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IPA III DRAFT STRATEGIC RESPONSE

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INTRODUCTION

The Strategic Response of Albania, presented by the National IPA Coordinator, sets out how Albania plans to use IPA III Financial Assistance to contribute to the overall and specific objectives outlined in the IPA III Programming Framework. In particular, it provides an articulation of actions planned across the key thematic priorities within each of the five thematic windows.

Windows 1-4 are divided into two parts. Part 1 provides a context analysis by outlining to what extent the policy priorities and strategic framework of Albania are aligned with the strategic orientations of the IPA III Programming Framework and are coherent with the enlargement policy, with the sector approach and with other regional and international strategies. Particular attention has been given to the key areas of the political accession criteria, including the functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression and public administration reform, as well as economic governance. Furthermore, specific attention in the Strategic Response has been paid to furthering the green agenda, the contribution to the goals set out in the European Union Strategy for the Adriatic-Ionian Region and the contribution to the 2030 Agenda for Sustainable Development. Part 1 is submitted for the whole duration of the Multi-annual financial Framework (2021-2027) and is subject to updates on a yearly basis as deemed necessary. Part 2 contains a list of actions planned over four programming years 2021 - 2024, with more details provided for the years 2021 and 2022. Part 2 is a rolling document which will be revised and re-submitted every year.

Given that the COVID-19 pandemic is ongoing at the time of preparation of this draft Strategic Response, a full understanding of its impact and how it may affect the policy priorities and strategic framework of Albania are as yet unknown and consequently could not be taken into full consideration; additionally, it should be borne in mind that the strategic directions and action plans may be subject to modifications to address the medium- and long-term impact.

The preparation of the Strategic Response initiated in early 2020 with the preparation of 9 Sectoral Strategic Response documents (63 subsectors connected to the first four IPA III Windows). 9 sectoral workshops were attended by 246 civil servants from all line ministries, Prime Minister's Office, Ministry of Finance and Economy, National Statistical Institute, and Task Managers from the EU Delegation introducing the methodological approach for drafting and prioritisation in line with the draft IPA III Regulation and the available European strategic documents. 9 Sectoral Strategic Documents, setting out sector needs and priorities, were prepared by line ministries with the contribution of public agencies and institutions, and have formed the basis for this document.

The actions proposed for the years 2021 and 2022 were selected in 2020 by the European Commission on the basis of their policy relevance from the set of Action Fiches presented by the National IPA Coordinator.

Window 5 provides an overview of planned territorial and cross-border cooperation programmes.

PRIORITISATION AND SEQUENCING BETWEEN WINDOWS

The prioritisation of actions and sequencing between windows has taken into consideration two main factors: firstly, the Government of Albania's strong and continued commitment to continue the judicial and rule of law reform process and progress with public administration reform through enhancing good governance and secondly, the need to prioritise actions that address the major economic shock generated by the COVID-19 pandemic and mitigate its socio-economic impact, mobilising resources to speed up the economic recovery as well as promote health system reforms, the latter factor impacting on a higher request for funds under Window 4. Furthermore, the COVID-19 pandemic has forced Albania and the EU to re-evaluate some previously planned actions to be funded under IPA 2019 and IPA 2020 and re-programme funds towards urgent interventions related to the fight against the pandemic and strengthening the socio-economic recovery programme in the immediate and short term. In these circumstances, several actions planned for IPA II were postponed or reduced in scope and have been proposed for IPA III 2021, principally in the field of the circular economy and green growth and property rights.

STRATEGIC FRAMEWORK ANALYSIS

For overall policy and assistance coordination, the Government of Albania has an inter-institutional and operational organisational structure in place for managing the implementation of a broad sectoral/cross-sectoral approach through the Integrated Planning System (IPS), which acts as the main system setting the tools and mechanisms for integrated public policy planning and consolidates the sector/cross-sector approach following the establishment of Integrated Policy Management Groups (IPMGs)¹, Sector Steering Committees² and Thematic Groups³. The IPMG structure is coordinated overall by the Prime Minister's Office. The Integrated Planning System Information System (IPSIS)⁴ will be fully operational in 2021 for the planning/programming, monitoring and evaluation of the strategic framework by central government institutions, as well as advanced data analysis and reporting, in order to avoid fragmentation and duplication between key policies and financial planning processes.

Considerable momentum has been built around the establishment of a common external assistance coordination architecture. The Ministry of Finance and Economy, responsible for the management of foreign aid coordination, collaborates closely with the Donor Technical Secretariat, a collective initiative of development partners in Albania to facilitate stronger information exchange between development partners and the Government. Regular Development and Integration Partners' meetings are held to discuss and decide on development coordination issues.

Policy dialogue on legal and institutional developments as part of the EU integration process takes place between the EU and Albania in the framework of the Stabilisation and Association Agreement between the Republic of Albania and the EU⁵, and will intensify during accession negotiations; dialogue on the implementation of sectoral strategies takes place through the IPMG structure.

The priority reforms which are identified as most important in order to address key objectives of sustainable development of Albania and integration with the European Union derive from the main related three-year strategic documents that are updated annually, respectively the **National Plan for European Integration** and the **Economic Reform Programme**. The new **National Strategy for Development and Integration** currently under development will be the overarching policy document covering the 10-year period 2021 – 2030.

CONSULTATION PROCESS

A public consultation process for the Strategic Response – Windows 1 to 4⁶ - has been organised in line with the European Code of Conduct in Partnership, the Law 146/2014 "On Public Consultation" and the Order of the Council of Ministers no. 3 dated 29.01.2021 on Public Consultation. The Public Consultation will last 20 working days, from 10 May 2021 to 9 June 2021. A report on the consultation shall be prepared by 22 July 2021. The consultation plan includes the publication of the Strategic Response in the Electronic Register, the presentation and discussion of the Strategic Response during a meeting with the lead institutions and donors for each of the Integrated Policy Management Groups / Thematic Groups, and further dissemination of the document to institutions and organisations included within a dedicated database.

¹ Enabling cooperation at political level for the integrated sector/cross-sector approaches in priority areas (Government priorities).

² Enabling cooperation at political level and inter-institutional coordination within sectors of special importance.

³ Enabling cooperation at technical level as well as with development partners within the specific sectors of the respective priority areas.

⁴ Council of Ministers Decision no. 290 dated 11.4.2020, "For the creation of Government Integrated Planning System Information System (IPSIS)".

⁵ Signed on 12 June 2006; entered into force on 1 April 2009.

⁶ Window 5 on Territorial and Cross-Border Cooperation has been consulted through separate processes at the Programme level.

WINDOW 1 - RULE OF LAW, FUNDAMENTAL RIGHTS AND DEMOCRACY

PART 1 - SECTOR CONTEXT AND RELEVANCE WITH THE ENLARGEMENT POLICY

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

2. ALIGNMENT OF BENEFICIARY'S STRATEGIES WITH IPA III PROGRAMMING FRAMEWORK

The main strategic documents in Albania in the area of Rule of law, Fundamental Rights and Democracy are listed below according to the seven Thematic Priorities under this Window.

Thematic priority (TP)	Relevant Beneficiary's strategy
All TPs	<ul style="list-style-type: none">• National Strategy for Development Integration 2015-2020⁷.
TP1: Judiciary	<ul style="list-style-type: none">• Cross-Sector Justice Strategy 2017-2020⁸ and Action Plan 2019-2021⁹ - upcoming Cross-cutting Justice Strategy 2021-2025¹⁰ due to be adopted by Q2 2021.• Strategy for Public Legal Education 2019-2023¹¹.• National Juvenile Justice Strategy 2018 – 2021 and its Action Plan¹² - upcoming National Juvenile Justice Strategy 2022-2026.
TP2: Fight against corruption	<ul style="list-style-type: none">• Inter-Sectoral Strategy against Corruption 2015-2023¹³ and Action plan 2020-2023.¹⁴
TP 3: Fight against organised crime / security	<ul style="list-style-type: none">• Strategy on the Fight against Organised Crime and Serious Crimes 2021-2025 and the Action Plan 2021-2022¹⁵.• Policy Document on Cyber Security 2015-2017¹⁶.• Action Plan for the Social and Economic Reintegration of Women and Girls Victims / Potential Victims of Trafficking¹⁷.• The action plan on the fight against organised crime (operation 'Power of law')¹⁸.

