

LAW

NO.10 130, DATED 11.05.2009

ON

THE ALBANIAN DEVELOPMENT FUND

Based on the articles 78 and 83 item 1 of the Constitution, with the proposal of the Council of Ministers,

PEOPLE'S ASSEMBLY OF THE REPUBLIC OF ALBANIA

DECIDED:

CHAPTER 1 GENERAL PROVISIONS

Article 1 Object of the law

The law's object is to define the organisational form, the operational and administration rules of the Albanian Development Fund (hereinafter ADF).

Article 2 The scope of the law

The field of ADF's activities is the encouragement of a sustainable, balanced and cohesive social and economic development, at the local and regional level, to support the governmental development policies.

Article 3 Definitions

- In pursuance to this law, the following terms denote:
- a) "ADF" is the Albanian Development Fund.
 - b) "The statute" is the act which foresees the regulations of the ADF's inner functioning established on and in the application of this law:
 - c) "The Manual of Procedures" is the manual of management, administrative, financial, and technical procedures of the ADF.
 - d) "The Project" means projects or development programs implemented by ADF, financed by various donors and/or government.
 - e) "Donor" means all national and international financial and bank institutions being those public and private, domestic and foreign, which finance development projects to be implemented by ADF.

Article 4 The Legal Status

1. ADF is a juridical entity and is entitled to the status of the non-profit organisation.

2. ADF is entitled to management, administrative, financial and technical independence.

3. ADF exerts its activity in pursuance to the provisions of the law herein, the Statute, The Manual of Procedures as well as with the stipulations set forth in the financing agreements and those of the projects implementation.

4. ADF is established as a central entity, with its headquarters in Tirana, which enjoys the right to establish other structures at local level according to the criteria and procedures stipulated in the Statute.

Article 5

ADF's Objectives

In accomplishing its functions and competences foreseen by this law, ADF is guided by these main objectives:

- a) improvement of the local socio-economic infrastructure;
- b) improvement of the local public services;
- c) institutional strengthening of the local governing units;
- d) encouragement of good-governance at local level.

Article 6

ADF's COMPETENCES

1. The scope of ADF's activity is, as the case might be, the designing, management, financing, implementation and supervision of the projects related to the field of activity.

2. ADF's main competences include:

- a) management of the projects financed by the Albanian Government and/or various donors whose aim is the local and regional development;
- b) provision of financial assistance in forms such as grants, loans, guarantees, etc. for the local government units to improve the socio-economic infrastructure and local public services;
- c) provision of technical support in the implementation, follow-up and the supervision of investments to improve socio-economic infrastructure and the local public services;
- d) provision of the technical assistance and the carrying out of trainings to increase the institutional capacities of the local government;
- e) accomplishing various activities to serve the implementation of policies and the instruments of the local and regional development.

3. ADF cooperates, coordinates and accords its activities with public institutions and other state organisms, civil society organisms and with other social organisms which operate in the domains or fields related to the local and regional development.

4. Concerning the management of the projects financed by the Albanian Government and/or donors according to the object of ADF's activity, the Albanian Government may contract ADF, pursuant to the respective agreements.

Article 7

The principles governing ADF's activities

While accomplishing its activities and providing assistance to the local

government units ADF is based, as the case might be, on the following principles:

- a) sectoral and/or territorial priority in compliance with priorities of the government policies for the regional and local development;
- b) the just and equal handling of the local government units in similar conditions among them;
- c) the application of controllable, transparent and simple procedures;
- d) the encouragement of the local community participation in the identification of the priority needs at local level, project implementation and their monitoring;
- e) the contribution of the local government units for the project funding;
- ë) the cooperation among the local government units;
- f) the competition among local government units based on the criteria of needs, public effectiveness of projects and the best accomplishment of other principles set forth herein this article;
- g) principles and other criteria set forth in the agreements with donors or under the defined provisions for the allocated funds from the State Budget.

CHAPTER II THE CAPITAL AND FINANCING SOURCES

Article 8 Financing sources

1. The incomes in the ADF's budget are created from:
 - a) funds obtained from the agreements between the Republic of Albania/the Council of Ministers and various donors to finance projects which are implemented by ADF;
 - b) funds obtained from State Budget, from individuals and institutions within and outside the Republic of Albania, in accordance to the respective agreements;
 - c) funds obtained from the cofinancing of the beneficiaries and local government units;
 - d) revenues obtained from ADF's activities and the services provided;
 - e) material contribution, bilateral and multilateral programs and from various non-profit organizations;
 - f) other funding sources approved by the legislation in force.
2. Generated revenues from ADF's activity will be used to finance its activities, in compliance with the procedures stipulated in the Statute.

CHAPTER III STRUCTURE, ORGANISATION AND MANAGEMENT OF ADF

Article 9 Management bodies

The management bodies of ADF are:

- a) the Board of Trustees

- b) the Executive Director

Article 10

Composition of the Board of Trustees

1. The Board of Trustees is the highest decision-taking body of the ADF and it is composed from 11 members.

a) five of these members represent the central government and they are as follows:

- i. the Head of the ADF's Board of Trustees is the Deputy-prime minister of the Republic of Albania;
- ii. Four members of the Board of Trustees are officials, at minister or deputy minister level, according to respective sectors in the frame of projects that are under implementation from ADF, which can be nominated or dismissed by the decision of the Council of Ministers.

b) six members are representatives of the local government, as follows:

- i. two Chairmen of Regions, elected by the Association of the Chairmen of the Regional Councils;
- ii. two Mayors, elected by the Association of the Municipal Mayors;
- iii. two Chairmen of Communes, elected by the Association of the Chairmen of the Communes.

