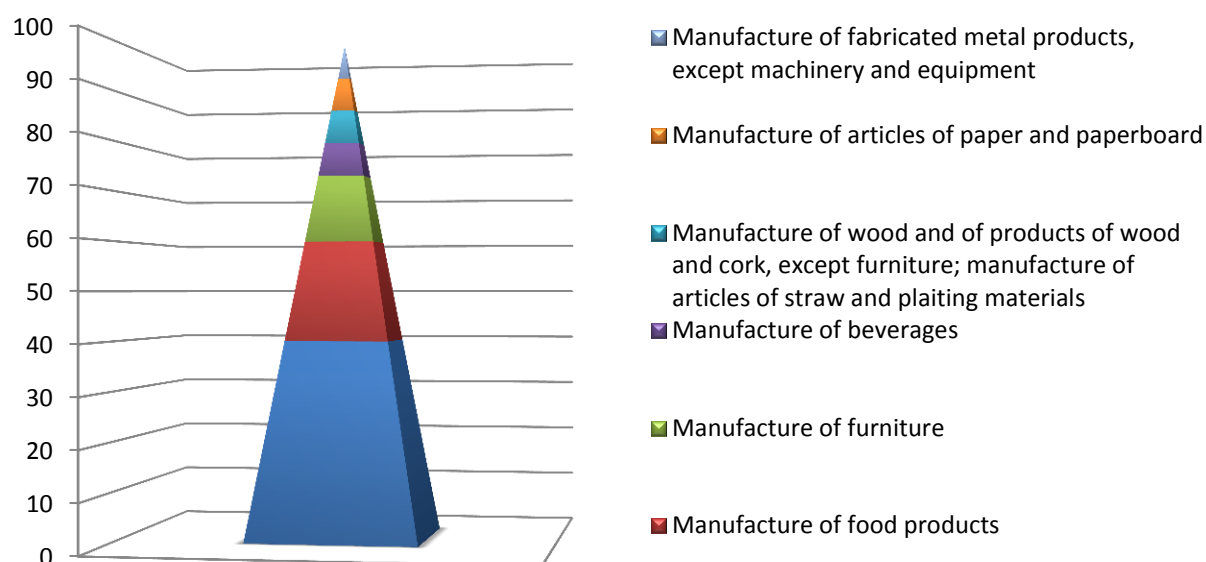
Compulsory social security counts 48 employees (or 22.9%). *Health and activities of social work* have 28 employees (or 13.3%) distributed in four enterprises.

Map 8. Municipality / Administrative Unit Manez



Source: Instatgis

Graph. 6. Structure in% of employees in the processing industry by its subsidiaries, in Manez Commune



Source: Taxes, NES, INSTAT, Calculations of the Authors

Table 14: The main enterprises in the Municipality / Administrative Unit Manez

M2R	Production and trade of products of different materials. Inclusion of metallic materials, etc.
KURTI UNIBLLOK	Import-export of various technologies of construction of equipments and of their spare parts, etc.

Source: Taxes, NES, Calculations of the Authors

IV.1.3. Investments in FA Durres

The FA of Durres has been historically one of the main beneficiaries of central government funds and / or donors. However a more focused overview in the delivery of the projects and consequently of the funds shows a concentration of them in the Municipality of Durres.

Public investments - Albanian Development Fund. During the period 1993 - 2010, the region of Durres has been supported by the Albanian Development Fund (ADF) with 90 projects with a total value of 1.87 bn ALL, of which 36% on water supply / sanitation and 47% on roads, as follows:

Table 15: Projects supported by ADF for the year 2013-2014 in Durres district

Durres District						
1	Durres. M	The road parallel to the port surrounding wall	327,510,302	239,987,904	8%	

2	Durres .M	Requalification of the square "Illyria"	165,484,000	155,752,642	13%	
3	Durres. M	Realization of bicycle lanes, lighting and greenness of the road "Independence"	204,528,312	201,483,642	33%	
4	Fushe Kruje Municipality	Reconstruction of the road Durres, Fushe Kruje	134,044,874	105,634,674	16%	
5	Durres Municipality	Reconstruction of overpasses in Plepa and Dajlani Bridge	137,000,000	0	3%	
6	Durres Municipality	Requalification of the joints entry of Durres city, etc.	67,304,912			
7	Kruje Municipality	The road "Kalaja", Kruje, systemizing and lighting of the mountain road, Kruje	16,094,040	0	2%	
8	Durres Municipality	Reconstruction of the road Ere Pranvere	50,343,125			Approved in decision 16, 10/10/2014
9	Durres Municipality	Reconstruction of the road Sulejman Pitarka	37,743,174			Approved in decision 16 , 10/10/2014
10	Durres Municipality	Reconstruction of the road Porto Roman	50,182,409			Approved in decision 16 , 10/10/2014
11	Durres Municipality	Reconstruction of the road Pelumbari	8,197,273			Approved in decision 16 10/10/2014
12	Durres Municipality	Reconstruction of the road Durres Ndershekuj	10,640,546			Approved in decision 16 , 10/10/2014
13	Durres Municipality	Reconstruction of the road Tasim Kellici	50,182,409			Approved in decision 16 , 10/10/2014
14	Durres Municipality	Reconstruction of the road Juba	50,547,553			Approved in decision 16 , 10/10/2014
15	Durres Municipality	Reconstruction of the road Jezerca	50,394,370			Approved in decision 16 , 10/10/2014
16	Durres Municipality	Reconstruction of the road Rinia Durresake	48,105,455			Approved in decision 16 , 10/10/2014
17	Durres Municipality	Reconstruction of the road Bajram Curri	43,661,461			Approved in decision 16 , 10/10/2014
The Total of Durres District			1,451,964,215	702,858,862		

Source: Albanian Development Fund

As it can be seen, the majority of projects are generated by Durres Municipality which has also been the main beneficiary. As a result the union of the other five units with this Municipality will give them the opportunity to benefit from the experience and expertise of Durres Municipality to prepare and implement projects.

Table 16: Projects supported by the ADF program "Secondary and Local Roads" for 2013 in Durres District

No.	The project	The funding institution
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1.	Asphalting of the road "Shetaj - Kisha e Skenderbeut" (4.5 km)	IDA SLRP & GoA (SLRP)
2.	Reconstruction of the road " Shijak -Gjepale" (6.3 km)	OFID (OPEC) II (SLRP)
3.	Reconstruction of the road " Thumane -Lac " (10.54 km)	OFID (OPEC) II (SLRP)
4.	Reconstruction of the road "Shijak –Maminas" (5 km)	CEB (SLRP)
5.	Reconstruction of the road "Bubq – Ishem"(13.4 Km)	CEB (SLRP)
6.	Reconstruction of the road "Xhafzotaj – Bregdet"	BE / IPA 2008
7.	Reconstruction of the road " Armath -Hamallaj -Hidrovor " (5.1 km)	EBRD & EIB(SLRP)
8.	Reconstruction of the road " Shen Vlash -Kryqezimi Fllake , 3.5 km" and the Cross Fllake - Katund i Ri, 9.3 km"	EBRD & EIB(SLRP)
9.	Reconstruction of the road " Fushe Kruje -By pass" (2.8 km)	EBRD & EIB(SLRP)
10.	Reconstruction of the road "Kruje –Qafshtame" (18.11 km)	EBRD & EIB(SLRP)

Public investments - Albanian Regional Fund (ARF). Durres is also supported by the ARF. The unification of ADF and ARF disbursement and contracting procedures achieved at the end of 2014 in the 2015 Budget Law will concentrate public investmentS in the new Municipalities and will increase the efficiency of central funds. Projects supported by the ARF in the period 2008 - 2012 are as follows:

The beneficiary	THE PROJECT	The value of the contract (ALL)
2012		
Sh.A. Water Supply.Durres	"The supply of drinking water of the village Shenavlash (Highway Line - village Shenavlash)	20 603 413
Sh.A. Water Supply.Durres	Wastewater system, Neighborhood no. 14, Shkozet	19 382 958
Sh.A. Water Supply.Durres	Paving a new water supply line in Rashbull, the area near the school Shkallnur	18 607 256
Sh.A. Water Supply.Durres	Improvement of water supply, Spitalle area Porto - Romano	38 345 926
2010-2011		
Durres, Sha.a Water Supply	Improving water supply, Neighborhood 14, Nishtulle area, Durres	49 865 000
2008-2009		
Municipality Manez, Durres	Improvement of water supply, Shkalle village	35 483 000
Commune Rrashbull, Durres	Study drilling in Shenavlash village	2 575 000
Commune Ishem, Durres	Reconstruction of the water supply of villages Lalez, Bizet, Drac, Shete and Rrotull	33 230 000
Commune Katund i Ri, Durres	Reconstruction, replacement of pipeline DN 250 mm for water supply of villages Qerret, Bisht Kamez, Fllak, Adriatic, Rinia	19 062 000
Municipality Manez, Durres	Improvement of water supply, Kuçok village	7 928 000

Public investments – (Old) Durres Municipality. Regarding internal and foreign investments, it is worth mentioning the strategic projects of the Municipality of Durres for the period 2014 - 2018, which are:

- *"Doing Business"*, aims to increase the competitiveness and private investment in the territory of the Municipality of Durres. It consists in reducing the costs and the time required for the

implementation of administrative procedures that are related to businesses, and improving the capacities of local government bodies to manage all the administrative procedures.

- "*e-government*" is a project that has involved public and private sector in the city of Durres. It consists in the installation and management of the accounting system that creates a system of local tax management and improves the service from the citizen perspective in a "One-Stop-Shop".
- *Industrial Area*. Support of the industrial park with proper infrastructure and services that have to do with light and fason industry, but not with industry that affects the progress of the tourism in the city as its main economic orientation.
- *Integration Platform of the City with the Port*. Durres Municipality will encourage integration between the city and the port through the improvement of governance and implementation of physical and management interventions.
- *MARINA, promoter of local development*. Referring to a sustainable development of the Marina in the Mediterranean, it has a major impact on local and regional development and is responsible for creating a successful and sustainable model. MARINA has a huge impact on the economy of the locality and its residents. European voyage is organized as a community, and Marina Durres will be part of the international maritime tourism.
- *Coordination with port authorities*. Establishment of a permanent consolidated round table between the port authorities, administrative institutions, open to public participation to develop and consolidate better governance of the relationship between the city and the port.
- *Development of Shkozet Area*. Promotion of an integrated development of equipment and services related to logistics and transport functions.
- *Support to Small and Medium Enterprises (SMEs)*. Support and placement of SMEs through technical assistance measures (training centres, facilities, information technology, business incubators)
- *Commercial space*. Obtaining the commercial zones and business centres.
- *Information Technology in the service of business*. Development of information technology. The creation of the necessary infrastructure for the extension of telephone and computer networks from different operators.
- *Business Incubators*. Within the Industrial Park and the area of Shkozet, business incubators will be developed, in cooperation with the University of Durres.
- *Integrating the industrial area with the urban one*. The promotion of physical and functional integration between the existing informal residential settlements and new industrial park;
- "*The new library of the city*". It will function as a multifunctional centre with cinema, library and vocational training centres. This library will serve as an important cultural centre of the city.

Public investments - Public Enterprises

The government is implementing the detailed project of the **railway line Tirana-Rinas-Durres** including the airport of Rinas. Priority is being associated with quality service and with a much higher speed than the actual one in the current segment Tirana-Rinas and Durres for passengers and goods. Another development is the revitalization of the line Durres-Montenegro by increasing its quality, as well as the establishment of connection with Macedonia. Of course, there are also other important projects regarding the connection of economic zones that elaborate high volumes, like in the case of hydrocarbons areas (where Porto Romano takes a special importance).

The Investment Project in the Water Sector (EUR 65.5 mln) that has just been signed, aims the improvement of the quality of service in the field of water and sanitation of Water and Sewerage Company of Durres (NUKD) and the improvement of the financial performance. The main components are Water Supply, Sewage and Institutional Development of the Water Supply and Sewage Company.

Private investment - construction sector

During 2013, Durres has been the city that issued the highest number of building permits with 25% of the total or 91 permits issued. But according to data from the Association of Constructors, only the area of the beach, counts over 2,000 unsold apartments. In this area there was a thoughtless and very aggressive investment in the construction of apartments. Today, the investors are not selling in this area, but the first buyers have put on sale their apartments, most of them immigrants who had invested time ago on buying a second house and who already see these apartments as ineffective.

IV.2. Labour market, employment, unemployment rate

By the end of 2013, in the six units of the FA of Durres were employed about 35,000 people, of which only 4/5 only in Durres Municipality. Rrashbull was ranked down with 5.7% and Ishmi ranked the last with 0.6%.

The public sector (counting only the administration and not including public state enterprises) consist of about 6,100 people, or 20% of all employees. The following table gives a summary overview of the administrations' distribution of employees in each of the units.

Table 18: Distribution of administration employees for Administrative Unit

Category / AU	Durres Municipality	Ishem	KiR	Manez	Rrashbull	Sukth	In Total
Public Administration (Administrative and Support Services / Public administration and security, Compulsory social security / Education / Health and social work activities)	5 575	118	137	77	100	157	6 164
In % of the total of FA Durres	90,44%	1,91%	2,22%	1,25%	1,62%	2,55%	100,00%

Source: Taxes, LGUs and calculations of the authors

IV.2.1. Education, employment and business needs for qualifications

The scale of the educational level in the AU of the FA of Durres is quite significant. Although the Municipality of Durres has the lowest percentage level of primary education level and 8 (or

9) year school system with 42.45%, it has the highest level for secondary education - 38.8%. The percentage for undergraduate and postgraduate in Durres municipality is five times higher than other LGUs of the FA. It is assumed that the anomaly of primary level is affected by poor populations of the Swamp Area.

Table 19: The level of education for LGUs

Indicator (in%) / Local Unit	Durres	KiR	Rrashbull	Sukth	Ishem	Manez
Educational level completed: Primary and 8 or 9 year system	42,45	69,82	64,63	71,32	72,09	67,48
Educational level completed: secondary	38,8	22,5	26,7	21,3	18,2	23,7
Educational level completed, university and postgraduate	15,4	3,2	5,3	3	3,3	4
Illiteracy rate	1,8	2,8	2,2	2,5	4,6	3,3

Source: Instatgis and calculations of the authors

Regarding the impact of education in employment, it is interesting to note the fact that while in the urban municipality of Durres the rate is 45.4% for the professional secondary level, it comes down to less than a third in municipalities and communes less urbanized and with less industry & services. Whereas the employment rate for the primary education level and 8 (or 9) year school system is inversely proportional to the level of industrialization and concentration of enterprises per AU.

Table 20: Employment by education level

Indicator (in%) / Local Unit	Durres	KiR	Rrashbull	Sukth	Ishem	Manez
Employment by education level: Primary and 8/9 year school system	27,49	60,68	55,17	62,63	53,02	60,13
Employment by level of education: secondary and vocational	45,4	31,98	34,79	29,78	31,43	31,64
Employment by level of education: university	26,6	6,2	9,7	6,4	14,5	7,8

Source: Instatgis and calculations of the authors

The concentration in the Municipality of Durres of the institutions and decentralized agencies with regional (including health), and of a series of secondary and high education institutions contributes in a relatively high level of employment of university graduates.