⁷ DCM No.773/2.11.2016.

<https://administrata.al/Documents/strategjia%20doc/1.Strategjia%20Komb%c3%abtare%20p%c3%abr%20Zhvillim%20dhe%20Integrim%202015%20%20e2%80%93%202020%20.pdf>

⁸ DCM No.773/2.11.2016.

⁹ DCM No. 409/16.06.2019 and currently under review for extending the measures until 2023. https://www.drejtesia.gov.al/wp-content/uploads/2018/06/278-2016_fletore_zyrtare_SND.pdf

¹⁰ <https://www.drejtesia.gov.al/wp-content/uploads/2021/02/Draft-Strategjia-Nd%C3%ABrsektoriale-Drejt%C3%ABsis%C3%AB-2021-2025-p%C3%ABr-konsultim.pdf>

¹¹ DCM No. 47/18.04.2019. <https://www.drejtesia.gov.al/strategjia-per-edukimin-ligjor-te-publikut-2019-2023/>

¹² DCM No. 541/19.09.2018. <https://www.drejtesia.gov.al/strategjia-e-drejtewise-per-te-mitur/>

¹³ DCM No. 247/20.03.2015; DCM No. 516/01.07.2020. <http://www.drejtesia.gov.al/strategjia-ndersektoriale-kunder-korrupsionit/>

¹⁴ DCM No. 516/01.07.2020. <http://www.drejtesia.gov.al/strategjia-ndersektoriale-kunder-korrupsionit/>

¹⁵ DCM no 1140 date 24.12.2020, <https://mb.gov.al/wp-content/uploads/2021/01/STRATEGJIA-KUND%C3%8BR-KRIMIT-T%C3%8B-ORGANIZUAR-DHE-KRIMEVE-T%C3%8B-R%C3%8BND-2021-2025-DHE-PLANI-I-VEPRIMIT-2021-2022.docx>

¹⁶ DCM No. 973/02.12.2015. <https://cesk.gov.al/wp-content/uploads/2016/04/Dokumenti%20i%20Politikave%20per%20Sigurine%20Kibernetike%202015-2017.pdf>

¹⁷ DCM No. 115/17.02.2016.

¹⁸ DCM No. 637/06.11.2017

Thematic priority (TP)	Relevant Beneficiary's strategy
	<ul style="list-style-type: none"> • Cross Cutting Strategy on Community Security 2021-2026 and the Action Plan 2021 -2023¹⁹. • Action Plan against Cultivation and Trafficking of Cannabis 2017–2020²⁰. • Counter Terrorism Intersectoral Strategy 2021-2025 and Action Plan²¹. • Strategy for Small and Light Weapons, Ammunition and Explosives 2019-2024, and Action Plan 2019-2021²². The action plan is being extended (Q4/2021).
TP 4 – Migration and border management	<ul style="list-style-type: none"> • Cross-Border Integrated Border Management Strategy 2021-2027 and Action Plan 2021-2023²³. • National Strategy of Migration and Action Plan 2019-2022²⁴. • National Action Plan on Trafficking of Human Beings 2018-2020²⁵. • National Diaspora Strategy 2021-2025²⁶.
TP5: Fundamental rights	<ul style="list-style-type: none"> • Cross-Cutting Strategy on the Property Right Reform 2012-2020 and Action Plan²⁷ to be replaced by the Integrated Land Management Reform Strategy (ILMR) and ILMR Road map. • National Strategy for Gender Equality and its Action Plan, 2016-2020²⁸- upcoming National Strategy on Gender Equality 2021-2030 and National Action Plan, due to be adopted by Q3 2021. • National Action Plan for LGBTI Persons in the Republic of Albania, 2016-2020²⁹ - upcoming National Action Plan for LGBTI Persons, due to be adopted by Q3 2021. • National Action Plan for Integration of Roma and Egyptians in Albania 2016-2020³⁰ – upcoming National Plan of Action for Integration of Roma and Egyptians 2021-2025, due to be adopted by Q3 2021. • National Agenda for Children's Rights 2017-2020³¹ and upcoming Plan of Action for Children's Rights 2021-2025 due to be adopted by Q3 2021.
TP6: Democracy	<ul style="list-style-type: none"> • There is no specific policy document.
TP7: Civil Society	<ul style="list-style-type: none"> • Roadmap to the Government Policy Towards an Enabling Environment for Civil Society Development 2019–2023³².

¹⁹ DCM No. 1139/24.12.2020

<https://administrata.al/Documents/strategjia%20doc/17.Strategjia%20Komb%C3%ABtare%20Sektoriale%20e%20Rendit%20Publik%202015%20-%202020%20.pdf>

²⁰ DCM No. 248/29.03.2017

²¹ DCM 1137/16.12.2020 <https://cve.gov.al/wp-content/uploads/2021/03/vendim-2020-12-16-1137.pdf>

²² DCM No. 50/06.02.2019

²³ DCM No. 1117/16.12.2020 <https://qbz.gov.al/eli/vendim/2020/12/16/1117/a4e93d92-f325-4fea-bbd5-865cc3f76773;q=per%20miratimin%20e%20strategjise%20ndersektoriale%20te%20menaxhimit%20te%20integruar%20te%20kufirit>

²⁴ DCM No. 400/19.06.2019

²⁵ DCM No. 770/26.12.2018

²⁶ DCM No. 585/22.07.2020 <https://diaspora.gov.al/wp-content/uploads/2020/12/STRATEGJIA-KOMBETARE-E-DIASPORES-2021-2025-ENG.pdf>

²⁷ DCM No. 405/27.06.2012 <https://www.drejtesia.gov.al/strategjia-ndersektoriale-3/>.

²⁸ DCM No. 733/20.10.2016.

²⁹ DCM No. 390/25.05.2016.

³⁰ DCM No. 1072/23.12.2015 <https://shendetesia.gov.al/wp-content/uploads/2017/03/Plani-kombetar-i-veprimit-per-integrimin-e-Romeve-dhe-Egjiptianeve-2016-2020.pdf>

³¹ DCM No. 372/26.04.2017 <http://femijet.gov.al/al/strategji-plane-veprimi>

³² DCM No. 25/25.07.2019 [http://www.amshc.gov.al/web/doc/Udherrefyesi-2019-rishikuar-\[EN\].pdf](http://www.amshc.gov.al/web/doc/Udherrefyesi-2019-rishikuar-[EN].pdf)

The overall objective and the thematic priorities' specific objectives under Window 1 in the IPA III Programming Framework are reflected in the majority of the cross-cutting and sectoral strategies listed above.