2. The term of office as members of the Board of Trustees is similar to that of their mandate as the local government elected members.

3. In case the mandate of the local government representative is revoked before its expiration, then the respective associations will propose the new member of the ADF's Board of Trustees.

Article 11

The duties of the Board of Trustees

1. The Board of Trustees has the following competences:

- a) approves the main orientations of the ADF's activity;
- b) approves ADF's Statute and the Manual of Procedures with two-thirds majority of the voting of Board of Trustees members;
- c) approves the agreements of implementation and/or the agreements of project financing;
- d) nominates and dismisses the Executive Director, in pursuance to the article 12 hereunder;
- e) supervises ADF's administration and activities;
- f) approves ADF's organizational structure;
- g) approves the provisions and the basic criteria of the ADF's employment terms including the structure as well as employers' salary levels;
- h) approves the annual budget, annual reports and the periodic reports on the
 - i) ADF's activity;
 - j) approves the annual budget of the ADF;
- k) reviews and approves the audit reports conducted on the ADF's activity
- l) approves the Regulation for its operation;
- m) takes decisions on the issues relevant to ADF's activity and confirms the required documents for the progress of ADF's activity;

2. Secretary of the Board of Trustees is appointed from ADF's administration.
3. The mode and the most detailed procedures for the execution of the Board of Trustees competences are stipulated in the Statute, the Manual of Procedures and in its the operational regulation.

Article 12

The Executive Director

1. The Executive Director is the highest executive authority of the ADF.
2. The Executive Director is accountable to the Board of Trustees.
3. The Executive Director is nominated with the approval of the two-thirds majority of the Board of Trustees members.
4. As an Executive Director is nominated the person who:
 - a) is an Albanian Citizen;
 - b) has never been condemned for having committed a delict;
 - c) has graduated in Economics or Law;
 - d) has obtained post-graduate degrees in the respective domain;
 - e) has more than three years of work experience in the management of the projects financed by various donors;
 - f) masters one or more foreign languages.
5. The mandate of the Executive Director lasts five years, with the right to be re-elected.
6. The Executive Director is dismissed from his functions before serving out his term with the approval of the two-thirds majority of voting by the Board of Trustees members only in case:
 - a) he is condemned by court for having committed a delict;
 - b) deficiency in ability to cover the assigned duties for more than six-months;
 - c) breaks seriously the rules of work ethics, which are defined by the Board of Trustees in the ADF's Manual of Procedures;
 - d) does not accomplish the assigned duties in pursuance to the Article 13 of the law herein;
 - e) he resigns.

Article 13

The competences of the Executive Director

1. All the competences which are not specified for the Board of Trustees, are attributed to the ADF's Executive Director. In particular the Executive Director has the following competences:
 - a) ADF's legal representation;
 - b) management of ADF's administrative and organizational operation and execution of the decisions taken by the Board of Trustees;
 - b) administration of the ADF's financial sources;
 - d) signing of Agreements with the Council of Ministers of the Republic of Albania and various donors;
 - c) staff selection and appointment;
 - e) calling for the extraordinary meetings of the Board of Trustees;
 - f) carrying out all the other duties assigned to him by law, the ADF's Statute and the Manual of Procedures.
2. The mode and execution procedures of the competences by the Executive Director are set forth in the ADF's Statute and Manual of Procedures.

Article 14
ADF's Administration

1. The activity of ADF is supported by an administration which functions in compliance with the ADF's Statute and Manual of Procedures.

2. The work relationships of the staff under this administration are regulated according to the Work Code.

Article 15
The conflict of interest

In the course of their activity, the employees of ADF prevent and avoid the conflicts of interest in pursuance to the legislation in force, ADF's Statute and the Manual of Procedures.

CHAPTER IV
TRANSITIONAL PROVISIONS

Article 16
Continuation of rights and obligations

1. All the ADF's rights and obligations in relation to the third parties prior to the entry into force of this law, continue to be in force pursuant to the respective act or agreements with these parties.

2. Upon entry into force of this law herein, all the financial and physical assets at the current ownership of ADF continue to be its property.

3. Upon entry into force of this law, the assets which are under the administration of ADF, continue to be thus, until another decision of the respective bodies has been taken.

To the effect of tax registration, ADF will continue to have the same Tax ID number.

Article 17
Establishment of the first management bodies

1. The members of the Board of Trustees, who are representatives of the central government, are elected not later than 30 days from the entry into force of this law, and are proposed in compliance with the article 10 of the law herein.

2. The Executive Director is elected not later than 45 days following the entry into force of this law and is nominated in compliance with the article 12 of the law herein.

3. The actual members of the Board of Trustees, who are representatives of the local government, carry out this assignment up to the end of their mandate as local government elected members.

4. The Statute and the Manual of Procedures pursuant to this law are approved by the Board of Trustees not later than 60 days after the establishment of this Board.

5. The management bodies of the ADF, prior to the entry into force of this law, continue to carry out their assignments up to the establishing of the management bodies in pursuance to this law.

CHAPTER V
FINAL PROVISIONS

Article 18
Abrogations

Upon entry into force of this law, follows the abrogation of point 2 of the Decision no. 12 of the Council of Ministers dated January 9, 1993 on the approval in principle of the World Bank Project `On the alleviation of poverty in the rural areas` which established “The Foundation on the Rural Development”, as well as all the other bylaw acts that conflict with this law.

Article 19
Entry into force

This Law enters into force 15 days upon its publication on the Official Gazette.

Announced with the Decree no. 6181, dated 25.05.2009 of the President of the Republic of Albania Mr. Bamir Topi.