Table 21: Institutional Education & Health Distribution

Local Unit	High Schools (number)	Health Center and ambulance (number)
3	16	17

Durres	21	12
Manez	1	9
Ishem	1	12
Katund i Ri	1	9
Sukth	1	7
Rashbull	4	9

The relation between the level of education and employment per sector is confirmed by further distribution of the level of employment per sector of activity. Although services provide the highest percentage of employment (with Durres Municipality which holds the record of 68.46%) we notice that agriculture provides most of the jobs for Sukth, Ishmi and up to half of jobs in the case of Manez Municipality).

Table 22: The rate of employment by economic branch and LGUs

Indicator (in%) / Local Unit	Durres	KiR	Rrashbull	Sukth	Ishem	Manez
Employment by economic sectors: agriculture	2,5	23,4	20,9	26,3	31,6	53,5
Employment by economic sectors: industry	29	24,8	35	26,8	17,1	16
Employment by economic sectors: services	68,46	51,85	44,11	46,84	51,3	30,51

Source: Instatgis and calculations of the authors

In 2014, Durres Regional Employment Directorate has announced 4.329 employment offers, where offers in the processing industry and services prevail. It is very interesting to note the fact that for 1,809 job offers in the service sector (mainly in call centres and processing industry with requested goods - fason) there were no suitable candidates.

In Durres city, there are 3.375 employees or 87.93% of the total number of employees of the five AUs that travel every day to the employment centres. At the same time, it is noted that the largest concentration of employees that do not have to travel to get to work is in the town of Durres. Over 90% of employees of this city work in the city where they live in.

As it is noted from the published offers by the Employment Service, the largest number of jobs is in the fason activities, mainly confection and shoe sewing. Also, it is noted that some big amount of job offers cannot be filled.

Table 23: Declared and fulfilled job vacancies

Main activities	No. vacancies	Filled vacancies
Confection	1310	750
Sewing vamp	1179	731
Other processing Ind.	764	461
Services	2080	1309
In total	5333	3251

Source: Regional Directorate of NES, calculations of the authors

Some of the main reasons for non-filling of vacant jobs are: a) The age criteria complicates the mediation for unemployed workers over 45 years old; b) lack of adequate education; and c) lack of knowledge and experience for a particular professions.

Since December 2013, training courses in the Public Vocational Training Centre (PVTC) are offered free of charge and in 2014, there was an increase of the number of job seekers who attended vocational training courses. Also during 2014 PVTC opened new professional courses like electrician, installer and repairer of photovoltaic panels, electronic equipment repairer, electronic repairer for computers, waterproofing, coatings painting, gardening -, upholsterer, fishing, wood processing, tourism family, social assistance, carer for elderly care, for home care, for people with disabilities, small business entrepreneurs and office cashier. The following table gives an idea of the training opportunities that were given to unemployed people who are registered at the employment service (courses that are offered by proper professional schools are not counted).

Table 24: Courses offered by PVTC in 2014 and the number of unemployed job-seekers that have followed it

The title of course	No of participants	Type of course	No of participants
Secretary	42	Solar panel	32
Tailoring	50	Culinary	129
Electric Ing.	67	Nursery maid	8
Household appliances	31	Automobile service	43
Plumber	59	Rep.sewing machines	34
Bartender	32	Entrepreneur Small. B	27
Waiter	24	Computer technician	22
Esthetic	31	Office cashier	17
Cosmetic	109	Welding	18
Family tourism	7	Conditioner repair	4
Duralumin worker	10	Construction	4
Hotel reception	10	Social assistant	22

IV.2.2. Consultation in the field with 66 enterprises of Durres Region: data on the employees

To supplement the data obtained during interviews with the Work office, during November - December 2014, the CDI undertook a survey in 66 enterprises registered in the region of Durres. The objective was to outline the main features of the relation between economic actors and the population in this region, which is dominated undisputedly by the city of Durres. Some key data are discussed below:

First, about two-thirds of the workers of the surveyed enterprises live in the same LGU where the enterprise is established. Here the results are clearly defined by the Municipality of Durres.

Tab 25. Where the most of your company's workers live (more than 2/3)?				
		Number	Percentage of total	Percentage of respondents
Valid	in the city / commune	43	65,2	72,9
	in the district	16	24,2	27,1
	Total	59	89,4	100,0
Missing	System	7	10,6	
In Total		66	100,0	

Source: CDI survey with 66 enterprises of Durres Region

Secondly, the network of contacts is clearly expanded in relation with the origin of the clients / buyers. In this configuration, the AU loses its importance in favour of the District, national trade (with 21.2%) and International one (with 4.5%).

Tab 26. Where are the clients / your buyers (more than 2/3)?				
		Number	Percentage of total	Percentage of respondents
Valid	in the city / commune	15	22,7	25,4
	in the district	27	40,9	45,8
	Outside Durres	14	21,2	23,7
	abroad	3	4,5	5,1
	Total	59	89,4	100,0
Missing	System	7	10,6	
In Total		66	100,0	

Source: CDI survey with 66 enterprises of Durres Region

Third, this tendency gets stronger with the distribution of suppliers. The national and international level (with 33.3% each) is evidently the main source of supply of the FA of Durres.

Tab 27. Where are your suppliers (more than 2/3)?				
		Number	Percentage of total	Percentage of respondents
Valid	in the city / commune	3	4,5	5,1
	in the district	12	18,2	20,3
	Outside Durres	22	33,3	37,3
	abroad	22	33,3	37,3
	Total	59	89,4	100,0
Missing	System	7	10,6	

In Total	66	100,0	
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Source: CDI survey with 66 enterprises of Durres Region

The following tables highlight the fact that about 90% of surveyed businesses state that they have not received any services from neither local government institutions (city / commune / county / etc.), nor the central government institutions (Government / Agencies / Departments in the region / Prefecture / etc).

Tab 28. What is the most important service that your business has received from local government institutions (city / municipality / county / etc.)?

		Number	Percentage of total	Percentage of respondents
Valid		8	12,1	12,1
	NO SERVICE	58	87,9	87,9
	In Total	66	100,0	100

Source: CDI survey with 66 enterprises of Durres Region

Tab 29. What is the most important service that your business has received from the central government institutions (Government / Agencies / Departments in Region / Prefecture / etc)?

		Number	Percentage of total	Percentage of respondents
Valid		8	12,1	12,1
	NO SERVICE	58	87,9	87,9
	In Total	66	100	100

Source: CDI survey with 66 enterprises of Durres Region

Whilst in the successive table, it is noted that the activity growth remains the main concern for the businessmen of Durres region. Other reasons, including quality growth are almost invisible on the map of challenges for 2015. Also, the impact of public policies, including the TAR and the reform of decentralization does not seem to disturb the economic actors.

Tab 30. What is the biggest challenge for your business in 2015?

		Number	Percentage / total	Percentage / respondents
Valid		7	10,6	10,6
	SIGNING NEW CONTRACTS	1	1,5	1,5
	STUDENTS OF WISDOM CENTER IN INTERNATIONAL EXAMS ARE THE BEST	1	1,5	1,5
	ACTIVITY GROWTH	48	72,7	72,7
	INCREASING THE QUALITY OF SERVICES	1	1,5	1,5
	CUSTOMER GROWTH	2	3,0	3,0

	INCREASING THE LEVEL OF SERVICE	1	1,5	1,5
	INCREASING THE CUSTOMER	1	1,5	1,5
	INCREASING THE NUMBER OF CUSTOMERS AND INCREASING THE NUMBER OF EMPLOYEES	1	1,5	1,5
	HAVE THE SAME ACTIVITY	1	1,5	1,5
	REALIZE AS MUCH SALES	1	1,5	1,5
	CONTINUITY OF SIGNING CONTRACTS	1	1,5	1,5
	In Total	66	100,0	100,0

Source: CDI survey with 66 enterprises of Durres Region

IV.3. Economic interactions and strategic economic sectors

The six units of the new functional area are part of the metropolitan area of Tirana - Durres as observed by the employment flows, by the supply with raw materials and final products. Consequently each analysis of the FA of Durres should be viewed depending on the development strategies of these two poles: Tirana and Durres and on the national policies that directly or indirectly affect this area.

The city of Durres is the centre of institutional interaction, being at the same time the centre of the FA and region of Durres. This city is point of interaction for all institutions of the constituent AUs of the FA of Durres, and is conditioned by the presence of a number of regional directories (health, education, social care and forest), Department of Treasury, and the Department of Taxation. The centre of the region also entails the interaction with all the citizens of the county due to the presence of the Employment Office, the Court and the Prosecutor Judicial District, Elderly Care House, Professional Development Centre and Orphanage.

IV.3.1. Daily moves towards labour centres

Every day, 3.375 employees or 87.93% of the total number of employees of the five AUs that travel every day to their employment centres, travel to Durres city. At the same time it is noted that the largest concentration of employees who do not have to travel to get to work is in the city of Durres. Over 90% of employees in this city work in the city where they live in.

Currently Durres city has only 4 lines of public transport by bus: a) Durres - Plepa, b) Durres - F.Tullave; c) Durres - Porto Romano, and d) Durres - Currila. The bus park has a total capacity of 5,810,000 passengers / year or 50 passengers / trip. This means that the travel capacity is covered with 116.200 trips / year or 318 trips / day.

Table 31: Inflows - outflows from the six units of FA Durres

	In Total	Labor Place													
		DURRES	ISHEM	KATUNDRI	MAMINAS	MANEZ	RRA SHBULL	SHJAK	SUKTH	XHA FZOTAJ	KA VAJE	LEKAJ	SHKODER	TIRANE	VORE
DURRES	23 254	21496	*	24	22	21	77	*	9	219	97	512	4	761	12
ISHEM	232	31	193			*		*	*	4				4	

KATUNDIRI	699	224	/	268	4		12		*	147	*	27	8	9	*
MANEZ	457	54			12	315	*	26	16	34	*	*		*	*
RRASHBULL	1 681	1 224		4	*	*	71		5	246	21	19	*	86	5
SUKTH	1 463	173	*	*	*	7	8		528	697	*	46		4	*

	In Total	Labor Place													
		DURRES	ISHEM	KATUNDIRI	MAMINAS	MANEZ	RRA SHBULL	SHIJAK	SUKTH	XHA FZOTAJ	KA VAJE	LEKAJ	SHKODER	TIRANE	VORRE
DURRES	100,00 %	92,44 %		0,10 %	0,09 %	0,09 %	0,33 %		0,04 %	0,94 %	0,42 %	2,20 %	0,02 %	3,27 %	0,05 %
ISHEM	100,00 %	13,36 %	83,19 %							1,72 %				1,72 %	
KATUNDIRI	100,00 %	32,05 %		38,34 %	0,57 %		1,72 %			21,03 %		3,86 %	1,14 %	1,29 %	
MANEZ	100,00 %	11,82 %			2,63 %	68,93 %		5,69 %	3,50 %	7,44 %					
RRASHBULL	100,00 %	72,81 %		0,24 %			4,22 %		0,30 %	14,63 %	1,25 %	1,13 %		5,12 %	0,30 %
SUKTH	100,00 %	11,83 %				0,48 %	0,55 %		36,09 %	47,64 %		3,14 %		0,27 %	

Source: INSTAT, Census 2011, calculations of the authors

From the above tables, it is clearly seen that there are almost no exchange between people leaving in Durres and the five areas of the LGUs: less than 1% of Durres citizens move to communes and municipalities of the FA. It is also interesting to underline the fact that Ishmi has 0 (zero) inflows / outflows movements in the other four LGUs (except Durres). The rest of the LGUs do not have any inherent exchange between them (except with Durres).

It is also relevant the fact that Rashbull depends almost entirely from Durres (72.81%) for employment, while Xhafzotaj (LGU outside of the FA Durres) is very important for the employment of the residents of Sukth, Katundi i Ri and Rashbulli. Rashbull also provides employment opportunities only for 4.22% of its residents.

From the above and from additional data that follow, we may conclude that the movements of residents between the LGUs of the FA of Durres are mainly conducted towards Durres, not at all between them.

Table 32: No. of outgoing and incoming daily movements of the workforce of FA Durres

AU	Outgoing	Incoming	Total movements
Durres	1,968	3,375	1,407
Ishem	47	16	-31
Katund i Ri	446	39	-407
Manez	162	180	18

Rrashbull	1,807	159	-1,648
Sukth	992	69	-923
In total	5,422	3,838	-1,584

Source: Instat, Census 2011, Calculations of the authors

At the regional level, the city of Kruje and Fushe Kruje, and Ishmi are AUs with high levels of employment. So, evidently the majority of the inhabitants of these areas work where they have their residences.

Around 40-60% of employees of Xhafzotaj, Manza, Shijak work in areas where they live in, while the rest travel to work in neighbouring areas, respectively towards Durres, Shijak and Xhafzotaj. The low level of employment in the residential area and the higher tendency to work in bordering LGUs is noted in Katundi i Ri, Sukth, Gjepalaj and Rrashbull which is the indicator of the low economic development of these LGUs.

Currently the services provided by all AUs of Durres include:

(a) services directly related to the citizen such as civil status service or those which are directly related to the business such as tax inspectors. These services will continue to be offered in all the AUs.

(b) services related to internal support functions such as finance, procurement, public relations, urban planning, etc. These services will focus on the city of Durres, which is the centre of FA, and will provide a higher efficiency of work thanks to the economies of scale and avoidance of duplication of positions in small areas, and will cover the volume of work for the whole territory with a much smaller number of supporting staff.

Compared with the functioning of current organization in five different units of local government, the new functional area will offer its services for the same territory by having a more efficient administration and will provide a faster decision-making and more efficient administration of the territory with a reduced number of local functionaries.

IV.3.2. Processing Industry

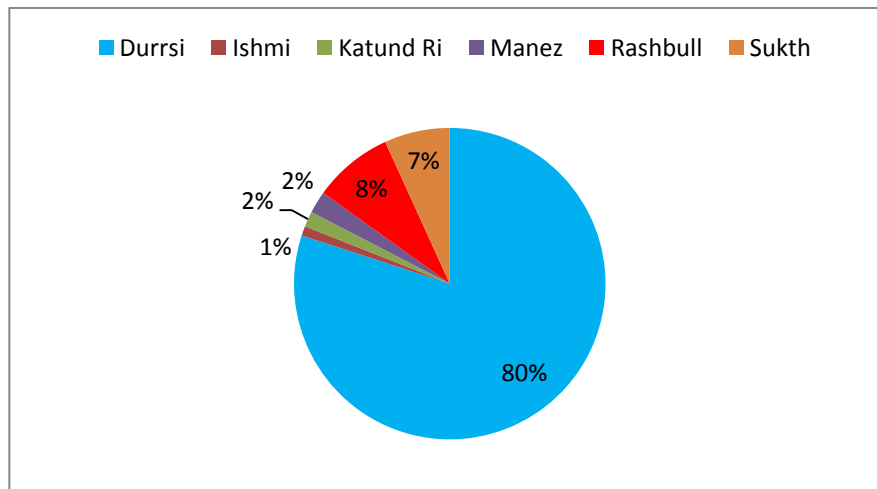
The most active enterprises in the AU are the fason companies, where besides Durres, Sukth and Rrashbull are distinguished. This sector is also the largest employer with an estimated total of about 8.298 people. Employment in this sector plays the role of a releasing factor for the social pressure of the area and depends exclusively on export, mainly in neighbouring Italy. Therefore, any development strategy based on this sector exceeds the limits of FA of Durres, and is directly dependent on the evolution of international markets and the economic situation of the neighbouring country. In the concrete case the future of Italy as the biggest requesting market will determine short-term developments in this sector.