As regards the **judiciary**, the Cross-Sector Justice Strategy 2017-2020 and its action plan 2019-2021 emphasise the priority to accelerate the ongoing judicial reform, the strengthening of merit-based and transparent appointments system for judges and prosecutors and the independence and accountability of the judiciary, fully consistent with the IPA III Programming Framework and the specific objective of Thematic Priority 1 to promote the independence, accountability, quality and efficiency of the judicial system and improve the professionalisation of judges. The aforementioned Action Plan aims to improve management techniques in courts, upgrade the integrated case management system, and track the performance of courts and prosecution offices, also corresponding to stated IPA III objectives. Both the Action Plan and IPA III priorities promote the increase of access to justice, the provision of legal aid, the use of alternative sanctions, and the reintegration of Juvenile offenders. The four objectives of the draft Cross-Sector Justice Strategy 2021-2025³³ are: (i) the professional functioning of the justice system governance institutions in accordance with applicable requirements and European standards, to guarantee independence, efficiency and accountability; (ii) to strengthen the transparency, competence, accessibility and efficiency of the judiciary in accordance with applicable requirements and European standards; (iii) a criminal justice system based on modern principles of a European justice system, guaranteeing re-socialisation, reintegration and rehabilitation, as well and respect for human rights and freedoms within an integrated and inclusive approach solid crime prevention practices and (iv) coordination, efficient and effective management of the justice system across sector institutions are fully in line with all the specific objectives of the IPA III programming framework under this Thematic Priority.

The Inter-Sectoral **Anti-Corruption** Strategy 2015-2023 and Action plan 2020-2023 are coherent with the IPA III Programming Framework objective aiming to achieve a solid track record of seizure and confiscation/recovery of criminal assets by strengthening the Special Anti-Corruption and Organised Crime Structure (SPAK), comprising the Special Prosecution Office (SPO) and the National Bureau of Investigation (NBI). Moreover, the national priorities aiming to enhance the capacities of the National Anti-Corruption Coordinator and Anti-Corruption network for the prevention of corruption are aligned with the IPA III specific objective to ensure a robust anti-corruption institutional framework.

The **fight against organised crime** is a key priority formulated primarily through the Strategy on the Fight against Organised Crime and Serious Crime 2021-2025 and the Action Plan 2021-2022. The main objectives are to establish and strengthen the existing track records of investigation, prosecution, and conviction for organised crime, improve criminal procedures and operational capacities and strengthen operational cooperation in the fight against drugs, improve cyber security and investigation practices, all fully coherent with IPA III objectives set out in the Programming Framework.

The objectives of the Cross-cutting Integrated Border Management Strategy 2021-2027 are aligned with the IPA III objectives for the Thematic Priority 4 on **migration and border management** focusing on the development of an integrated border management system in line with the European border surveillance system, and enhancement of border security by improving cooperation at all levels and strengthening administrative, infrastructural and technical capabilities. The mission of this Strategy is the integrated border management, coordination and joint action of the authorities involved in the IBM system, in order to minimise threats to border security, the internal security conditions and parts of the general security system of the Republic of Albania; the Strategy is based on international conventions that protect the rights of refugees.

The focus of the National Diaspora Strategy 2021-2025 on the inclusion of the Albanian Diaspora in the economic development of the country is fully in line with the IPA III objective to enhance the contributions of citizens living in diaspora to the development of the beneficiaries.

In the area of **human rights**, Albania complies with international human rights instruments and has developed its legal framework in line with European standards; the above-mentioned strategies mainstream human rights as applicable in the strategic context. The Cross-Cutting Strategy on the

³³ <https://www.drejtesia.gov.al/wp-content/uploads/2021/02/Draft-Strategjia-Nd%C3%ABrsektoriale-Drejt%C3%ABsis%C3%AB-2021-2025-p%C3%ABr-konsultim.pdf>

Property Right Reform 2012-2020 and the 2019-2020 legal reforms on the Cadastre³⁴, are coherent with the IPA III objectives to support the consolidation of property rights, in line with the transitional justice approach, by validation and registration of agriculture land ownership acts and other rights envisaged in the Law 20/2020 “For completion of transitory ownership processes”, implementing the compensation scheme, and digitalising and mapping of properties. The National Strategy for Gender Equality 2016-2020 has direct links with IPA III objectives as both aim at gender equality and zero tolerance against gender-based violence and domestic violence. The National Action Plan for Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Persons in the Republic of Albania 2016-2020 defines the need to combat all forms of discrimination on grounds of sexual orientation and gender identity by increasing inclusion of LGBTI persons, fully in line with the IPA III objective to fight discrimination. The National Action Plan for Integration of Roma and Egyptians in Albania 2016-2020 has a specific goal directed at civil registration services and equal access to justice in its overall approach to integration tackling social exclusion, marginalisation and discrimination, in line with IPA III objectives. The National Agenda for Children’s Rights 2017-2020 aiming at the elimination of all forms of violence against children is aligned with the IPA III priority to take further steps to protect children from violence, neglect and exploitation.

In relation to **democracy**, the latest amendments to the **Electoral reform** including the Criminal Code address IPA III objectives on party financing for the prevention of corruption and meet the specific recommendations of the Office for Democratic Institutions and Human Rights (ODIHR), in line with IPA III specific objectives.

The objectives of the Government Policy Towards an Enabling Environment for **Civil Society** Development (“Roadmap”) 2019-2023 are consistent with the IPA III Programming Framework’s objectives that envisage the provision of support to Civil Society Organisations (CSOs) and grass root organisations including by facilitating the financial and legal framework for their activity. The support to CSOs is also directed to increase their contribution to policy making, implementation of the EU *acquis* and monitoring in partnership with public authorities.

3. COHERENCE OF BENEFICIARY’S STRATEGIES WITH THE EU ENLARGEMENT POLICY

Introductory Remarks. This section presents the strategic coherence between the key sectoral and cross-sectoral strategies of Albania relevant under Window 1, the Economic Reform Programmes, the National Plan for EU Integration and the following documents: 1) Economic and Investment Plan for the Western Balkans and Guidelines for the Implementation of the Green Agenda for the Western Balkans (October 2020); 2) Western Balkans Strategy (February 2018); 3) Recommendations of the Enlargement Package (Albania Report 2020, October 2020); 4) Policy guidance agreed in the joint conclusions on the Economic Reform Programme 2020-2022 (April 2020); 5) Conclusions of the relevant meetings organised in the context of the Stabilisation and Association Agreement.

The recommendations of the Enlargement Package, the Economic and Investment Plan for the Western Balkans, and the guidelines for the Implementation of the Green Agenda for the Western Balkans were published in October 2020, while the Western Balkans Strategy is dated 2018. A number of strategies relevant under Window 1 expired in 2020, and the process for the development of the successor documents is advancing. However, the COVID-19 pandemic has delayed the process and some key strategies are still under development or consultation as of March 2021, for example the upcoming: Cross-Cutting Justice Strategy 2021-2025, the Public Order Strategy 2021-2026, the Cross-Border Integrated Border Management Strategy and Action Plan 2021-2027, the National Strategy for Gender Equality and its Action Plan 2021-2030, the new National Action Plan for LGBTI Persons in the Republic of Albania, the National Action Plan for Integration of Roma and Egyptians 2021-2025, and the Plan of Action for Children's Rights 2021-2025. In some cases, the related action plans have been extended to bridge between expired strategies and the new strategies, for example, the Action Plan of the cross-border Justice Strategy has been extended until end 2021, while the Action Plan for implementing the Inter-Sectoral Strategy against Corruption has been extended until 2023. Since Albania is still developing several key strategies from 2021, including the new National Strategy for

³⁴ In February 2019, the Parliament approved the Law on “Cadastre”, which followed approval of the Integrated Land Management System Reform Law No 111/2018 “On Cadastre” on 20.12.2018. The Law “On Completion of Transitional Ownership Processes in the Republic of Albania” was approved in March 2020.

Development and Integration 2021-2030, the upcoming strategies shall integrate the directions of the relevant EU policies.

Thematic Priority 1 – Judiciary and Thematic Priority 2 – Fight Against corruption

The **Economic and Investment Plan for the Western Balkans** does not make direct reference to the Judiciary and the Fight against corruption IPA III thematic priorities. However, the Plan supports digital transformation and mainstreaming of digitalisation in national policy, which is also relevant for the judiciary sector and is pursued in the upcoming strategy.

