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# **Public finance reform in local government and impact on fiscal autonomy: case of Albania**

After the territorial administrative reform, Albania has undertaken important public finance reforms in local government administration. This study explores the motivations driving these reforms and analyzes not just the evolution of the fiscal framework to enhance fiscal autonomy, but to measure the impact by the fiscal indicators. Using a mixed-methods research design, combining qualitative analysis and quantitative data analysis of fiscal indicators, the study reveals the effects of these reforms on local government autonomy. How is the evolution of Fiscal Autonomy, Fiscal Importance and Fiscal Decentralization Indicator of local government during the period 2017-2023? During those years another important evolution has had local budget compared with GDP and Central Government Budget in the context of public finance reform in local government.

Preliminary results demonstrate both positive and negative impacts, with some municipalities experiencing increased financial independence while others face challenges adapting to new regulations. The study emphasizes the significance of capacity building, intergovernmental coordination, and tailored support mechanisms for local governments during the reform process. Overall, the research sheds light on the ongoing public finance reform and its implications for fiscal autonomy in Albanian local government, emphasizing the need for continuous evaluation, policy adjustments, and sustainable fiscal decentralization. The insights gained contribute to understanding public finance management in local governance, providing valuable lessons for policymakers and practitioners in Albania and beyond.