In medium terms perspective, the government is aiming the "U" development model. This includes for eg sewing / the set of stamps / attaches processes / etc - all processes with low added

value but where Albania has a comparative advantage regarding the cost of the labour force and proximity to markets. In this approach, the enterprises start at the lowest point of U and develop: a) left towards Research & Development; or b) right towards the marketing and sales under the logo of the Albanian enterprise.

However, based on the interviews that we had with businessmen and with officials of the Regional Employment Office, we have established the belief that the biggest problem that interviewed fason enterprises have in FA Durres is the qualifications of the labour force. Currently the labour market fails to meet the needs of these industries.

Graph 7: LGUs weight in the processing industry of FA Durres

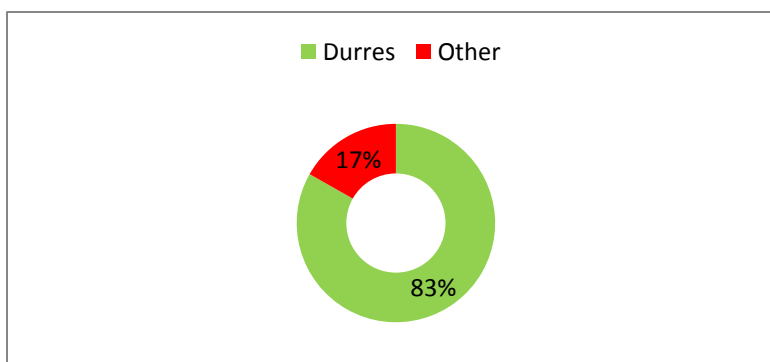


Source: tax administrations of LGUs, calculations of the authors

IV.3.3. Transport & storage

It is obvious from the table that the Municipality of Durres with about 400 enterprises prevails in this sector. Taking into account the profile of activity and the average number of employees per enterprise, the existence of Durres port, railway and transport volume for goods and citizens, the logistic services and transport at national and international level become strategic development factor mainly for Durres Municipality. Other administrative units are expected to benefit mainly in employment.

Graph 8: The contribution of AU in FA Durres in the wholesale trade



Source: tax administrations of LGUs, calculations of the authors

IV.3.4. Accommodation & food services

The Accommodation and Food Services consists also of the economic entities that provide services for local and foreign tourists. According to our calculations, it is clearly noted the large number of these units in Durres, and in Rrashbull, situated on the coastal area. It should be said that the profile of the tourist economic units in the coastal area in Durres and Rrashbull are oriented towards a local and regional clientele, mainly in the summer season (a fact that can be verified by the lower number of employees per unit) and with a modest power of buyers.

While Manz and Katund i Ri do not have a good performance in this sector, it is Ishmi that has relatively low weight on this sector in all FA of Durres.

Table 33: Number of visitors per season, and the tourist logistics in the five AU

Rubric / time	Winter	Summer	2011	2012	2013
Ishem visitors	100	5000			
rooms			0	0	0
beds			0	0	0
Rrashbull visitors	N/A	N/A			
rooms			750	800	800
beds			N/A	N/A	N/A
Sukth visitors	N/A	20 000			
rooms			N/A	N/A	N/A
beds			N/A	N/A	N/A
Manez visitors		local*			
rooms			N/A	N/A	N/A
beds			N/A	N/A	N/A
KiR visitors	0	0			
rooms			0	0	0
beds			0	0	0

Based on the assessment of the current conditions of this sector, we believe that strategic developments can focus on Ishem (as the most undamaged area with the highest potential for elite services) and in tourism within the land throughout the year. Sukth, Katund i Ri and Manez

have a very high potential for tourism throughout the year. The profile of services can be built around local products like wine, cheese (we have identified two "Wine roads" that affect three communes) and religious tourism (so far we have identified five villages in some communes where at least two different religious communities coexist).

Even for the next four years, tourism will be one of the priorities of the Municipality. The performance of the tourism and the improvement of the services supported by the pursued policies of Durres Municipality, puts it in the first place in the list of contributors to the Albanian tourism product. The compilation of the Regulatory Plan for the city has given priority to the Tourism with the planning of construction of Tourist Port and the combination of the Requalification of the old Coastline of the city and the opening of new beaches in the north of the city towards Kallmi area.

Table 34: Tourist Logistics – AU Durres

No. of Hotels	No. Tourist Operators	No. Beds
28	134	2,134

Meanwhile Ishem Municipality plans to develop part of the territory on the sea shore, and Manez Municipality in its urban plan (non-approved yet), plans a modern services area in function of tourist villages of Ishmi.

Table: Passengers flows to and through FA Durres

Passengers / Year	2010	2011	2012	2013
Albanian	436.207	501.731	474.117	442.617
Foreign	267.791	231.955	208.331	178.747
In Total	834.040	853.748	798.524	717.399

Source: Durres Municipality

IV.3.5. Agriculture (with Forestry, and Fisheries)

Although the economic activity "Agriculture, Forestry, Fishing" results in only 1.3% of the entities of FA of Durres, it is very important for us for two main reasons. First, a very large amount of residents in the five units (except Durres) deal with agriculture, although they are not listed as registered in the NRC. The large number of employees announced by Minister Veliaj for 2015 confirms this phenomenon. Second, the tax on agricultural land will be one of the challenges of the new municipality. The agricultural land in the county of Durres consists of 40.568 ha or 5.8% of the agricultural land of the country, of which 19.456 ha belongs to the units of Durres functional area. And non-agricultural land (forest fund, pasture and other amounts to 35,874,00 ha of which 14.239 ha belongs to the units of Durres functional area).

The total of active economies in the agriculture sector of Durres region is 31.539, of which 14.111 are in the FA of Durres and there are included 32.900 families with a population of 144.030 inhabitants, of which 62.834 are 25-54 years old. From the total of active economies, 21.696 or 69% are from the "Plants & Livestock" activity and 9.843 or 31% are of the simply plant activity. In the sector of "Arboriculture", 10457 economies are active or 33% of the total economies.

The average size of the farm in the region of Durres is 1.14 ha (1.21 ha of which is the nationwide average). Revenues from vegetation and farming in the region of Durres reach about 6.9 bln and constitute 8.2% of the income that this sector gives to the country. From 2,156 agro-processing enterprises that the country has, 196 or 9.1% are in the region of Durres and 34% of them in the FA of Durres.

In the AU level, agriculture is very important for the communes of Katundi Ri and for the municipalities of Sukth and Manza. Most of the farmers sell their products to buyers who would travel to their farms from Tirana or Durres. Provisional agricultural markets can be found in Sukth and most of them occur on weekends. These markets tend to serve temporarily to the local population, but do not seem to have the ability to attract people or buyers from other regions. An additional practice consists in delivering products to Shkozet market or in the refrigerating facilities in Rrashbull. Shkozet market is used by farmers coming from Manez, Sukth, Katundi Ri and Rrashbull.

Table 36. Agricultural land for Administrative Unit FA Durres - 2013

Local Unit	Surface of the unit in km ²	Surface in km ² /1000 residents	Surface of the agricultural land in ha	Surface of the agricultural land in ha/1000 residents
3	19	20	21	22
Durres	39,9	0,2	2200,8	10,6
Manez	52	4,5	2200,8	192,0
Ishem	85,4	9,6	1693,6	190,3
Katundi Ri	66,4	4,2	3293,2	211,6
Sukth	45,8	1,7	2819,1	105,0
Rashbull	54,8	1,9	2952,8	101,4

Source: Ministry of Agriculture, calculations of the authors

In the Durres functional area, in the entirety of its economic development, agriculture will be an important sector. If in the current Durres municipality until now, nothing of the agricultural sector was included, after the new territorial division the agricultural activity will have the same weight as the other economic sectors. This is not only because of the fact that the surface of agricultural land that this functional area includes occupies about 37% of agricultural land and 16% of non-agricultural land (forest fund, pastures etc) of Durres district, but it will also be about 42 % of the population concentrated in villages that will deal with this activity. But even more important is the weight that this functional area will have in the gross agricultural

production. In the following table are presented data of gross income from plants and livestock, for 2013, in thousand ALL, according to local units involved in Durres functional areas:

Table 37. The gross revenues from Plants & Livestock in .000 ALL - 2013

	Agriculture	Livestock	In Total	Average / farm (ALL)
Sukthi	421 410	732 436	1 153 846	246 432
Rashbulli	253 111	423 345	676 456	229 867
Manza	311 240	358 233	669 473	220 456
Kat I Ri	209 632	543	210 175	176 345
Ishmi	167 840	221 489	389 329	158 790
Amount	1 363 233	1 736 046	3 099 279	
<i>By county</i>	<i>48,20%</i>	<i>34,60%</i>	<i>36,10%</i>	

Source: Ministry of Agriculture, calculations of the authors

As it appears from the above data, in the agriculture sector, this FA has given nearly 48% of gross income at regional level and 34.6% of gross income in livestock sector. But this weight is not at the same level in the processing of agricultural and livestock products, as it is evident from the data of the table below, but for the same year, 2013:

Table 38. Income from Processing - 2013 (in .000 ALL)

	Agricultural	Livestock	In Total
Sukthi	31 474	15 630	47 104
Rashbulli	19 843	10 235	30 078
Manza	17 344	11 560	28 904
Kat I Ri	9 745	10 448	20 193
Ishmi	7 430	8 642	16 072
Amount	85 836	56 515	142 351
<i>By County</i>	<i>24,10%</i>	<i>23,90%</i>	

Source: Ministry of Agriculture, calculations of the authors

According to the information received in the ground, this low level of the scale of agricultural processing products has its base in the absorption of production, like raw material, by powerful processors (e.g. milk from "LUFRA" company, grape from the winery "Skanderbeg etc.).

The number of farms occupies a significant weight in this functional area, as it appears from the data presented in the following table:

Table 39. The number of farms with walnut plants

	Walnut plants	Wheat	Corn	Legume	Vegetables	Potatos
Sukthi	2 340	432	1 014	813	2 310	408
Rashbulli	1 861	176	654	488	1 277	184
Manza	2 080	560	1 230	917	2 068	467
Kat I Ri	840	211	370	328	477	308
Ishmi	437	78	254	165	269	211

Amount	7 558	1 457	3 522	2 711	6 401	1 578
<i>By County</i>	24,80%	19,60%	22,70%	21,10%	32,20%	24,40%

Source: Ministry of Agriculture, calculations of the authors

Therefore, the constituent units of this functional area covers nearly a quarter of the number of district-scale farms for the, walnut plants, but what is important is that approximately one third of these farms (32.2%) operate in the sector of vegetables, which is an important base of the touristic market supply of this functional area. The intensity of the work in this functional area emerges if we examine the expenses of the farm which are presented in the following table:

Table 40. Expenses of Farms in Agriculture - 2013 (in .000 ALL)

	Plowing	Sowing	Harvest	Transportation	Watering	Pesticides	Chemical trash
Sukth	2 643	1 438	1 522	4 320	830	5 868	24 560
Rashbull	2 960	1 340	1 080	3 270	470	4 320	18 800
Manza	2 100	1 410	1 232	3 100	597	7 300	22 936
Katund i Ri	1 250	735	446	714	112	1 450	6 440
Ishmi	1 138	513	317	765	84	1 160	4 320
Amount	10 091	5 436	4 597	12 169	2 093	20 098	77 056
<i>By County</i>	14,70%	9,20%	6,70%	24,40%	22,80%	36,60%	22,80%

Source: Ministry of Agriculture, calculations of the authors

By reading this table, you can notice the specific low weight of such mechanization processes as planting (9.2%) and harvest (6.7%). The source of this situation must be looked in the size of the farm as an available land surface. At regional level it results that the average farm size is 1.14 ha. By our indirect calculations, the average size of the farm is 1:43 ha, with the minimum average of Ishem Commune farm of 0.91 ha and the maximum average of Sukth farm about 1,61ha. From here we conclude that this new functional unit should have as economic development priority, the creation of large agricultural and livestock farms in order to increase the use of agricultural machinery and thus to facilitate the work of the farmers and to secure higher incomes.

The cultivation of vegetables in greenhouses is an important subsidiary for this sector. In the following table are presented data of greenhouses in Durres functional area:

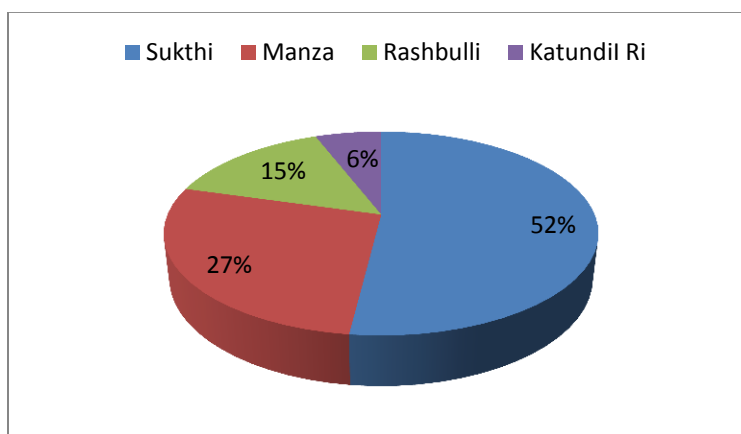
Table 41. Greenhouses

No.	Unit	Farm	Surface (ha)	Heating greenhouses (ha)		Solar greenhouses (ha)	
				Glazed	With plasmas	Glazed	With plasmas
1.	Sukthi	46	21	8.4	3	3.3	6.3
2.	Maneza	32	11			2.1	8.9
3.	Rashbull	19	6				6
4.	Katund i Ri	6	1				1
5.	Ishmi	-	-				
6.	Shuma	103	39	8.4	3	5.4	22.2
7.	In% by county	41.6%	38.4%	60.2%	42.6%	33.7%	47.4%

Source: Ministry of Agriculture, calculations of the authors

Greenhouses sector is quite extended in this functional area and constitutes about 42% of its extension at the regional level. Graphically the surface of the greenhouse land for the current local units of Durres functional area is shown in the graphic below:

Graph 9. The surface of greenhouse / LGUs of FA



Source: Ministry of Agriculture, calculations of the authors

Intensification of vegetable cultivation technologies in these greenhouses remains a problem of the future, because while in Europe, for example the productivity of the tomato in the greenhouse is 55-60 kg / m², in the greenhouses of this area, the efficiency average is 4-5 kg / m².