The **Western Balkans Strategy** requires Albania to achieve concrete results in the **judicial reform** and reinforce institutions at all levels in the area of law enforcement and the administration of justice in particular, while the country should root out **corruption** through the work of strong and independent institutions which prevent corruption and conduct more effective investigations and prosecutions.

As regards the **functioning of the judiciary**, the **Albania 2020 Report** states that in the immediate future Albania should in particular: further advance the process of re-evaluating judges and prosecutors, ensure the full functioning of the Constitutional Court and the High Court, adopt effective measures to fill the priority judicial vacancies and continue the progress in the recruitment of new magistrates, and continue efforts to strengthen the effective use of an improved case management system, with sound statistical capacity based on Council of Europe European Commission for the efficiency of justice (CEPEJ) methodology, which ensures the random allocation of cases. As regards **anti-corruption**, the Report indicates the need for Albania to keep strengthening the fight against corruption, through further progress towards establishing a solid track record of corruption cases, seizure and confiscation/recovery of criminal assets resulting from corruption-related offences, further increase the use of financial investigations, and continue to improve access to national electronic registries for law enforcement authorities. The Report further observes that Albania has continued to improve its legal framework on the prevention and combatting of corruption but needs to ensure improvement in its implementation. More in general, the report recommends that the executive and independent structures of the judiciary and the anti-corruption structures are ensured adequate resources and cooperation is in place between investigation, prosecution and judicial entities.

Progress with and recommendations on justice and anti-corruption reforms were discussed during the **12th Subcommittee meeting on Justice, Freedom and Security** between the EU and Albania that took place on 30 June and 1 July 2020, as well as in the context of the **11th meeting of the Stabilisation and Association Council between the EU and Albania** held on 1st March 2021³⁵. On 1st March 2021, the Stabilisation and Association Council (SA Council) took note of and reviewed progress in the two reform areas in subject, giving particular emphasis to the process of re-evaluation of judges and prosecutors (“vetting process”) as well as to the Constitutional Court and the High Court, both of which have resumed functioning. The SA Council noted positively that Albania’s new specialised bodies to fight anti-corruption and organised crime have started to operate. Progress in implementing the Financial Action Task Force (FATF) action plan on fight against money laundering was also discussed³⁶. The SA Council stressed the importance of continuing the reform efforts, particularly with respect to the appointments of judges and investigators as well as the continued processing of pending cases and further strengthening the track record of law enforcement. Additionally, as regards anti-corruption, the **Group of States against Corruption (GRECO)** published on 6 October 2020 an addendum to the Second Compliance Report Albania, stating that Albania has satisfactorily dealt with nine of the ten recommendations contained in the Fourth Round Evaluation Report, and providing detailed recommendations on the swift completion and effective implementation of the judicial reform process in order to strengthen effectively judicial independence and the fight against corruption within the judiciary. On 3 December 2020, GRECO published the Evaluation Report of the Fifth Round of Evaluation on Preventing corruption and promoting integrity in central governments (top executive

³⁵ Press releases on the meetings are available at: [EU-Albania Stabilisation and Association Agreement - 12th SUBCOMMITTEE ON JUSTICE, FREEDOM AND SECURITY - European External Action Service \(europa.eu\)](#); [Joint press statement following the 11th meeting of the Stabilisation and Association Council between the EU and Albania - Consilium \(europa.eu\)](#)

³⁶ In February 2020, Albania made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regime, Albania is the only country of the Western Balkans region to be placed under the FATF’s grey list – [www.fatf-gafi.org](#)

functions) and law enforcement agencies³⁷. The authorities of Albania will submit a report on the measures taken to implement the recommendations set forth in the report by 30 April 2022. GRECO will assess such measures through its specific compliance procedure. The **Economic Reform Programme (ERP) 2021-2023** establishes the following priorities: Implementation of Justice Reform; Implementing juvenile justice reform; Strengthening the Fight against Corruption in the Administration; Increasing the performance of the Probation Service in the implementation of the legal framework in force and the highest standards in the field of alternative measures for the implementation of programmes as efficient as possible in the realisation of rehabilitation of convicts with alternative measures. The **ERP 2020-2022** recognises that crucial reforms for improving the business environment have progressed but require further efforts, while the comprehensive judicial reform has advanced but requires further implementation. Under chapter III pertaining to the 'Business Environment and reduction of informal economy', it includes measures to reduce corruption and informality. The **Commission Assessment of the ERP 2020-2022** states that 'Strengthening the rule of law is still needed to improve the business environment and to fight corruption in Albania. The ambitious reform of the justice system, which is currently being implemented, is expected to promote an effective and independent judicial system. Independent judicial institutions are crucial to combat corruption and the informal economy. It is also a pre-requisite for creating an environment that is conducive to investment and business. Effective measures to further strengthen the rule of law ensure adequate and timely contract enforcement and increase the transparency of legal changes would have a positive impact on the business environment and help boost productivity and competitiveness'. Coherently with the enlargement policy and the specific requirements for the justice reform and advancement in the fight against corruption, the main priorities for the Justice Sector under the **National Plan for European Integration (NPEI) 2021-2023** are identified as follows in the framework of Chapter 23 "Judiciary and Fundamental Rights": i) Further advance the reassessment process for judges and prosecutors (the completion of appeals cases is expected to consolidate jurisprudence on the most critical reassessment issues); ii) Make progress in recruiting new magistrates to fill vacant positions; iii) Approval of the new judicial map and strengthen the effective use of an improved case management system, with sound statistical capacity based on the CEPEJ methodology, which ensures randomness in case allocation; iv) Transformation of the School of Magistrates into a resource centre for European Union law / European Human Rights Law and providing specialised training for magistrates, legal advisers and assistants; v) Ensuring the full functioning of the Constitutional Court and the Supreme Court . As regards the fight against corruption, the **NPEI 2021-2023** sets the following priorities: i) Operationalise the specialised investigative and judicial bodies against corruption and consolidate the structures of new institutions; ii) Establishing a solid track record of corruption cases, confiscation and recovery of criminal assets resulting from corruption-related offenses as well as further increasing the use of investigative funds; iii) Functioning of the Anti-Corruption Network as a referral mechanism for corruption cases in public institutions; iv) The establishment and functioning of an electronic system for the declaration of private interests.

The **upcoming Cross-Cutting Justice Strategy 2021-2025 and the 2020-2023 Action Plan for the Inter-Sectoral Anticorruption Strategy** are fully aligned with all the above recommendations from the Commission, the SA Council, the FATF, MONEYVAL and GRECO.

Thematic Priority 3: Fight against organised crime / security and Thematic Priority 4: Migration and border management

The **Green Agenda for the Western Balkans** supports environmental governance, implementation and enforcement which covers having in place effective mechanisms for access to justice in environmental matters. This includes ensuring administrative capacity for combating environmental crime and other serious offenses by effective environmental inspections and administrative and criminal enforcement. The **Western Balkans Strategy** envisages strategic and operational cooperation between the EU and the Western Balkans countries on countering various types of organised crime and improving management of migration and border management. This includes ensuring access to international protection, sharing of relevant information (such as risk analyses), enhancing border

³⁷ <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a0923d>

control, ensuring the effective implementation of readmission and return policies and the fight against irregular migration and migrant smuggling. The Strategy advocates for strengthening international and regional cooperation (including with EU agencies and the respective liaison officers in the region), and further consolidating border and migration management capacities, as well as underlining the crucial role of strategic and operational cooperation between the EU and the Western Balkans on security.