Table 42. Income from processed agricultural products - 2013 (in .000 ALL)

	Wine	Brandy	Butter	Cheese
Sukthi	2 430	3 640	340	10 430
Rashbulli	1 840	3 290	298	8 489
Manza	724	4 300	413	9 650
Kat I Ri	340	6 400	317	4 790
Ishmi	450	8 123	267	3 444
Amount	5 784	25 753	1 635	36 803
<i>By county</i>	<i>19,30%</i>	<i>25,50%</i>	<i>30,30%</i>	<i>37,10%</i>

Source: Ministry of Agriculture, calculations of the authors

Arboriculture. In this functional area arboriculture is an ongoing sector, as it is evident from the data of the table below:

Table 43. The numerical situation of arboriculture (in 1,000 root), 2013

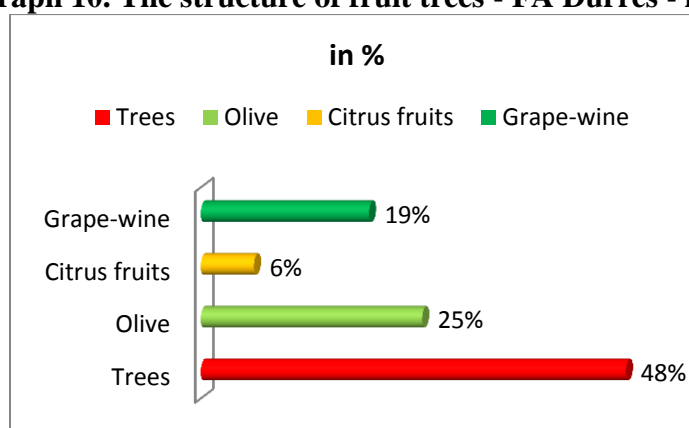
No.	Unit	Tree	Olives	Citrus	Vine	Vineyards
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						(ha)
1.	Sukthi	33	13	4	6	47
2.	Manza	39	16	6	14	63
3.	Rrashbulli	37	22	5	21	84
4.	Katundi i Ri	51	27	7	18	29
5.	Ishmi	59	37	9	29	36
6.	<i>Amount</i>	219	115	31	87	259
7.	<i>In % ndaj qarkut</i>	38.6%	44.3%	39.4%	41.8%	40.1%

Source: Ministry of Agriculture, calculations of the authors

Many farmers of this area are included in the "National Schemes" of support, especially for olives and vines, but individual spontaneity is damaging the organism, especially regarding to the irrigation systems with drops, which guarantees annual production and justified incomes.

Graph 10. The structure of fruit trees - FA Durres - in%



Source: Ministry of Agriculture, calculations of the authors

In conclusion, (if we remove the "services" where the administration is also included) in the FA of Durres, agriculture provides most of the jobs for Sukth (26.3%), Ishmi (31.6%), Katund i Ri (23,4% or 0.6% less than industry) and Manez (53.5%). Although in absolute value these figures may not have importance, agriculture remains a vital activity for employment as well as for the household of these areas, especially as it is seen in the figures of the self-employed and family contributors. Any economic policy in FA level should account this fact.

1. Table 44. The importance of agriculture for employment

Indicator / Local Unit	Durres	KiR	Rrashbull	Sukth	Ishem	Manez
Employment by economic sectors: agriculture	2,5	23,4	20,9	26,3	31,6	53,5
Employment status: self-employed and family contributors	26,7	52,2	38,4	49	56	65

Source: Instatgis, calculations of the authors

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V. PROFILE OF LOCAL PUBLIC SERVICES

In this chapter we will treat the sector of Water /Sewage; Roads & Public Transport; Waste Management and Urban Development and Regulation of Territory. Waste Management is treated with particular details.

V.1. WATER SUPPLY / SEWAGE

WSSD ShA Water Supply Sewage Durres is being transformed in 27 December 2007 with the issue number: CN-109836-12-07, where the quota that was held by the only shareholder Ministry of Economy and Industry of Water Supply and Sewage Durres, was transferred to the local units of the service area that consists of 5 municipalities and 10 communes. Shareholders in WSSD are as follows:

SHAREHOLDERS	% of Shares
1. Durres Municipality:	54.7
2. Sukth Municipality:	6.7
3. Manez Municipality:	2.5
4. Katund i Ri Commune:	4.3
5. Rrashbull Commune:	7.2
6. Ishem Commune:	1.0
7. Fushe - Kuq Commune:	2.399
8. Thumane Commune:	4.6
9. Shijak Municipality:	3.6
10. Vora Municipality:	2.0
11. Gjepalaj Commune:	1.6
12. Maminas Commune:	1.9
13. Prez Commune:	0.8
14. Xhafzotaj Commune:	4.5
15. Bubq Commune:	2.2

A copy of the organisational structure is enclosed at the end of the study.

Water Supply and Sewage Durres currently provides water supply services and sewerage services for Durres, Municipality Sukth, Manez, Shijak, Maminas, Xhafzotaj 1 + 2, Ishem, Fushekuq, Fushekruje, Katund i Ri, Preze, Bubq and Gjepalaj. The daily amount of the supply for the whole system is 74,000m³.

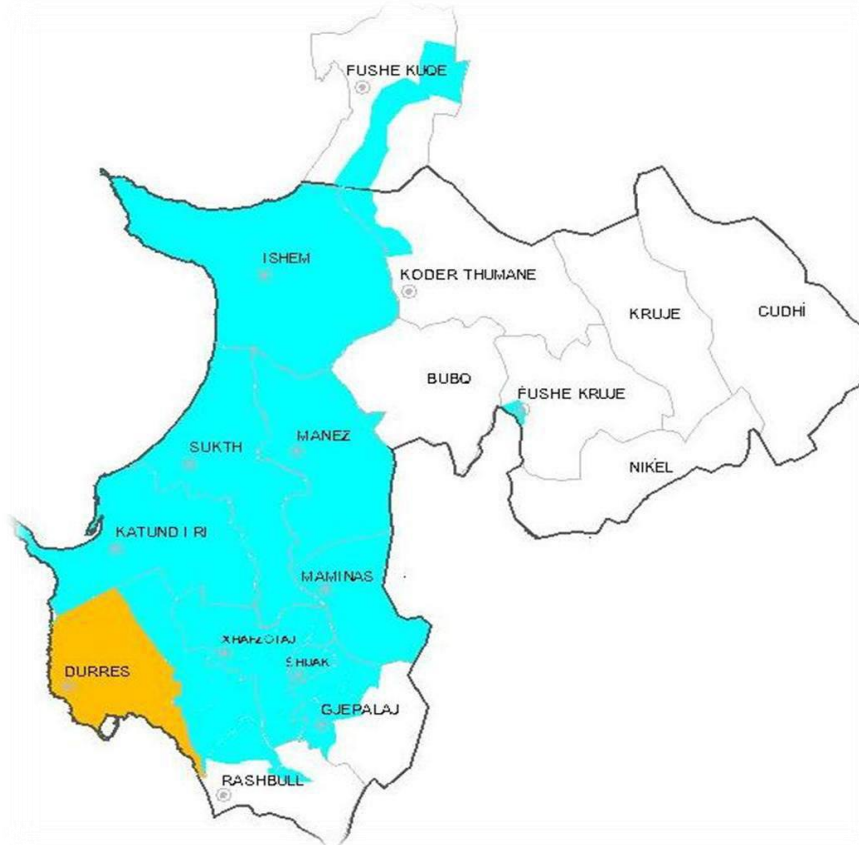
Incomes (in .000) from the water supply for 2013 were ALL 521,841,942 and from sewerage ALL 120,499,744.

WSSD administrates two independent systems of water supply from watersheds in Fushe-Kuq and Fushe-Kruje:

- Production is done in Fushe Kuq (14,000 m³ / day, equivalent of 18%) and Fushe Kruje (59.963 m³ / day, equivalent of 81%). A small part - about 1% - is bought from Kavaja);

- The measurement is done in four branches through four flow meters in the key points of the district for the calculation of the distributed amount in the main district.
 - The calculation of the consumption is done to the final consumers.
- Thank to the system in Fushe Kuq (FK), the Municipalities of Durres, Ishem, Manez, Sukth KiR and Rrashbull (also Xhafzotaj 1 and Fushe Kuq) are supplied. The plant has the following characteristics: a) 7 wells; b) Q average = 760 l / sec; c) transmission line is DN700; and, e) has 54 receiving points.

Map 9. The coverage with services of Water Supply-Sewage Durres



Source : WSSD ShA Durres

General data

The water supply / day is an average of 6 hours and supplies about 80% of the population. Moreover, 20% of the villages / neighbourhoods do not have a water supply system. The families connected to the sewage networks are on average 52% in the city. The rural area has no sewage system. The length and conditions of the main pipes, reservoirs, treatment plants, etc: about 165 km. The length of the secondary pipeline network, the number of connections with the houses is about 472 km.

Whereas in Fushe Kruje (it does not supply the Durres FA), it has: a) 3 wells; b) Q average = 180l / sec; c) transmission line DN500, and d) six receiving points

According to ASW Durres, the amount billed according to the type of the customer is divided as below:

- Family: 90%
- Private company: 8%
- State Institution: 2%

Total losses reach 61.1% for the entire FA Durres, according to the following table.

Table 45: Production & Billing of water by NUS Durres - 2013

	Local Unit	The Supplied Amount (m3 / day)	The Billed Amount (m3/dite)	Losses
1	Durres Municipality	35,144	14,475	59%
2	Ishem	1,956	367	81%
3	Manez	1,808	425	76%
4	Sukth	5,880	1,002	83%
5	KiR	3,387	890	74%
6	Rrashbull	4,087	1,108	73%

Source : WSSD ShA Durres

The causes of losses in the system are: a) Incorrect registration of the quantity by the water meters of the customers; b) inefficiency in the organization of the reading process; c) Illegal connections in the water supply system; f) The leaks in the distribution system:

Table 46: Type of Measuring

	With measurements (%)	Without measurements (%)	Fee (%)
Family	80	17	3
Institution	86	12	2
Private company	94	2	4

Source : WSSD ShA Durres

As it can be seen, there are still about 80% of the families and almost as much as institutions that do not have meters of water consumption.

Financial Statements 2011 and 2012

Based on the FS of the fiscal year 2012, at a first glance, Durres IGC represents a significant improvement of the results and an increase of the balance. However, a more detailed overview significantly gives more colours to these figures.

Regarding the balance, in Active it is noticed an increase of 10.9% of Receivable Revenues (from 2:36 billion ALL in 2.62 billion ALL). This can be explained by the deterioration of collecting payments. The asset improvement is explained mainly by the re-evaluation of the long term activities in the range from 0.55 billion ALL to 27.1 billion ALL (simply an accounting exercise). In Passive, it is noted the increase of obligations against the employees from 0.44 mln ALL to 13.5 Mio ALL, but that leaves unchanged the total of obligations in 3.8 billion ALL. While EBITDA exceeds from (134 mln ALL) in 2011 to 343 mln ALL in 2012. What happened in 2012?

The Statement of Incomes gives us the answer (the following explanations are in ALL, 000). First, we notice an increase in efficiency. The Net sales are increased by 53% (eventually explained in the increased amount of billed water) to reach the amount of 668.7 mln ALL from 435 mln ALL. The cost of materials consumed declines by 9.1% (from 532.6 mln ALL to 488 mln ALL). It is very interesting that the amortization cost are 25 times higher than before (from 14.9 mln ALL in 376.3 mln ALL), but that can be explained by the re-evaluation of long-term assets. Finally, we notice that is the "electricity subsidy" for 657 mln ALL that turns the enterprise from unprofitable to a lucrative one. Without this injection, the 2012 EBITDA would be two times lower than the previous year (130 mln ALL) to (290 mln ALL).

The revenue growth continues also in 2013 and it is accompanied by the reduction of operating expenses in absolute value. However the fiscal year 2013 is closed with a net loss of 85.2 mln ALL, mainly due to high financial expenses and the recognition of bad debts (219 mln ALL).

Table 47: Financial data for IGC Company Durres

	Financial statement items (in, 000 ALL)	2011*	2012*	2013**
1	Revenue	592,202,848	726,691,233	787,275,690
2	Operating Expenses	839,433,746	1,175,327,582	975,743,961
3	Operational Result	(247,230,898)	(448,636,349)	(188,468,271)
4	Revenues / Financial Expenses	112,530,999	158,648,101	136,627,057
5	Profit before Profit Tax	(134,699,899)	367,453,499	(51,841,214)
6	Tax / Profit / etc.	0	24,132,426	(33,341,382)
7	EBITDA	(134,699,899)	343,321,073	(85,182,596)

Source: Financial Statements, and calculations of the authors

* For 2011 and 2012 are used Financial Statements in 2012.

** For 2013 are used Audited Financial Statements for the Accounting Period ended on 31 December 2013, together with the Auditor Report

For 2013, it is applied the following tariff structure.

Table 48: Durres IGC Tariff Structure for 2013

	Customers / Fees	Fee Drinkable Water (ALL / m3)	Fee Used Waters (ALL / m3)	Service Fee
1	Family Customer	58	35	100
2	Budgetary Institution	120	50	100

3	Private Ent	120	50	100
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Source : WSSD ShA Durres

Strategic plans for the Water and Sanitation Sector

The objective is to reduce the Water without Incomes (water losses) as a percentage of the volume of water produced, from 71.4% in 2013 to 50% in 2018. The most important project is the agreement between the Albanian government and the World Bank for US \$ 85 million, as follows:

- Component 1: Water Supply Network focused on creating new production capacities but also on network rehabilitation distribution. There are priority investments for water supply, including the new funding of the supply line together with a new pumping station in Fushe Kuq. The line will be dedicated only to the city of Durres, while the existing line will be used for the villages around it. The new line will greatly improve the supply service to the city and the beach area. Also, the aim is to improve the water supply in all the rural areas through the construction of the new transmission lines and reservoirs for each village.
- Component 2: The removal / collection of Wastewater, is focused on the construction of the secondary and tertiary network. Investments will focus on the Sewerage Network which aims to improve and solve the problem of sewage wastewater in Durres area, including the beach area. The main goal is the division of drinkable water systems from sanitation and the rehabilitation of main transmission lines including pumping stations. The informal peripheral areas and rural areas will also have the sewerage network.
- Component 3: Institutional Support focusing on enhancing the skills of SWD and its staff in order to achieve financial stability and provide an affordable service to the customer. The institutional development component, Strengthening of the management demand and the empowerment of the company, whereby the government policies and reforms in the water sector will be supported. These reforms will include the preparation and implementation of a Monitoring Programme for Water Demand. The latter aims the implementing of a measurement program for Durres including household customers as well as measurement in the connection points on the main line, the implementation of an awareness campaign for not wasting water, the support of the Monitoring Unit at GDSW, the technical assistance for the support and implementation of an effective model for the supply and distribution of water etc.

Measures:

- Rehabilitation of the distribution network of the city.
- Installation of zonal meters in the distribution network, in the receiving points of the main transmission, storage etc. (250 pieces).
- Replacement of family water meters with problems (12.160 pieces).
- Installation of water meters for new family customers and with flat rate billing (26.690 pieces).
- Installation of water meters for private clients and government agencies (96 pieces).
- Performance of monitoring of losses and the repair of noticeable losses.
- Perform the routine water balance in the system.
- Reduction of the inefficiency of the readers and measurement based on new technologies, installation of PDAs
- Reorganization of the management of sales areas - water balance

The process of updating the data of customers and implementation of the hydraulic model are expected to finish in 2015.

The following table summarizes the projects implemented by the General Directorate of Water Supply and Sewage.

Table 49: WSSGD projects in Durres Region

No.	Project	Sponsor
1.	Water supply of Keneta area, Durres (Zone 8-14) (Additional Contract)	MPPT
2.	Water supply of Keneta area, Durres area 8-14	MPPT
3.	Water supply in the ex Keneta area Swamp (Quarter 14)	MPPT
4.	Water supply of the villages of the Sukth Municipality (Hamallaj)	MPPT
5.	Polluted Water Treatment Plant phase II Kavaja, Construction of a sewerage for Golem area	BE/IPA 2009
6.	KUB construction, Hamallaj Village, Manëz Municipality	MPPT
7.	KUZ and KUB construction in "Bulk and Lekasejve" neighborhoods	MPPT
8.	Construction of the main sewerage network KUZ in the beach area of Golem (Lot 1)	BE/IPA 2007
9.	Construction of the Outside Water Network for beach areas of Durres-Kavaja from the Rogozhin well drilling Lot III, water supply lines	MPPT
10.	Construction of the new system KUZ in Durres beach area and the delivery line in ITUP (Lot 2)	BE/IPA 2007
11.	Improvement of water supply, Shkalle village	
12.	The project of the Integrated Management of Water and Ecosystem	GEF,EIB,Lux Development
13.	Rehabilitation of the pipeline DN 700 mm in Fushe Kuq area	MPPT
14.	Reconstruction of Water Line Unaza , Durres Municipality	MPPT
15.	Reconstruction of the regional Water, Bubq	MPPT
16.	Rikonstruksioni i Ujësjetësive të fshatrave të Lalëz, Bizë, Drraç, Shete, Rrotull	MPPT
17.	Increasing water quantity and systemizing of the line water connections in Fushe Kuq	MPPT
18.	The study of the feasibility and detailed Projects of IPA program 2007 of the European Community in the Coast Area (associated contract).	MPPT
19.	The Study of Water Feasibility Durres – Kavaja (Associated Contract).	MPPT
20.	The Study of the Project for Water Supply of Durres - Kavaja Beach Areas from the well drillings of Rogozhine (associated contract).	MPPT

Source: GDWS

V.2. Roads & Public Transport

Durres Region is one of the regions that connect better with the road network compared with other regions of Albania. All communes and municipalities are well connected with each other. Daily buses or minibuses work in the region. There are mini buses and buses from Shijak every half an hour and every hour that go to Tirana or Durres, and it is directly related to Xhafzotaj, Rrashbull, Durres and Sukth.

Katundi i Ri has daily buses that go from the centre of commune in the city of Durres or Sukth municipality. These buses leave at 6:30 o'clock in the village of Qerret, Katundi i Ri Commune and the last that goes in Sukth is at 15:30. Whereas the buses departing from Durres to Qerret leaves at 7:00 and the last bus to Katund i Ri is at 17:00 . These buses work only for Qerret and Jube villages and for the centre of the commune of Katundi i Ri. Other village like Rinia, which is close to the sea, has its own transport ways. They use the commune only to receive any official document or to pay taxes. They have easier passage in Durres.

Table 50. Transport routes in FA Durres

	Manez	Ishem	Sukth	Shijak	Katund i Ri	Durrës
Manez		Daily MB	Daily MB	Daily MB	Daily Via Sukth	Daily MB
Ishem	Daily MB		Daily MB	Daily MB	Daily Via Sukth	Daily MB
Sukth	Daily MB	Daily MB		Daily MB	Daily Bus	Dialy Bus/MB
Shijak	Daily MB	Daily MB	Daily MB		Daily Via Durrës	Dialy Bus/MB
Katund i Ri	Daily Via Sukth	Daily Via Sukth	Daily Bus	Daily Via Durrës		Daily Bus
Durrës	Daily MB	Daily MB	Dialy Bus/M B	Dialy Bus/MB	Daily Bus	

Source: dldp, calculations of the authors

Table 51. The road network outside the city of Durres

DURRES	K/FLLAKE	RADIOSTACION (STRATEGIC)	4
DURRES	DURRES	BISHT PALLE (STRATEGIC.R)	7
DURRES 95%~14km / TIRANE 5%~ 1	DURRES	MARIKAJ	13
DURRES	KRUJE	QAF SHATME (TOURISTIC.R)	26
DURRES	K/NATIONAL ROAD	BILAJ (TOURISTIC.R)	3
DURRES	SHKOZET	SUPERSTRADE	1

Tab. 52: Buses lines for urban transportation - Durres Municipality

NAME OF LINE	OPERATING FIRM	TIME INTERVALS	NUMBER OF VEHICLES
Durres-Spitalle-Durres	IRI TRANS	8 minutes	8
Durres-Nishtulla-Durres	IRI TRANS	7.5 minutes (05:00-23:00)	7
Durres-Currila-Durres	IRI TRANS	30 minutes	3
Durres-Universiteti A.Moisiu-Durres	IRI TRANS	15 minutes	4

Durres-Plepa-Durres	MAREN BUSS	6 minutes (05:00-23:00)	12
Durres-Unaze-Kenete-Plepa-Durres	MAREN BUSS	20 minutes	5

Source: Durres Municipality, calculations of the authors

Tab 53. The road network - Ishem

Road Name		Length (km)			
Start	End	Regional	Communal	Length (km)	Asphalt (km)
Crossroad Shkafane	Kuratj			5	
Crossroad Shkafane	Shkafane Center			6	
Crossroad Shkafane	Fushe Drac			6	
Crossroad Rrotull	Rotull Center			1,5	
Fushe Drac	Drac Koder			3	
Crossroad Lalez	Kurataj			3	
Crossroad Lalez	Shetaj			10	
Qender Shetaj				2	
Crossroad Biz	Bush Quarter			2	
Ishem Road	Likmetaj			2	
Ishem Road	Gjuricaj			4	
Bregu Lumit	Kertushaj			2	
Kertushaj	Likmetaj			2	
Kertushaj	Gjuricaj			2	
Gjuricaj	Kullos			1	

Source: dldp

Tab 54. The road network – Manez

Road Name		Length (km)			
Start	End	Regional	Communal	Length (km)	Asphalt (km)
Kulle	Boro			1,5	
Bore Crossroad				1	
Manez Village				2	
Rade Center				1,5	
Kameras Center				2	
Crossroad Manez Village				2	
Manez Village	Hoxhe Quarter			2	
Crossroad Shkalle	Shkalle Village			2	
Crossroad Hamallaj	Hamallaj Village			3,3	
Crossroad Harmath	Harmath Village			3,5	

Source: dldp

Tab 55. The road network – Katund i Ri

Road Name	Length (km)
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Start	End	Regional	Communal	Length (km)	Asphalt (km)
Fllake	Katund Rinia			3	
Katund	Jube			5	
Jube s Siperme	Jube e Poshteme			2	
Katund	Jube e Siperme			2	
Crossroad Sukth Village	Radioestacion			3	

Source: dldp

Tab 56. The road network - Sukth

Road Name		Length (km)			
Start	End	Regional	Communal	Length (km)	Asphalt (km)
Crossroad Perlat	Perlat Hamallaj			6	
Kryq Rrushkull	Kryq Hamallaj			4	
Hamallaj Center	Fshat Center			2,5	
Center	Sukuth			3	

Source: dldp

Tab 57. The road network – Rrashbull

Road Name		Length (km)			
Start	End	Regional	Communal	Length (km)	Asphalt (km)
Rrashbull	Xhafzotaj			7	
Xhafzotaj	Pjeshkez Center			6	
Kryqezim	Bozinxhic			6	
Rrashbull				4	

Source: dldp

V.3. WASTE MANAGEMENT IN THE FA OF DURRES

At the national level - NPWM, National Plan of Waste Management 2010-2025 (NPWM) defines 12 areas of waste in county-level, and proposes the development of 12 Regional Plans of Waste Management (one for each region) in 2014. The objective of NPWM is recycling / composting of 25% of waste in 2015, and 55% of them in 2020. This strategy was adopted in 2011, but must be re-seen considering the territorial reform. The plans of Shkoder, Dibra and Tirana districts are approved. There is a pre-feasibility study for DURRES which was the first and was completed in 2010.

The largest amount of generated urban waste is in the districts of Tirana and Durres, followed by the districts of Fier and Vlora, referring to the annual Registry of production of urban and solid

waste by municipalities and regions, held by the Ministry of Transportation and Infrastructure. LGUs in general have failed to ensure financial stability – none of the local government units is able to provide the cover of costs independently.

V.3.1. At regional level – Regional plan for solid waste management (RPWM)

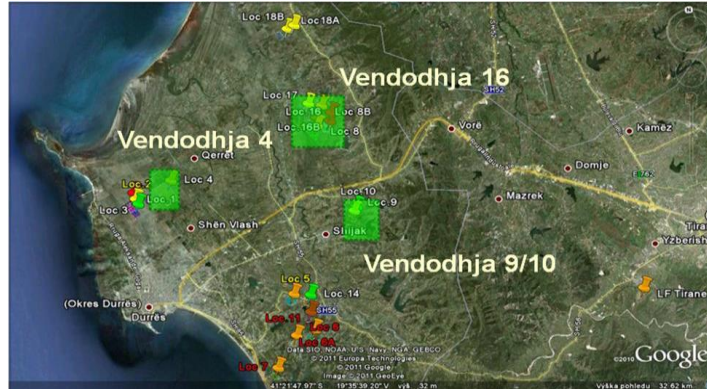
According to paragraph 8 of article 13 of Law no. 10,463, dated 22.9.2011 "On Integrated Waste Management", the regional plan of integrated waste management is drafted by Durres District and is approved by the Regional Council of Durres (not from Durres ARM), which then sends it for review and approval to the Council of Ministers. Only after approval by the CoM the Plan is effective and is published.

Durres district prepared its own NPWM, but it is not approved yet by the Regional Council. The objectives defined in this NPWM for differentiated collection of waste in Durres Region are: a) the differentiated collection for 20% of waste should be done within 4 years from the adoption of the Plan; b) the differentiated collection for 30% waste within seven years from the adoption of the Plan, and c) the differentiated collection for 50% waste within 10 years from the adoption of the Plan. From the current official communications we don't have official information from Durres District Council about the drafting of the regional Project plan of the integrated waste management.

In general, although the strategy is applied at the regional level, the role of the region in the financing of waste management is very small. Investments and contractions in local level are conducted by the LGUs of the first level and are monitored only during the procurement procedure. As a result it is impossible to make a clear analysis of the funds involved.

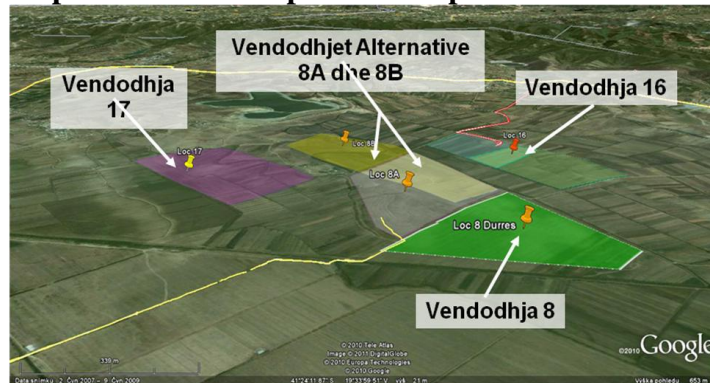
Regarding the landfills, it was conducted a study from the Austrian consulting company ASA and supported by IFC for the determination of a suitable place to build a modern regional landfill for the District of Durres. This place (Area 16 of the study, Rade village, Manez Municipality) is located in the administrative territory of Manez Municipality. On 18.11.2014, the Ministry of Environment together with the Ministry of Infrastructure have published in the website of the Agency of Procurement the open call to give in concessions the Landfill of Durres District referred to the article 48 of Law 125/2013 "For Concession and Private Public Partnership ". The bonus in the competitive selection procedure is given to society "Albania Landfill Energy "A.L.E". The same company has received in 2012 the "Urban waste collection" permit for Collection, Deposit & Recycling in the same place in Manez.

Map 10. Location of the village Rade - Location 16



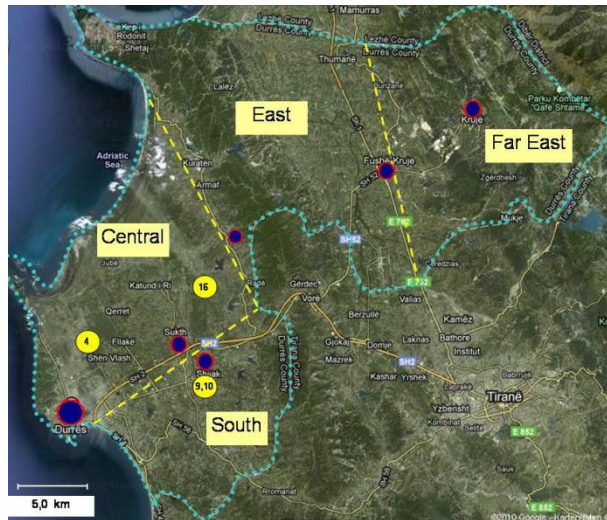
Source: Landfill study – Durres Region

Map 11. Eventual expansion of spaces of Location 16



Source: Landfill study – Durres Region

Map 12. The main sources of wastes: 6 cities and 4 areas



Source: Landfill study – Durres Region

Until the construction and the operation of this landfill, the local government units deposit the waste arising in their administrative territory (in their temporary landfills according to the list presented in the table below). These landfill squares (temporary landfills) actually are managed by the local government units.

Table 58. Collection, Waste Disposal in FA Durres

LGU	Method of Collection / Cleaning	Deposition
Durres Municipality	Durres Municipality has two cleaning enterprises: NSHK Durres for Durres city area + Spitalle and CM beach for areas Beach + Shkozet.	VGM of Porto Romano adopted years ago by the decision of the municipal council and the prefecture of Durres
Manez Municipality	Conducts itself the waste management, through the Department of Services	Verçok / Ex Manez Mine, Manez Municipality
Sukth Municipality	50% is conduct by the Municipality itself through the Department of Services and 50% subcontracted private companies - AFA Group	Vardardhë, Sukth Municipality
Rrashbull Commune	It conducts the collection and the transportation of waste itself, through the Directorate of Services.	Porto Romano, Durres
Katund i Ri Commune	The collection and the transportation of waste is done by subcontracted private company DU & CO Ltd	Porto Romano, Durres
Ishem Commune	It conducts the waste management itself, through the Department of Services	Road Turn Ishem Commune

Source: Regional Agency, Durres Region

In Durres district, it is calculated that one resident "produces" 236 kg per year, based on a population of 414.677 inhabitants (including Kruje district). With the amount of 140.755 tons per year of urban waste, the coastal region has 12.4 % of the annual amount in national level, after Tirana district. Fier and Vlora are listed after Durres.

Table 59: Coverage with services Waste for the New Municipality of Durres

	Years	2011	2012	2013
Ishem	No of families	2 500	2 960	2 980
	No. of families to which is offered the service	1 100	1 150	2 000
Rrashbull	No of families	5 562	5 713	5 821
	No. of families to which is offered the service	4 450	4 507	4 562
Durres	No. of families	61 177	61 769	62 757

	No. of families to which is offered the service	61 177	61 769	62 757
Manez	No. of families	2 490	2 510	2 540
	No. of families to which is offered the service			
Sukth	No. of families	6 000	6 200	6 400
	No. of families to which is offered the service	6 000	6 200	6 400
KiR	No. of families	3 470	3 550	3 600
	No. of families to which is offered the service	3 400	3 500	3 500

Source: LGUs data, calculations of the authors

Table 60. Profile of Urban Waste – New Municipality Durres

	Years	2011	2012	2013
Ishem	Urban waste	1800	2000	2190
Ishem	Solid waste	no	no	no
Ishem	Medical waste	1	1	1,2
Ishem	Urban waste	20	60	100
Rrashbull	Solid waste	4 000	4 000	4 000
Rrashbull	Medical waste	no	no	no
Rrashbull	Urban waste	no	no	no
Rrashbull	Solid waste	no	no	no
Durres	Medical waste	54 750	44895	31463
Durres	Urban waste	no	no	16,665
Durres	Solid waste	NA	NA	NA
Durres	Medical waste	no	no	no
Manez	Urban waste	2050	2100	2190
Manez	Solid waste	no	no	no
Manez	Medical waste	30	33	35
Manez	Urban waste	no	no	no
Sukth	Solid waste	13000	13500	14000
Sukth	Medical waste	no	no	no
Sukth	Urban waste	no	no	no
Sukth	Solid waste	no	no	no

Katund i Ri	Medical waste	2880	2880	2800
Katund i Ri	Urban waste	no	no	no
Katund i Ri	Solid waste	0,5	0,5	0,5
Katund i Ri	Medical waste	no	no	no

Source: LGUs data, calculations of the authors

V.3.2. At local level – local plan for solid waste management (RPWM)

Local plans are drafted and adopted by Municipalities and Communes, which in accordance with the Law on Local Government, are the duty of Municipality Councils and respective Communes. In the FA of Durres, only Durres Municipality has a LPWM. None of the five other units has a LPWM. In general, the quality of these plans is controversial since they are not based on the regional plan - in the case of Durres Municipality, the RPWM is not approved. For five other units, we have noticed that the local level does not have the capacity to develop the plans itself and consequently planning at the local level remains subject to donor support. On average, a family in the city of Durres produces about 2 tons of waste per year or 5.5 kg per day (according to calculations based on data obtained from Durres Municipality).