In the context of the **Albania 2020 Report**, it is recommended that Albania keeps strengthening the fight against organised crime, including through cooperation with EU Member States, as well as Europol; adopt a new strategy and action plan on drugs, fill-in the legislative gap on drug precursors, and intensify the fight against drug trafficking; and adopt a cybercrime strategy and establish a more effective law-enforcement response focusing on the detection, traceability and prosecution of cyber criminals and address the growing phenomenon of pedo-pornography online. Furthermore, Albania should in particular continue to develop the systematic use of parallel financial investigations when dealing with organised crime, illicit trafficking, terrorism, and money laundering; keep implementing swiftly the action plan agreed with the Financial Action Task Force on preventing money laundering and countering terrorism financing; further step-up measures to address effectively the issue of unfounded asylum applications, including through addressing its underlying reasons, improving border checks and organising further information campaigns on the rights and obligations of visa-free travel. Relevant cooperation and dialogue with the most affected EU Member States should be continued. The Report further recognises that a robust legal framework for confiscating criminal proceeds is in place in line with the EU *acquis* but Albania has yet to adopt legislation targeting unjustified wealth, e.g. as regards the introduction of the concept of extended confiscation and of legal financial ceilings in cash transactions; the admissibility of ‘suspicious transactions reports’ as evidence in court; and the establishment of a central registry of bank accounts. The Law on weapons is partially aligned and Albania has yet to harmonise its legislation with the latest EU *acquis* developments in this area. In the context of the dialogue on the EU-Albania **Stabilisation and Association Agreement (SAA), the 12th Subcommittee meeting on Justice, Freedom and Security** met on 30 June and 1 July 2020. Representatives from the European Commission and the Albanian authorities discussed *inter alia* the most recent developments in the area of asylum and migration, money laundering, fight against organised crime, drug trafficking and counterterrorism. The Commission stressed the need for continuous efforts in the fight against corruption at all levels and the fight against organised crime. It acknowledged the concrete results achieved to tackle the cultivation and trafficking of cannabis and welcomed the intensified police operations, which require judicial follow up. The Commission welcomed Albania’s first report on the progress in completing the priority actions set out in the counterterrorism arrangement with the EU. The Commission also welcomed the concrete efforts made to improve dialogue and cooperation with the EU countries most affected by unfounded asylum applications of Albanian nationals and agreed that Albania should continue to ensure effective cooperation and work closely with Member States of destination.

The **ERP 2021-2023** presents the priorities of the Government of Albania in the field of Public Order and Security that focus on increasing management capacities of all the relevant institutions and the conformity with the European standards in the field of security. Furthermore, the Ministry of Interior aims to further consolidate a modern Digitised System of the National Civil Registry, the National Address Register System and the system of personalisation and distribution of electronic ID and biometric passport. These latter measures are part of the digital transformation and mainstreaming of digitalisation in national policy that is supported by the **Economic and Investment Plan for the Western Balkans**.

The **NPEI 2021-2023** defines medium and long-term measures in the field of legal/illegal migration, asylum, the fight against terrorism and visa policy in order for Albania to reach full legal approximation of national legislation with EU *acquis* and align all its sectors with the relevant standards. According to the NPEI, approximation with the EU *acquis* is advancing in all the areas covered by chapter 24. Some of the relevant priorities in the Chapter of Justice, Freedom and Security are: i) Intensify efforts to establish a solid record of investigations, prosecutions and convictions in the fight against organised crime, strengthen effective investigations and prosecutions of organised criminal groups, and provide final sentences for criminals; ii) Further develop the systematic use of parallel financial investigations when dealing with organised crime, drug trafficking, terrorism and money laundering; iii) Ensure coordination between relevant national structures responsible for the fight against organised crime (particularly the Albanian State Police and General Prosecution Office with regard to procedures for

obtaining and exchanging criminal information and the use of special investigative techniques) including through cooperation with EU Member States, as well as Europol; iv) Establishment of an Asset Recovery Office responsible for the identification and tracing of criminal assets and improving its capacity to manage frozen or confiscated assets; v) Prevent violent radicalisation and extremism, address the issue of returnees and design de-radicalisation and reintegration programs for returnees; vi) Capacity building in the field of cybercrime, including inter-institutional cooperation and specific training.

With regards to Integrated border management and Migration, the **NPEI 2021-2023** highlights the following objectives: i) To effectively address the problem of unfounded asylum claims in the EU by addressing the 'push factors' behind it, improving border controls and organising information campaigns on the rights and obligations of visa-free travel; ii) To strengthen the human and logistical capacities of the Border and Migration Police and strengthening the risk analysis and implementation of the FRONTEX CIRAM model.

The **Strategy on the Fight against Organised Crime and Illicit Trafficking 2021-2026 and the Action Plan 2021-2023, Counter Terrorism Intersectoral Strategy 2021-2025 and Action Plan, and the Cross-Border Integrated Border Management Strategy and Action Plan 2021-2027** are fully aligned with the relevant recommendations on fight against organised crime and security under the enlargement policy.

Thematic Priority 5: Fundamental rights

The **Western Balkans Strategy** recognises that fundamental rights are largely enshrined in the legislation of Western Balkans countries, but full implementation and law enforcement should be shown in practice. Decisive efforts are needed to safeguard the freedom of expression and independence of media as a pillar of democracy, protect minorities and fight discrimination, notably against the Roma and the Egyptians - for whom social inclusion should be more robustly promoted - and the LGBTI community. Moreover, the Strategy identifies that unclear property rights is one of the limiting factors for Albania to increase investment and one of the causes of limited access to finance, low competitiveness, and high unemployment.

According to the **Albania 2020 Report**, as regards fundamental rights, Albania should pursue the following immediate reform priorities: further improve institutional mechanisms for protecting children, protecting victims of domestic violence, promoting the rights of persons with disabilities, guaranteeing gender equality and providing minimum health and social services, especially at the local level; establish solid anti-discrimination case-law; enact the sub-legal acts related to the Law on Social Housing, which also foresees 5% of housing to be reserved for the most vulnerable members of the Roma and Egyptian communities; adopt the remaining five bye-laws to ensure full implementation of the legislation related to the 2017 framework Law on the Protection of National Minorities; consolidate the entrenchment of property rights, notably by finalising first registration, advancing the registration of property deeds, implementing the compensation scheme, and continue making the necessary progress on the digitalisation and mapping of property. As regards the freedom of expression, the Report highlighted the need to ensure a policy of zero tolerance for intimidation and attacks against journalists, as well as for threats against the media, including in political discourse; review media legislation to bring it fully in line with international standards on freedom of expression, especially regarding online media; strengthen self-regulation mechanisms; ensure implementation of the Labour Code and strengthen the protection of Albanian journalists' labour and social rights.

The **12th Subcommittee on Justice, Freedom and Security** that met on 30 June and 1 July 2020 in the context of the **EU-Albania Stabilisation and Association Agreement**, discussed the progress made by Albania to ensure fundamental rights. The Commission welcomed the adoption of the Law on the finalisation of transitional ownership processes and stressed the need to ensure its implementation. It also called for the adoption of the remaining secondary legislation on the protection of national minorities and agreed that the anti-defamation package should also be reconsidered in line with the recommendations of the recent Venice Commission Opinion. The opening remarks of the 10th meeting of the **Stabilisation and Association Committee** held on 14 November 2019 focused *inter alia* on the area of fundamental rights. The Committee stated that it is important that Albania continue to work on

the implementation of the new legislative framework on the rights of persons belonging to minorities, including secondary legislation. Property rights also require a comprehensive approach and continued reform efforts. The prison reform was also discussed, to conclude that Albania should address the recommendations of the latest report of the Council of Europe's Committee for the Prevention of Torture and Inhuman and Degrading Treatment or Punishment on the conditions in detention facilities.