Durres Municipality is the main authority responsible for waste management services in Durres and it offers these services through its two Enterprise Utilities: 1) Communal Services Enterprise of Durres (CSED), and 2) Communal Services Enterprise of the Beach (CSEB). Both companies are run by the Municipal Council, and funded mainly by the budget of the Municipality. They are responsible for cleaning the city, waste collection, disinfecting, and maintenance of green spaces. They are also responsible for street lighting and public cemeteries, providing funeral services, decoration of the city as well as the planning / monitoring of waste management service.

Both companies have hired about 129 employees (a number that grows to 154 during high season), use about 23 cars (for the collection and transportation) and over 1,055 containers with a total capacity of 1,160m³, as it is shown in the table 8. On average, there are five containers per 1,000 inhabitants. The wastes are removed by 506 collection points (where there are on average 2 containers for PGM), and there are on average 263 kg / day.

For the transportation, there are 75 employees (61 employees at CSED and 14 employees at CSEB) who use 23 cars (10 aggregates, 10 trucks, 2 pick-ups and 1 tractor) that transport wastes on average through 2 roads a day as shown in table 10 below, according to calculations made by CSE's. During the past 10 years at least, there has been no change in the number of cars. At each point of waste collection, 3 labourers work.

During 2013 in Porto Romano (Waste Collection Place) are deposited in total 102.221 m³ or 64.377 tonnes. - volume which is compacted calculated (coefficient of compaction is taken 1 to 5, which means that 1 m³ compacted or compressed weighs 625 kg, this weight calculated according to Decision No. 175 dated 19.01.2011 for Durres). These wastes are divided as follows:

- urban waste (Urban and green) total = 96.036 m³ or 60.021 tonnes.

- solid waste, inert = 1,153 m³ or 1,845 tons.
- kelp waste = 5.022 m³ waste or 2511 tons.

V.3.3. Porto Romano Landfill

The Landfill of Porto Romano is the only destruction place that is used in Durres. It is operational since 1994 and is located in the industrial zone, 4-5 km to the North, it is opened from the beginning of the 90s and it is predicted to have a lifespan of 25 years, until 2015. The costs for waste management in PR (cleaning, collection, transportation and disposal) are covered by the budget of the municipality of Durres.

The landfill has been organized into 3 parcels and covers an area of 200,000 m². It is positioned in a sensitive environmental area - in a bog that often during the rainy season floods. The bog is located almost at sea level and extends approximately over some 30 km² in the North-South direction, parallel to the coastline. All the quantity of un-separated municipal waste, a mixture of hazardous waste with non-hazardous waste, medical waste and industrial waste together with inert waste, end up in this landfill, not following any environmental standard.

The enterprise has 5 employees in the landfill, who work with a bulldozer that is totally overused. The wastes are transported through a small street of the landfill; they are deposited there and are moved with bulldozers. Many parts of the landfill are not available as a result of the floods. The workers simply cover these areas by throwing other remains on them. There are no basic equipments and machinery, such as the compactor. The distribution area has no bridge scale; therefore, the operator (CSED) can only calculate the amount of wastes sent to the landfill based on the day number of roads that makes a truck, the truck volume and standards used for conversion rates.

Actual quantity of waste disposed per year in Durres is estimated to be in the range from 63.000 to 67.000 tons. In 2009, according to data provided by the Municipality of Durres, 101,507 tons of waste is deposited.

In 2013, except the Durres CSE, which has deposited a total of 64.377 tons of urban waste, soil & inert and kelp (2,511 tons of kelp), the following subjects of FA Durres have deposited:

- C.E Beach: 22,754 m³ of which (urban waste 18,000 m³, 112 m³ of soil, 4642 m³ kelp) converted in a total of 14,335 tons.
- Rashbull Commune: 3,560 m³ urban waste or 2225 tons.
- Durres Portual Authority: 3,400 m³ urban waste or 2125 tons
- Fjona 2006 Ltd (mainly for the wastes in Port): urban waste 564 m³ or 352 tons.
- Different Private: 252m³ urban waste or 157 tons.
- Katund i Ri Municipality: 304 m³ urban waste or 190 tons.

The landfill is a state property in the possession of the Ministry of Economy, Trade and Energy and is administered by the Municipality of Durres; however it is not registered yet in the basic register of mortgaged properties.

V.3.4. Fee collection – family

Durres currently applies a symbolic level cleaning fee for families: 1,000 ALL per year for 2009, being at least 5 times lower than the rate that applies in Tirana. The average income in Albania is around 37,150 ALL / family / month or 445,800 ALL / family / year. According to EC standards, the affordability percentage of waste tariff is at 0.8% of net revenue. If this percentage would be applied, the annual fee for cleaning would be 3,566.4 ALL / family. According to the standards of developed countries, the affordability percentage of waste tariff is 1.2% of net revenue. If this percentage would be applied, the annual fee for cleaning would be 5,349.6 ALL / family.

The waste management service in Durres is conducted for 49,000 families, but the municipality counts on its planning only 30,000 families to pay the service fee.

Table 61. Cleaning fees for families and the percentage of collection by the LGU, 2014

	AU	Annual fees (ALL)	% of collection
1	Ishem	2,400	20
2	Rrashbull	500	17
3	Sukth	1,000	66
4	Manez	1,500	80
5	KiR	500	90

Source: LGUs data, calculations of the authors

V.3.5. Weaknesses of waste management

The weaknesses in the management of waste are principally associated with the lack of planning at the regional level, depreciation and destruction of Porto Romano, as follows:

- Lack of RPWM for Durres Region;
- Lack of connection of LPWM for Durres Municipality;
- Lack of LPWM for the five LGU-s;
- LPWM does not treat Durres strategy for the management of non-urban waste, including hazardous waste, those from construction and waste from the port;
- The very low degree of re-cycling;
- Porto Romano landfill has not: a) protective layer for the water to avoid underground penetration of liquids flowing in landfill; b) border barriers; c) collection system for waste infiltration; d) plant collection of surface waters (for the rain water); e) network to collect biogases; f) daily coverage of wastes to avoid the winds and the burning of waste; g) internal road network; h) office in landfill; i) plant for manual separation of waste. The waste excavators stay on top of the wastes to separate waste streams that are in their interest; j) fencing of the field; k) controlled access; and l) weighing system.

Tab 62. Approved Permits for 2012- 2014 for Collection, Deposit & Recycling FA Durres

Subject	Administrator	Activity	Location	Year
BAHITI PLAST	N/A	Collection, transport, recycling plastic waste	Porto Romano Durres	2014
SOMET		Export Plastic waste	Shkozet, Durres	2013
SHIGJETARI-B	Bashkim Hushi	Collection and storage of used oils, lubricants	Near ex-SMT Shijak, Durrës	2013
SERXHO	Serxhio Zeqja	Plant collection and treatment of non-usable vehicles	Bisht Kamez Village, Katund I Ri Commune, Durres district	2013
Pastrimi Detar	Illir Karagozi	Portual waste III.2.B	Durres	2013
Shijaku	Shpëtim Shijaku	Scrap waste III.2.B	Durres	2013
Gjyzeli	Bujar Gjyzeli	Recycling used oil	Durres	2013
Albasud Service	Alfredo Soares	Oil accumulation	Shkozet, Durres	2013
Essen	Rado Brajoviq	III.2.B Gathering, scrap processing Used Oil Collection	Durres	2013
ITAL-LUBRIFICANTI	Arbino Girardi	Used Oil accumulation	Durres	2013
Ital Lubrificanti	Arbino Girardi	III.2.B. Oil accumulation	Rrashbull, Durres	2013
Albasud Servise	Alfredo Suarez	III.2.B. Oil accumulation	Durres	2013
Scholz	Arsim Muja	K.III.2.B. Gathering, scrap processing	Rrashbull, Durres	2013
La Vitoria	Rino Di Fiore	Depolarization, tire recycling	Porto Romano, Durres	2012
Dawa International Trade	Xi Wang	Plastic waste Processing	Rrashbull, Durres	2012
Albania Landfill Energia A.L.E.	Arjan Xhiani	Urban waste collection point	Manze, Durres	2012
Somet	Besnik Kryekurti	Floor. III.2.b. Battery recycling	Shkozet, Durres	2012
Edipack	Elsa Balteza	Collection, paper recycling, paper	Spitalle, Durres	2012

		production		
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V.4. URBAN PLANNING AND MANAGEMENT OF LAND IN FA DURRES

Regarding the territorial management, it is noted that the coastal landscape of the FA of Durres has often degraded by buildings realized in the absence of a national and sectional planning. Also, this area suffers from the planning into plots, where competences and territorial jurisdictions are shared.

Due to its geographical position, FA Durres is part of the Coastal Intersectional Integrated Plan (CIIP) that will serve as the regulatory system to ensure standards in planning and ensuring quality instruments that provide tourist services. These shortages have aggravated the situation on the ground and degraded the coastal landscape. The vision that will define the Coastal Intersectional Integrated Plan (CIIP), will establish a fair proportion and balances between the development objectives according to the perspective of government policy, the right for development and natural resources in the territory. This process will have in focus the change of the current situation in the coastal area, by legislating and implementing a new vision, through the application of legal and urban instruments, that will realize the challenges, by well-managing country's potentials and giving great quality to the development of tourism.

Also, the FA of Durres is part of the Tirana-Durres Plan which is an integral part of the National General Plan. Tirana and Durres are cities that have had an extension in their space and the tendency is that these cities meet. The area in between is one of the areas that has had a rapid formal development and mostly informal. Chaotic and visionless developments have damaged the natural landscape, so there is a need for an integrated plan with a clear vision. Tirana-Durres plan will guide the use and exploitation of the area and will create the adequate infrastructure for a sustainable development.

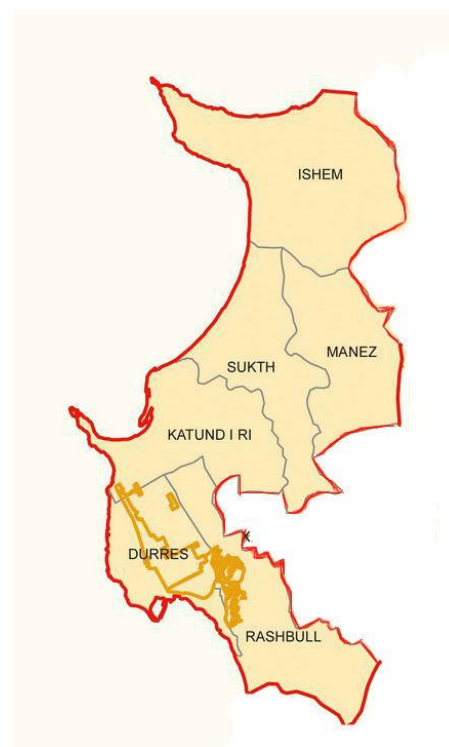
Local units that have adopted IPV in CPT are Durres Municipality and Ishem Commune. However, developments not in accordance with the approved plan are recorded in Durres municipality and Ishem commune, whose visions and policies of their territorial development include capacity building of services supportive to tourism, agriculture, as integral part of the Western Plain, increasing of the economic services organized along the accesses of the main urban roads of suburb residential areas.

The municipalities and the big cities, which have the most massive development tendency, often risk to have less transparency in the multitude of their developments. This phenomenon is translated into abuses of informal developments as shown by statistics provided by ALUIZNI, where major cities are listed, specifically, those that have the highest number of informal buildings, such as Durres, Tirana, Shkodra, Vlora, etc.

In 2013, there were 4,574 self declaration in the District of Durres. In cooperation with other state institutions, local government units, as well as interested parties during the last quarter of 2013, INUK has taken actions to verify the construction situation as well as the execution of decisions for destruction. In support of I.N.U, near Durres municipality were executed during 2013 and 2014: a) 13 decisions for destruction, and b) 6 Decisions of fine punishment.

ALUIZNI Office of Durres district distributed on February 14, 2015, about 1,050 legalization permits for county residents, of which 620 for the territory of the New Municipality Durres. Meanwhile, it is announced that are being made more than 1000 other permits that are expected to be distributed in a few days. Sources from the Agency said that, this area is expected to have 2500 legalization. CEO of ALUIZNI, Artan Lame, at the start of the meeting said that "Durres Region is one of the regions that have more informal buildings after Tirana, because of the great movements of thousands people in all these years¹." Legalization permits for the District of Durres issued in February 2015 are: Durres - 1; Katund i Ri - 43; Rrashbull - 482; Sukth - 17; Manez - 77.

Map 13. Geographical Distribution (in yellow) of Informal Areas of FA Durres



Source: ALUIZNI

In total the Municipality of Durres has an area of 1,420.00 ha in Informal Areas / Informal Settlements, of which 1,157.6 ha belong to Durres Municipality and 262,4 ha belong to Rrashbull Commune.

Among urban projects approved by LPWM Durres, can be mentioned:

- Urban regeneration of Shkozet area (currently mix of housing and industry). The strategic plan for an area of 100 ha provides the re-integration with the urban network, including houses and small production units (family enterprises). All activities of the secondary sector, scattered throughout the city including Shkozet, will be located in the Industrial Park

¹ <http://www.mapo.al/2015/02/legalizimet-lista-me-1050-emra-per-durresin/>

- Urban Regeneration of “Dures i Ri” area (former swamp). “Dures i Ri”: residential area with young dynamic population that needs urban renewal. With the projects for the rehabilitation of the infrastructure, such as: " Building of the Water Supply System ", " Rehabilitation of Old Canals System " this new area of the city will be incorporated with the rest, becoming one body with its infrastructure system.
- The recovery of the historic city centre. An integrated restoration where, in addition to urban aspects and architectural values, will be taken into account economic and social aspects of cultural heritage;
- Integration of new residential areas with older areas in Porto Romano. The new project of the “Unaza e Re” tends to limit the traffic of heavy vehicles and a part of private vehicle traffic in the central area of Dures that surrounds the main residential area in the city.
- Feasibility study and urban rehabilitation of the beach area includes “Revitalisation of Koder Vila and “Brezit te Gjelber of the city”, which aims to avoid further erosion.
- In the coastal areas between Port and Kavaja, the pedestrian boulevards will stretch into the promenade area in the north and south of the city of Dures, as to the Currila area and also to Plepa beach.
- Requalification of the area near the Port, the road Project "March 91 " & Blue Line” & the restoration of the sea-city connectivity that was lacking until now in Dures. The port area will be the destination for many tourists in the future, with a port that has tourist function, a rest area and a place to organize diverse cultural events. The existing trade port will be moved to Porto Romano, so Dures can host sailing boats, yachts, large passenger vessels and private sport boats.
- The fishing Port should be intertwined with Tourist Port, where every element should be well designed and detailed depending upon the Tourism and the city.

Also, the County Council of Dures, the Territorial Adjustment Council decided on 01.1. 2008 for the approval of the master plan entitled "The integrated development (in synergy) of energetic and industrial area of Porto Romano, Dures, infrastructure and its contours".

Table 63. Value of Land by category – Manez, Sukth and Rrashbull

MUNICIPALITY / COMMUNE	LOCAL UNIT / Villages	BUILDING VALUE (ALL / m2)	LAND VALUE (ALL / m2)	AGRICULTURAL LAND VALUE (ALL / m2)	PASTURES MEADOWS VALUE (ALL / m2)	FOREST LAND VALUE (ALL / m2)
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					m2)	
MANEZ MUNICIPALITY	MANEZ MUNICIPALITY	40,400	786			
	ARMATH		739	408	177	21
	BORC		739	352	152	
	HAMALLAJ		369	447	194	
	KAMERAS		739	788	342	21
	KUCOK		2216	744	323	
	RADE		554	842	365	21
	SHKALLE		923	357	155	21
RRASHBULL COMMUNE	HARTE DWG		x	x	x	x
SUKTH MUNICIPALITY	SUKTH. MUNICIPALITY ZK 3542	41,500	2983	x	x	x
	VADADHE ZK 3690		647	339	151	x
	KULLE ZK 2321		x	339	151	x
	RRUSHKULL ZK 3241		2317	339	151	182
	HAMALLAJ ZK 1925		475	330	151	182

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2. *National Agency for Territorial Adjustment, Annual Report 2013-2014*
3. *Master Plan of the Centre of Durres, 14 February 2007*
4. *Structural Plan. Durres Municipality, 20 February 2010*
5. *Territorial Policy Planning, Municipality of Durres*
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7. *Development Alternatives in Rural and Unfavourable Areas in the Coastal Area of Ishem - Porto Romano for a Sustainable Development, M. Sc. Shkelqim Sirika, October 2013*
8. *Plan for Tourism Development, Ishem Commune, June 2009*
9. ALUIZNI: http://www.aluizni.gov.al/wp-content/uploads/2014/12/ZONAT-INFORMALE_Page_2_PHOTOSHPED.jpg

VI. ORGANIZATION OF LOCAL GOVERNMENT SERVICES IN FA DURRES

According to the data obtained by LGUs of FA Durres, the current local government units have the following composition:

- Durres Municipality: 238 employees (including civil status and NRC);
- KiR Commune: 28 employees;
- Manez Municipality: 26 employees;
- Sukth Municipality: 46 employees;
- Rrashbull Commune: 54 employees;
- Ishem Commune: 40 employees.

The current structure of Durres Municipality, which will be the administrative centre of the New Municipality of Durres, includes:

- The Mayor;
- The Cabinet: 3
- The Sector of Relations with the public: 2
- The Directory of Human Resources: 20
- The Directory of planning & control of the development of territory: 23
- The Directory of local taxes and fees: 33
- The Directory of development policies: 8
- Economic Department: 17
- The Directory of Education-culture-youth-sports, and religious communities: 15
- Department of services: 11
- Department of Social Services: 14
- Municipal police: 20
- Administrative Centre Nr. I: 3
- Administrative Centre Nr. II: 3
- Administrative Centre Nr. III: 3
- Administrative Centre Nr. IV: 3
- Administrative Centre Nr. V: 3
- Administrative Center Nr. VI: 3
- The Inspectorate of Urban Construction: 14

Current representation of LGUs in the County Council is as follows:

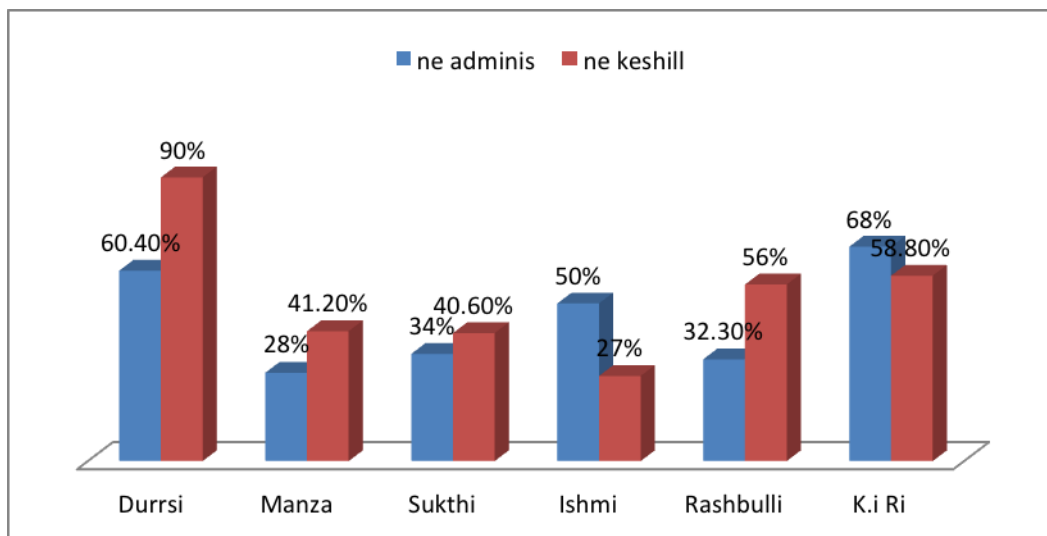
- Durres Municipality: 8 representatives
- Sukth Municipality: 3 representatives
- Manez Municipality: 3 representatives
- KiR Commune: 3 representatives
- Ishem Commune: 2 representatives
- Rrashbull Commune: 3 representatives

VI.1. Profile and main services provided by LGUs

The realization of the objectives assigned by legal obligations for the functions and services that local units must provide to their communities, depend to a significant extent on the level of education and commitment of decision-makers (municipal or communal councils) and on the local administration. If you read carefully the following graph 5, it emerges that one of the

factors leading to attractive results for the community of Durres city, is the composition of the Municipal Council, where 90% of the members have higher education. But there are also cases where the commitment and the accountability of the Mayor, minimizes the negative effect of the low level of education, as in the case of Manze Municipality. Its administration has only 28% employees with higher education and its municipal council only 41 %.

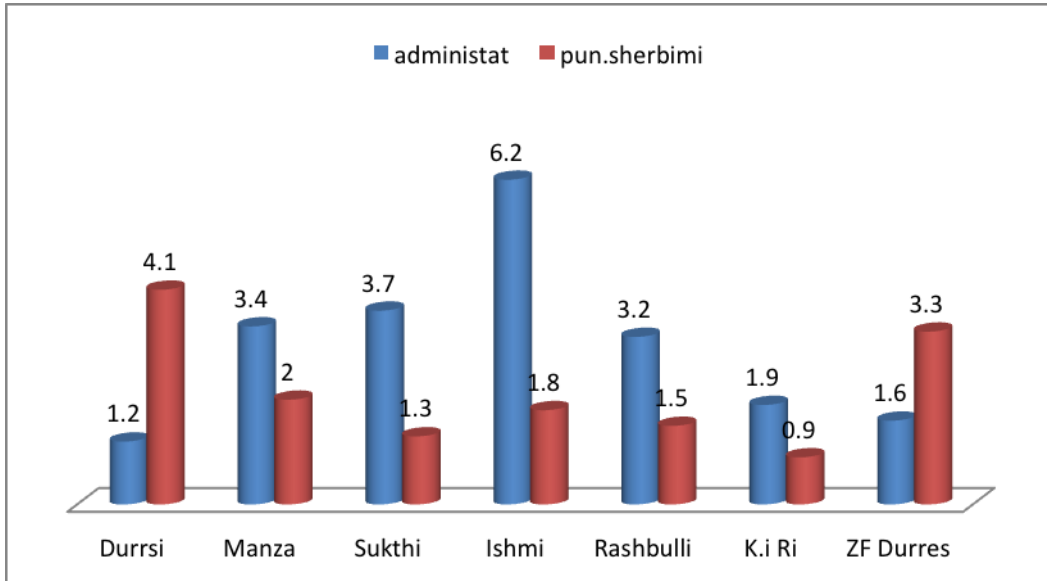
Graph 11. Specific weight of higher education in administration and councils of FA Durres



But an even greater role in the performance of community services plays the number of human resources that deal with the administration and the number of employees in the services that are available in local units.

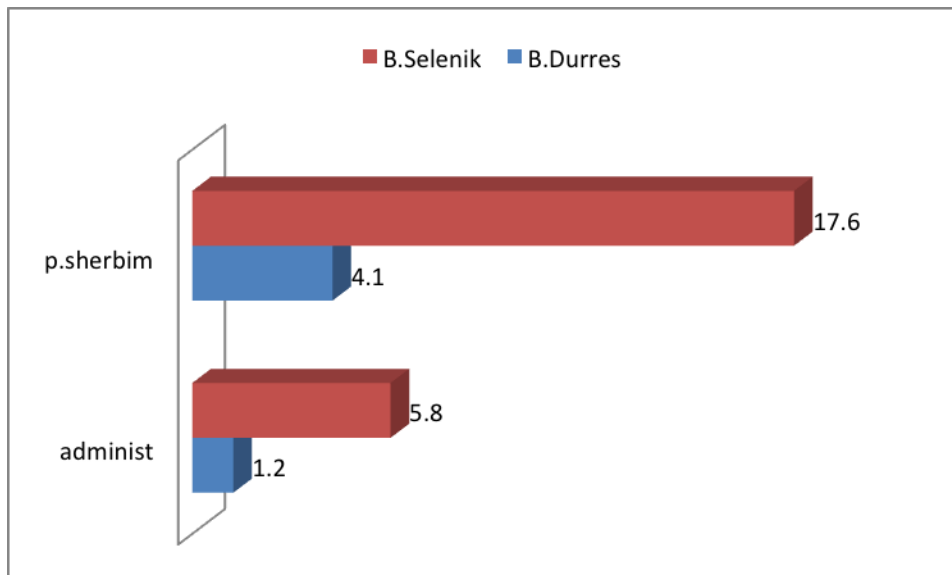
There is not a standard defined at national level or by category of local units for this purpose. Therefore you cannot judge which one responds better or worse. For example in the graph 6, it results that Ishem commune has a better performance, even compared to Durres municipality. This is a consequence of the system of determining the number of wage fund which is limited and controlled by the central government as a contributor to the grant. Therefore, in the context of a FA, it must be determined first what will be the standard, how many administration employees and service employees must be in one functional area for it to achieve the standard (missing) of services provided to the community. Accordingly to the following graph, we are doing a comparison to understand the essence and the necessity of standardization.

Graph 12. The charge of administration employees and service employees



Recently, Durres Municipality is twinned with Thessaloniki Municipality. Even the functional area of Thessaloniki consists of 6 local units under the reform of 2011, but these units have separate budget and balance. The Municipality itself, part of Thessaloniki FA has about 343 thousand residents (Durresi 208 thousand), it has a budget of 423 mln €, and a GDP / capita of 17200 €. Comparative charges are:

Graph 13. The charge of administration employees and public services in Durres and Thessaloniki Municipality, no / 1000 residents



Regarding the level of qualification, there is a high percentage of employees with high education in Katundi i Ri and Durres.

Tab 56. The level of the Education of Employees in FA Durres

Local Unit	employees with high education in the administrative	% of councilors with high education
Durres	60,4	90,0
Manez	28,0	41,2
Ishem	50,0	26,7
Katund i Ri	68,0	58,8
Sukth	14,0	28,0
Rashbull	32,3	56,0

VI.2. Budget of LGUs of the FA Durres

All the six units of Durres functional area have received ALL 650,876 in 2014 and have budgeted, with the new fiscal law in 2015 a total amount of 591,898 ALL. As it can be seen, the unconditional transfers for 2015 to the FA Durres, are predicted with a total reduction of about 9% as shown in detail in the following table.

Table 64: Unconditional transfers for Municipalities and Communes of FA Durres 2014 (fact) & 2015 (plan)

	LGU	Unconditional transfers 2014	Unconditional transfers 2015 (plan)
1	Durres	437,906	428,804
2	Manez	31,828	24,289
3	Sukth	69,480	57,460
4	Rashbull	56,808	41,340
5	Katund i Ri	32,083	23,398
6	Ishem	22,771	16,607

Source: Law Budget 2014, No. 185/2013 date 2.12.2013 and Law Budget 2015, No. 160/2014; Calculations of the authors

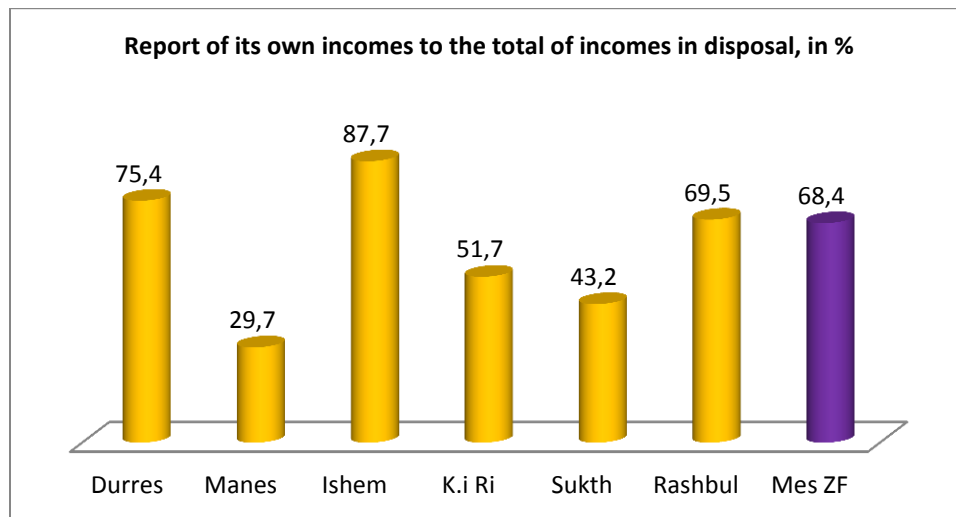
If you carefully read the table above, it results that Durres functional area, for 2015 has a funding source of unconditional transfers about ALL 160 mln or about 27% less than in 2014. This may be a consequence of the financial difficulties of central government, but essentially it does not stand. When realizing a new reform, minimally the unconditional transfer should remain at the level of last year to maintain the standard of services of individual units of the FA, otherwise the fall of this standard would prejudice the primacy of the reform itself related to the growth of quality services for the community.

Tab 65. The composition of Incomes 2013 - FA Durres (ALL .000)

Local Unit	The total of Independent budget 2013 (000/ lek)	From :		The report in% of the local incomes / Tot. budget.
		Grant 2013 (000/ lek)	Local incomes in 000/lek	
Durres	1,464,234	360,234	1,104,000	75.4
Manez	42,021	29,521	12,500	29.7
Ishem	171,085	21,085	150,000	87.7
Katund i Ri	64,256	31,038	33,218	51.7
Sukth	109,455	62,129	47,326	43.2
Rashbull	179,752	54,752	125,000	69.5

Source: Ministry of Finance; Respective LGUs, Calculations of the authors

Graph 14. Incomes of the LGU (2013) – Durres FA (ALL.000)



Source: Ministry of Finance; Respective LGUs, Calculations of the authors

With an average of 68.4% as a functional area, of the report of its own incomes to the total of incomes in disposal, this can be considered as the most efficient functional area at national level.