The **ERP 2021-2023** establishes the following priorities: Guaranteeing the fundamental rights and freedoms of persons deprived of their liberty in the prison system and ensuring their reintegration into society; Protecting immovable property rights as a priority focusing on legalisation, urbanisation and integration of constructions and informal areas, and the regulation of the property issue pursuant to Law 133/2015 “On the treatment of property and the completion of the property compensation process” and bylaws.

According to the **NPEI 2021-2023**, approximation with the EU *acquis* is advancing in all the areas covered by Chapter 24 on Justice, Freedom and Security. Some of the relevant priorities relate to: i) Further consolidate and strengthen property rights, in particular by finalising the first registration, advancing the validation and registration of agriculture land ownership acts and other rights envisaged in the Law 20/2020 “For completion of transitory ownership processes”, implementing the compensation scheme, and continuing to make appropriate progress in the digitisation and mapping of property; ii) Establishment of Primary Legal Aid Service Centres in the planned cities aiming at extending the primary legal aid service throughout the country; iii) Full approximation of the national legislation in force for the protection of personal data with the General Regulation of Personal Data Protection; iv) Strengthen institutional mechanisms for the protection of children, protection of victims of domestic violence, promotion of the rights of persons with disabilities, guaranteeing gender equality and providing minimum social and health services, especially at the local level.

The following strategies that are relevant for the IPA III Thematic Priority 5 on Fundamental rights are being drafted: the **National Strategy for Gender Equality and its Action Plan 2021-2030**; the **National Action Plan for LGBTI Persons in the Republic of Albania**; the **National Action Plan for Integration of Roma and Egyptians 2021-2025**; the **National Action Plan for Persons with Disabilities 2021-2025**; the **Plan of Action for Children's Rights 2021-2025**; the **Policy Document Social Inclusion 2021-2025** and the **Cross-Cutting Strategy on the Property Right Reform 2012-2020** will be replaced by the upcoming Integrated Land Management Reform Strategy (ILMR) and ILMR Road map. The ongoing strategic work shall integrate the relevant directions of the EU policies.

Thematic Priority 6: Democracy

According to the **Western Balkans Strategy**, strengthening the functioning of democratic institutions, which includes ensuring constructive dialogue across the political spectrum, notably within the parliaments, is essential. The Strategy states that the government needs to ensure that the opposition has the possibility to fully perform its role, and the opposition needs to engage constructively in the democratic process. Elections should be free and fair, and the recommendations of election observation missions properly implemented. The rules for the public and private financing of political parties also require substantive reform.

The **Albania 2020 Report** noted that despite the positive outcome of the agreement reached on **elections** on 5 June 2020, the political dialogue in the country needs to be improved, in particular on electoral reform and its implementation. In the final report from its election observation mission, the OSCE/ODIHR noted that, although the June elections had been organised without major problems, they had been held with little regard for voters' interests, as voters did not have a full choice of political alternatives. It further recommended: an inclusive dialogue among political parties to carry out electoral reform; measures to eliminate the misuse of state resources; the de-politicisation of the civil service, including the establishment of independent election commissioners; ensuring the independence and impartiality of the Central Election Commission and the judiciary; swift and transparent investigation of alleged electoral violations. As regards functioning of the democratic institutions, while noticing progress in several areas, the Report advocated more transparency and accountability of Parliamentary work through full publication of parliamentary documentation and recommended strengthening of research staff and support for MPs and parliamentary groups. It also observed that the administration's performance is still poor when it comes to implementing recommendations from the Ombudsman, the

Commissioner for Protection against Discrimination and other independent institutions.

In the context of the **11th meeting of the Stabilisation and Association Council between the EU and Albania** held on 1st March 2021, the SA Council took note of progress made in the practical preparations for the forthcoming **elections**. In this regard, the SA Council agreed on the need for further follow-up on all the aspects covered by the OSCE/ODIHR recommendations, as well as Venice Commission recommendations as regards future elections. It was recalled that constructive and inclusive dialogue between political parties and cooperation in Albania's parliament will be essential for further progress on reforms and for the overall sustainability of engagement in the EU integration process.

The **NPEI 2021-2023** presents the following priorities for the Parliament: i) Strengthening the legislative function of Parliament; ii) Improving the legal framework for elections; iii) Strengthening the oversight role of Parliament; Strengthening parliamentary transparency; iv) Strengthening the Parliament's administrative capacity.

Thematic Priority 7: Civil Society

The **Western Balkans Strategy** states that the governments should ensure stakeholders can actively participate in the reform and policy making process, with the involvement of an empowered civil society through inclusive dialogue platforms. Therefore, the government should provide a better environment for civil society. The **Albania 2020 Report** states that the Law on the National Council for Civil Society needs to be amended to reflect changes in ministerial portfolios and provide for appropriate representation in the Council, and substantial efforts are needed to ensure meaningful and systematic consultations with civil society as part of an inclusive policy dialogue for reforms. According to the 2020 Report, these efforts should involve comprehensive feedback and follow up mechanisms. Moreover, the Report observes that the financial sustainability of civil society organisations remains a challenge due to unfavourable fiscal and legal frameworks.

The **NPEI 2021-2023** addresses the above-mentioned EU recommendations by recognising the need to improve the adherence to the EU *acquis* and structured co-operation among all stakeholders, including local authorities, industry, and civil society. Moreover, the Plan defines as a priority the involvement of civil society, local government, the business community, employer associations, the academic world and interest groups in policy consultations and monitoring of policy formulation and budget planning, reporting and the overall EU Accession process.

The **Roadmap to the Government Policy Towards an Enabling Environment for Civil Society Development 2019–2023** is in line with the above recommendations.

4. SECTORAL ANALYSIS

Coherence of strategies with the sector approach. As presented in the previous section, many of the key strategies are still under development or consultation as of March 2021. However, efforts have been enhanced for the new cycle of strategies to ensure that the preparation of each strategy is evidence based, takes into account the lessons learned from implementation of the phasing-out strategy, appropriately considers the results achieved so far and the main challenges, and identifies and build on the key priorities in the context of an inclusive partnership. Furthermore, the new strategic framework is based on the Integrated Planning System (IPSIS) approach. One relevant example is the drafting process for the Crosscutting Justice Strategy 2021-2025. The Strategy Task Force in the Ministry of Justice (MoJ) started the process with the assistance of EURALIUS V technical expertise, preparing a road map for the drafting of the new strategy, including a stocktaking exercise of the situation in the sector and progress of ongoing strategy implementation. The detailed analysis of the 2016-2020 Strategy and the implementation of its Action Plan served as a guide for drafting the new Concept Document of the Strategy to identify concrete and necessary measures that are feasible within the set deadlines. The new Justice Strategy and its Action Plan were finalised on 22 January 2021 based on the IPSIS approach.

As regards the enforcement of the partnership principle, the 'Open Government Partnership (OGP) National Action Plan for Albania 2020-2022' states that "As public trust is being developed it is necessary to not only publish information, but to reach out to citizens through a variety of channels.

Justice related strategies, action plans and their accompanying implementation and monitoring reports will not only be published and made public (milestone 4), but their conclusions will also be disseminated through audio-visual communication via TV appearances of the Minister, awareness campaigns, awareness activities, etc. (milestone 5)³⁸. The new draft Justice Strategy has been published on the MoJ website³⁹.

Thematic Priority 1 - Judiciary and Thematic Priority 2 - Fight Against corruption

In the context of the vast judicial reform initiated in 2014 in Albania, involving constitutional amendments in 2016 and a set of organic laws aimed at strengthening guarantees of independence, impartiality, professionalism and integrity within the judicial system, and improving its functioning, the most important pillars of the Justice Reform have been the establishment of a new independent judiciary institutional system and of a transparent vetting process. A third pillar of the reform focuses on access to justice, supported by the introduction of a new legal aid system accessible for those without a regular income as well as victims of trafficking, domestic violence, discrimination, etc.