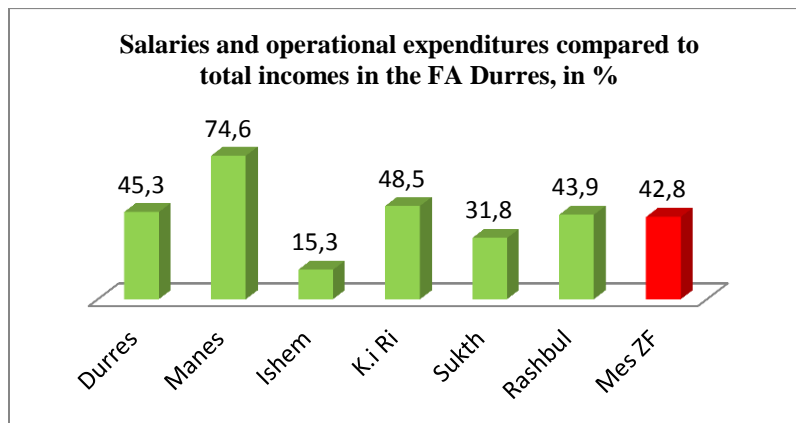
Tab 66. The composition of expenses FA Durres - 2013 (ALL .000)

Local Unit	administrative expenses in 000/lek (F.Page + social insurance.+ operative societies.)	Expenses for 1000 inhabitants (000/lek)	The report of expenses and incomes (F.p. + insurance +so.op.) in % to the tot. of expenses	The charge of administration (number of employees) for 1000 inhabitants	Investment in % / independent budget

Durres	156,977	754	45.3	1,2	14.2
Manez	19,473	1,699	74.6	4,4	78.7
Ishem	21,512	2,418	15.3	4,7	47.7
Katund i Ri	13,256	851	48.5	1,6	63.3
Sukth	34,822	1,297	31.8	3,2	51.7
Rashbull	46,960	1,612	43.9	3,3	46.3

Source: Ministry of Finance; Respective LGUs, Calculations of the authors

Graph 15. LGU expenses (2013)



Source: Ministry of Finance; Respective LGUs, Calculations of the authors

But the positive phenomenon highlighted above related to the economic efficiency of the units of the FA of Durres, does not fully respond to the financial evidences expressed graphically above.

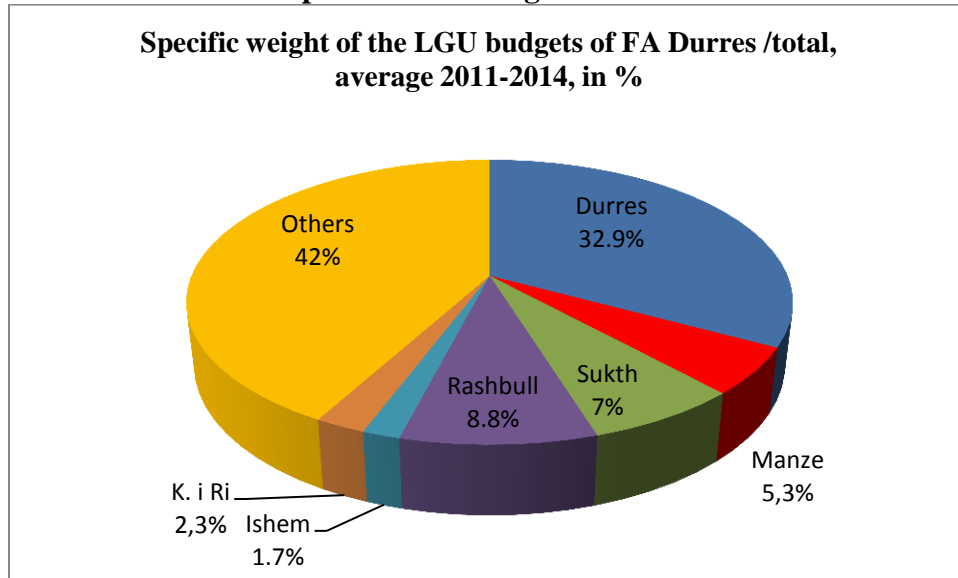
At a first sight, it appears that around 57% goes for capital investments and 43% for operating expenses. But, if it is divested from capital expenditures the invested part, by the central government or by the donors, which currently are presented and accounted in an indicator and that occupy about 62% of the capital investments, then it appears clearly that the expenses for salaries and operating have the part of the "lion" in the total revenue.

Table 67. The report between the LGUs budgets with the average of LGUs budgets of Durres District

Durres District		TR/TAR		
		2011	2010	2009
Durres	B	826%	996%	798%
Manez	B	35%	29%	55%
Sukth	B	78%	63%	76%
Rashbull	K	114%	90%	96%
Katund i Ri	K	46%	45%	38%
Ishem	K	26%	22%	34%

Source: Ministry of Finance; Respective LGUs, Calculations of the authors

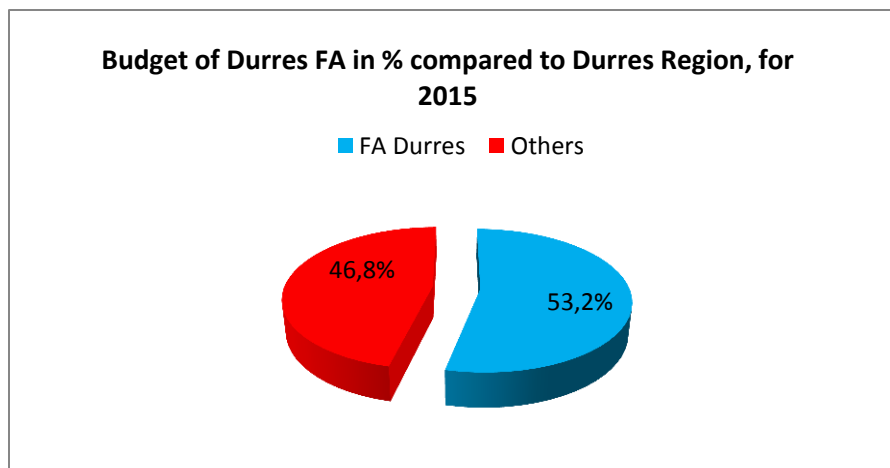
Graph 16. LGU budgets: 2011-2014



Source: Ministry of Finance; Respective LGUs, Calculations of the authors

By analysing the budgets of 2015, we noticed that the specific weight of Durres functional area, versus the average of the years 2011-2014 has been reduced from 58% to 53.2%. All the units of the area have had discounts, but apparently here the reduction has been more emphasized than in the other parts of Durres district.

Graph 17. The budget of Durres FA / Durres District 2015



Source: Ministry of Finance; Respective LGUs, Calculations of the authors

Tab 68. LGUs own incomes per capita compared to the average of LGUs incomes in Albania

	OSR /AOSR per capita		
	2011	2010	2009
<i>Durres District</i>			
Durres	149%	152%	180%
Manez	39%	51%	35%
Sukth	39%	43%	41%
Rashbull	179%	164%	173%
Katund i Ri	58%	99%	22%
Ishem	35%	54%	102%

Source: Ministry of Finance; Respective LGUs, Calculations of the authors

Table 69. The total expenses of LGU per capita compared to the average at country level of expenses/ resident

	TE /ATE per capita		
	2011	2010	2009
<i>Durres District</i>			
Durres	139%	135%	81%
Manez	51%	62%	120%
Sukth	68%	59%	66%
Rashbull	122%	102%	101%
Katund i Ri	89%	79%	65%
Ishem	117%	98%	288%

Source: Ministry of Finance; Respective LGUs, Calculations of the authors

It is normal that most of taxpayers are in Durres (though the population there is bigger), but the disproportionately with Rashbull in the extent of 60% knowing the intensity of Rashbull area, shows the negligence in their collection, just as it is unjustified by the free survey that Ishmi collects nearly 4 times more than Katundi i Ri.

In this regard, the disproportionately on the contribution of property taxes can be also commented, but nevertheless here it is noted, as it should normally be, an approximate level between Durres Municipality and Rashbull Commune. To be more accurate in this case, Durres Municipality emerges more backward (negligent) as it can be read in table 58.

Table 70. Incomes from property taxes for inhabitants according to LGUs of Durres district, compared to the national average / resident

	Property tax / inhabitant			
	2008	2009	2010	2011
<i>Durres District</i>				
Durres	6,04	5,51	5,17	5,48
Manez	0,66	0,73	0,69	0,73
Sukth	0,71	0,74	0,95	0,92

Rashbull	4,84	5,22	5,61	6,63
Katund i Ri	0,62	0,25	1,37	1,16
Ishem	1,60	2,19	4,88	3,71

Source: Ministry of Finance; Respective LGUs, Calculations of the authors

The detailed analysis in this respect, for Durres functional area and as for all units, shows that the main reserves and the decisive source of incomes in the future remain the property and land tax.

VI.3. DEVELOPMENT AND INTEGRATION STRATEGIES 2014 - 2020 & LOCAL DEVELOPMENT PLAN

VI.3.1. Compliance with sectoral strategies 2014-2020

The sectors identified above are generally in line with the national strategic objectives set out for their development by the Albanian government.

Thus, in the draft "Strategy of business development and investments for the years 2014-2020" , the Ministry of Economic Development, Trade and Entrepreneurship defines as one of its objectives for the development of processing industry "Objective 2.2.3: Strengthening and further diversification of operations of active processing (fason)". In this strategic document it is stated that "The achievement of this objective will be realized through financial support for human capacity building, for textiles and footwear producers, in order to establish independent enterprises and direct exporters. Also, the government will stimulate the diversification of the direct processing into other sectors, such as mechanical products, fitting joints or electronic equipment, by drawing high-tech manufacturer. "

In the Strategy for Public Financial Management 2014 - 2020 (pp. 34, 53 and beyond), the modalities of coordination of finances of local government after the entry into force of the administrative and territorial reform and the decentralization strategy, are explained in details.

Regarding the development of transport and storage, there is not any current strategic document which can elaborate the medium-term directions planning on this sector.

Regarding the accommodation and gastronomy sector / tourism, the "Draft-Strategy of Tourism Development in Albania 2014-2020" prepared by the Ministry of Urban Development and Tourism, which is in the process of revision defines four key strategic areas of tourism and tourism products that will be created in the next years. Specifically, in the framework of strategic management 1.2: Cultural tourism, the strategy intends to "Improve the offer on cultural tourism and in tourist destinations, there is a wide range of products and tourist attractions entertaining and marketable of cultural tourism. Touristic points and cultural tourism offers are famous and consolidated in the main resource markets. "Also, strategic direction 1.3: The nature and rural tourism aims to" Develop the nature and rural tourism. There is an attractive range of touristic products of special interest in selected destinations with attractive natural potential and

traditional villages with an authentic lifestyle. The nature and rural tourism offers are well known and consolidated in the main resource markets".

In the document of Medium-Term Budget Program (MBP) 2014 - 2016, FA Durres is mentioned as an investment destination, with the main ones mentioned as follows:

- Sea port: The development of Durres Port according to the Land - Lord Port model (Port Land Management) and the construction of container processing terminals with concessions etc; Commercialization of port & privatization of services; The rehabilitation of the Infrastructure and Superstructure of Durres Sea Port, about 85% for 2016; and construction of the fishing port in Durres;

- Road infrastructure: road connection Porto Romano - Durres; Bypass Plepa - Kavaja and Plepa - Rrogozhine; A. Goga street - former Chemical Enterprise; Bypass of Shkozet; re-construction of the Ring Road of the city; Study-projection for the closure of the existing landfills of solid waste in Durres;

- Waste & sewerage: Rehabilitation of existing field of solid waste in Durres and start of work for the rehabilitation of the existing fields of solid waste; The purification plant of Durres above 30 ha has a value of 11 million Euros and a treatment amount 700 l / sec. The completion and co laudation of three objects in Durres, Sanitation "Construction of sewerage network of KUZ in the beach area Durres (Perroi i Agait Ura Dajlani) and the transporting lines, Water supply in the beaches of Durres - Kavaja from Yermes sources Loti II ; etc.

Also in its meeting of 14 February 2015, the government has approved three projects with significant values for Durres Municipality. More specifically, for this municipality, the government has given ALL 250 million only for the project of expansion of 'Independence' boulevard and for the construction of access roads to the beach. Two projects regarding the facades of city buildings and the activation of city's main pool are also approved. The government has given other ALL 100 million (a total of ALL 350 MIO) for both these projects.

VI.3.2. List of strategic plans of the AU

In general, the municipalities and communes of the FA of Durres have study documents that analyze their profiles and provide future development scenarios. However, except Durres Municipality that has a full and coherent panorama, other LGUs have partial documents, which in most cases are approaching to the deadline expiry which is 2015.

In particular:

- Durres Municipality and Ishem Commune have an approved territory plan
- Durres Municipality, Ishem Commune and Rrashbull Commune have an official economic development plan. Sukth Municipality has a research analysis on the economy and transportation.
- Only Durres municipality has an approved local plan of waste management.
- Only Durres Municipality has a Strategic Environmental Assessment;
- Manez Municipality has prepared the urban regulatory plan (including Landill) but it is not approved.

Below there are mention some major projects with interest for FA

Durres. Spitalla Area of a surface of 850 ha will turn into an Industrial Area - Free Trade Zone. The document is being prepared by AIDA and the respective DCM is expected to appear soon.

Katundi i Ri. This area includes disadvantaged territories regarding the natural and economic side, like the non-productive and polluted agricultural land by the former chemical Factory in Durres, which is also affected by sea erosion. This area, regarding the administrative side is part of the commune of Katundi i Ri and the selected area consists of an surface of 1,367ha, of which 810 hectares belong to the Energetic Park. In the disadvantaged territories are included 1166 hectares of agricultural badlands, 45 hectares of forest area, 114 hectares of regional land, and 42 hectares of buildings and in general the area is characterized by marshy places with very poor quality. The centre of expansion of the industrial energetic park is the fuel deposit areas in Porto Romano, the opposite of the reason the place was build for: processing tank vessels that transport oil, gas and their products.

Biological Park. This development model, if applicable, expresses his potentials in a disadvantaged area without vegetation, with non-productive land, exposed to erosion and to destructive effects of nature due to the inappropriate interference and with the right investments. The area where the project is expected to be implemented consists in a wet area between the strip of sand and the first strip of pine along almost the entire coastline of Ishem-Porto Romano. The area where this development project will be applied includes a non-productive flat area of 382 ha⁴, bordered to the North by the river Erzeni, and to the West, 150 m from the sand belt, to the East by the first strip of pine. This area is chosen to be transformed into an intensive, social, economic and environmental development area. The advantage of this location consists of favourable climatic conditions, geographical location and the access to the Adriatic Sea.

Ishem. "Lalzi Bay Resort and Spa" is applicable to the coastal area located in rural and unfavourable territories. This resort is being built near the Lalzi Bay in Hamallaj. This project is part of the Master Plan for development of tourism in Lalzi Bay near the built touristic village or in construction process as it is "Lura", "Fisherman". A considerable number of residents will be employed directly or indirectly as the project will enable the development of other economic activities, particularly agriculture and farming.

Map 14: Map of Territory Management Ishem - Porto Romano

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