A number of new independent institutions have been established in December 2018, including among others the High Judicial Council (HJC) replacing the former High Council of Justice and the High Prosecutorial Council, and the Justice Appointment Council. Since its establishment, the High Judicial Council has concluded the process of appointment of 7 High Court judges, whereas for other 8 vacancies at the High Court the process is ongoing. Simultaneously, the High Judicial Council is in the process of conducting the promotion of judges to the appeal level courts as well as the special courts. The High Prosecution Council has concluded the process of appointment of 13 prosecutors of the Special Prosecution against Corruption and Organised Crime, and ranked the candidates for the appointment of the Prosecutor General, appointed by the Assembly on 19 December 2020. The Justice Appointment Council has concluded the process of evaluation and ranking of the candidates for 6 judges of the Constitutional Court, and the High Justice Inspector. The new High Justice Inspector (HJI) was appointed in January 2020. Furthermore, a large-scale exercise of vetting of judges and prosecutors was initiated, inter alia, with a view to fighting corruption in the judiciary. This re-evaluation process (vetting) is still being carried out, involving a large number of Albanian judges and prosecutors. The vetting institutions are working under the oversight of the International Monitoring Operation (IMO), deployed by the EC in cooperation with the USA. At the time of drafting this document, around 52% of the evaluated candidates have either been dismissed from duty or have resigned.

The General Prosecutor Office (GPO) is the highest authority exercising the criminal prosecution of entities or individuals and representing the accusation in court on behalf of the state.

In December 2019, the Parliament of Albania established the Special Anti-Corruption and Organised Crime Structure (SPAK). In July 2021, the Head of the National Bureau of Investigation (NBI) was appointed. A process of appointment of 60 investigators of the NBI has been carried out, with 28 already appointed, with procedures ongoing for the remaining 32 at the time of drafting this document. Moreover, the Prime Minister's Order no. 114/2019 established the new Directorate of Programmes and Projects in the field of Anticorruption in the MoJ. A Network of Anticorruption Coordinators is serving as a national corruption referral mechanism, assigned to 17 central institutions and their local branches (property administration, labour and social services, health care services, environmental protection, education, agricultural and rural development, etc.). The network follows on a case-by-case basis any signal or indication of corruption in full coordination with the relevant state institutions. In addition, it is responsible for the collection, analysis and coordination of information on corruption cases referred to from various sources, reporting to the dedicated unit within the Ministry of Justice and conducting anti-corruption risk assessment and management. The Transparency and Anti-Corruption Unit established in the PMO is responsible for the administrative investigation of administrative compliance and/or reports for abusive, corrupt, or arbitrary practices, the identification of state employees who by actions or omissions have committed violations, making recommendations on related issues, and raising public awareness in the fight against corruption.

³⁸ https://www.opengovpartnership.org/wp-content/uploads/2021/01/Albania_Action-Plan_2020-2022_EN.pdf

³⁹ <https://www.drejtesia.gov.al/wp-content/uploads/2021/02/Draft-Strategjia-Nd%C3%ABrsektoriale-Drejt%C3%ABsis%C3%AB-2021-2025-p%C3%ABr-konsultim.pdf>

With regards to **institutional and organisational set up**, the MoJ is the Lead institution in charge for alignment with the *EU acquis* and coordination of the reform on functioning of the judiciary – which includes courts management, penitentiary reform, alternative dispute resolution, probation reform, access to justice/legal aid, juvenile justice, and mental health and justice, and the cross sectoral fight against corruption – including prevention of corruption, internal control mechanisms, preventing and detecting conflicts of interest and checking asset declarations. The General Directorate of Probation Service supervises the execution of alternative court conviction. Law 78/2020 “On the Organisation and Function of the Probation Service” established basic and continuous training of the staff, but is not properly implemented, and the sub-legal framework is not yet in place. The number of probation officers remains insufficient to carry out the services. Currently 84 probation officers are operational (excluding administrative staff), with an average of more than 160 people under supervision per officer, far exceeding the EU recommended caseload of no more than 50 people under supervision per officer. The Free Legal Aid Directorate, created by Law No. 111, dated 01.06.2017, is a subordinate institution of the MoJ. Its mission is to provide/ensure the integrity of the free legal aid access system in Albania, as one of the key pillars in protecting human rights. The Juvenile Justice Unit, part of the MoJ is responsible for developing work programmes for the treatment of juveniles to assist their reintegration and rehabilitation, standards of practices related to juvenile justice issues and reporting on the implementation of the institutional obligations established in the framework of co-operation between law enforcement agencies for the treatment of juveniles.

There is a need to ensure coordination between the judicial and the law enforcement structures, and cooperation between these structures and the independent institutions of the judiciary given that many of the structures are recently established and therefore lack experience and, in some cases, appropriate logistics.

The **main challenges** faced by the Judiciary system in Albania are related to the insufficient human, operational and financial capacities. In 2019, Albania had 329 full-time judges (12 per 100,000 inhabitants) - almost half the EU average of 21 judges per 100,000 inhabitants, and 299 full-time prosecutors (11 per 100, 000 inhabitants). The high number of vacancies is due to the vetting process; recruitment progressed slowly during 2019-2020, with only 24 magistrates appointed in 2019 and 21 in 2020. There will be no magistrate graduates from the School of Magistrates in 2021 as the transitory legal changes necessary to increase the intake are not adopted yet. A significant increase in graduates of the School of Magistrates is expected in 2022 and 2023, with respectively 46 and 70 candidate magistrates to be admitted, as defined by the HPC and HJC. Therefore, effective measures to fill judicial vacancies and continue progress in the recruitment of new magistrates is a top priority. The School of Magistrates is facing an extraordinary challenge as it has to increase its capacities in the initial training programme by 300% in order to train up to 75 magistrate candidates a year for a period of 5-7 years and ensure the replacement of vacancies created by the dismissal of magistrates following the vetting process. The Strategy of the School of Magistrates 2019-2023 identifies the need for new training curricula and a review of existing curricula for magistrate candidates, on-duty magistrates, candidates for legal advisers/legal assistants and those in office, candidates for state advocates and state advocates in office, candidates for chancellors and chancellors in office, including integrated curricula and modules in the e-learning platform for distance training. In July 2019, the School of Magistrates was transferred to the new Justice Centre, but it continues to rely heavily on donors’ financial support and has limited capacity in terms of academic staff and qualified specialised trainers. Moreover, the School is not yet prepared to deliver regular training for other judicial professionals like legal advisers and assistants, state advocates and chancellors in courts and prosecutors' offices.

The judicial system is urgently in need of an adequate and fully functional Integrated Case Management System (ICMS). The Albania 2020 Report observed that the current electronic case management system has shown many shortcomings, including ensuring random allocation of cases to prosecutors and prosecution offices often fail to make full use of the system to produce reliable data. Current budgetary and human resources capacities allocated to the ICMS remain insufficient to establish and maintain an adequate integrated case management system. There is still no roadmap for the ICMS and the legal framework for its functioning needs to be drafted. The current system lacks many functionalities, and it has not been updated/upgraded to meet recent legal developments in the Criminal Procedure Code of Albania, as well as not providing sound, reliable and coherent statistical data based on the CEPEJ

methodology⁴⁰. District and appellate courts need support to gain efficiency for trials, which should be ensured in cooperation with the HJC. The Mid Term Strategy 2018-2020 and the Action Plan of the General Prosecution Office refer to the investment needs in infrastructure in order to improve working conditions in the prosecution system according to modern standards. With regards to investigation, the current ICMS does not allow the exchange of information between the Prosecution Office and other state organisations (e.g. between the Property cadastre and Civil Registry) while there is a risk of duplication of investigations on the same person by different prosecutors. The time needed for processing a typical case in a prosecution office is still long. Sufficiently trained technical staff are not available to assist the users of the ICMS in their everyday work. The issues related to the length of proceedings and low clearance rate at all court levels negatively affects the overall efficiency and credibility of the system. Court infrastructure remains poor overall and makes urgent the approval and implementation of the Judicial Map. In terms of transparency, court decisions are reasoned, and hearings are audio-recorded, but publication of courts' decisions is often delayed. In terms of reliable data, there is still a lack of consolidated reporting on the efficiency of the justice system, linked also with the proper functioning of the ICMS.

Another significant challenge is the alignment of the national legislation with the EU *acquis*. Only 26% of the relevant legislation is aligned; however, the MoJ and the Members of the Inter-institutional Working Group for Chapter 23 lack capacities to conduct the legal approximation process and need support for both legal drafting and translation.

The penitentiary system requires support for assessment and reorganisation, staff training, vocational training and rehabilitation of prisoners, detainee health care and the improvement of its infrastructure. The probation service also needs support for strengthening its institutional capacities in line with EU principles. Better coordination between the probation and penitentiary system is needed, as well as an increase in their allocated budgets and an improved legal and sublegal framework.

In the **anti-corruption** domain, the main challenge is the insufficient staff capacities in the MoJ and in the Anticorruption Network to run fully the complex anti-corruption reform process and legislative framework, the lack of proper coordination between law enforcement authorities, especially between those dealing with tax fraud and tax evasion and the need to intensify the fight against money laundering through more effective use of criminal intelligence. The legal, regulatory and institutional framework requires further enforcement and the operational capacities of the new institutions need to be enhanced.

The monitoring and reporting system and sector coordination are governed by the Sectoral Steering Committee for Justice reform (Judiciary) and the Integrated Policy Management Group for Good Governance and Public administration reform (Anti-Corruption) under the IPMG coordination mechanism. Better automated data collection and processing is needed to collate and reconcile information obtained from many institutions (government and independent institutions). Monitoring of the implementation of human rights within the Justice sector strategies takes places through the IPMG mechanism. Along with the IPMG-related Steering Committee, the monitoring structures include the inter-ministerial committee on anti-corruption composed by 12 Deputy Ministers and at technical level, the inter-institutional anti-corruption task force led by the Minister of Justice, in the role of National Coordinator Against Corruption. The Transparency and Anti-Corruption Unit established in the PMO is responsible for monitoring the Transparency Programme and the access to public information. As regards **sector financing**, the budget for Thematic Priority 1 is structured through the Medium-Term Budget Planning mechanism, including 8 budget programmes under Ministry of Justice and 8 budget programmes under the management of the Judiciary independent institutions. The total amount allocated in 2020 is approximately EUR 115 million, accounting for around 4% of total government expenditure. As regards Thematic Priority 2, anti-corruption is not integrated into a single budget programme, being spread among several programmes in different institutions.

⁴⁰ CEPEJ is the European Commission for the efficiency of Justice established by the Committee of Ministers of the Council of Europe in 2002 (<https://www.coe.int/en/web/cepej/about-cepej>).

Thematic Priority 3: Fight against organised crime / security and Thematic Priority 4: Migration and border management

With regards to the **organisational and institutional set up**, the Ministry of Interior (MoI) is the central state institution for policy making, overall budget planning and leading Chapter 24 negotiations and the related legal approximation. The MoI is responsible for the policy area of public order, security, fight against organised crime and migration. The Albanian State Police (ASP) and the Security Academy are subordinated bodies of the MoI. In 2017, there were 11,058 officers in the ASP, equivalent to 247 officers per 100,000 inhabitants, compared with an EU average of 326. Some 100 additional officers were recruited in 2019. The ASP needs to be reorganised, following the establishment of the Special Prosecution Office (SPO) in December 2019 which took over organised crime and high-level corruption files and the transfer of some of the Serious Crime Prosecution Office's competences to local prosecution offices. Local judicial police officers need training to investigate new criminal offences, in particular financial and money laundering offences. The ASP suffers from frequent staff rotation, affecting its operational capacity. Given the importance of international cooperation in this sector, the ASP also needs to improve its logistical and technical means including management information systems to be able to cooperate effectively and efficiently with EUROPOL, the European Border and Coast Guard Agency (FRONTEX) and other relevant agencies.

The National Bureau of Investigation is a specialised section of the judicial police, which investigates criminal offences under the jurisdiction of the SPAK which represents the state in the Anti-Corruption and Organised Crime Court of First Instance in accordance with the provisions of the Criminal Procedure Code. The SPAK prosecutors are appointed by the High Prosecutorial Council. The NBI maintains Judicial Police Services in accordance with the law. The Director of the NBI, the investigators and its Judicial Police Services operate under the direction of the special prosecutors of the SPO. The Chief Special Prosecutor is currently backed by twelve special prosecutors and two seconded special prosecutors. The support staff comprises 25 employees on temporary transfer from the Serious Crime Prosecution Office pending the vetting and appointment of permanent support staff. The relevant institutions require adequate resources and stability in order to ensure continuity in the fight against organised crime.

The Central Laboratory of Police, under the ASP/MoI, is key for ensuring the needed evidence during investigation and is responsible for analyses of samples from Police seizures. The laboratory is not a member of any network. The laboratory officials note that their capacity to identify NPS⁴¹ is limited.

The General Directorate for the Prevention of Money Laundering (GDPML) under the Ministry of Finance and Economy, provides value added intelligence on anti-money laundering from crime and countering the financing of terrorism (AML/CFT) activity in Albania. The Agency for Administration of Seized and Confiscated Assets under the MoI is responsible for the administration of sequestered and confiscated assets deriving from illegal activities and organised crime. The objectives of the Agency are the strengthening of inter-institutional cooperation and the effectiveness of asset recovery in Albania in order to step up the fight against money laundering and terrorist financing.

The General Prosecutor's Office is the key institution in charge of the investigation and prosecution of all forms of crimes. Recently its legal and organisational framework has been reviewed and changed as a result of the judicial reform. It is an independent body, which ensures the respect of the independence of prosecutors to investigate and prosecute, in accordance with the law.

The National Inspectorate for the Protection of the Territory, under the MoI, performs its duties through its 12 directorates in each region of the country. Since January 2020, the scope of its activity and functions has been expanded, adding to the protection of the territory from illegal construction, the protection of the environment, mainly of water, land and forests, with an emphasis on forests. Other agencies in charge of monitoring environmental exploitation and possible crimes are the National Environment Agency as the main institution responsible for biodiversity monitoring and assessment and licensing of activities occurring in natural areas and/or affecting biodiversity values and the State Inspectorate of Environment and Forests, responsible for surveillance, inspection and overall law enforcement on nature conservation related issues.

Given the number of bodies forming the institutional and organisational set up for fight against organised

⁴¹ New Psychoactive Drugs.

crime / security and migration and border management, efficient exchange of information and coordination across entities is a recognised challenge.

The fight against organised crime is a key priority of the Government. In this regard, the Albanian Parliament adopted Law 18/2020 dated 5.3.2020⁴² countering organised crime, terrorism, and serious crimes with the purpose of tackling the economic and financial sources of organised crime in the country. The ASP is responsible for implementing the new legislation in close cooperation with the SPAK. The cornerstone of this reform is the implementation of a large-scale vetting process for prosecutors and Albanian State Police officers. The following **main challenges** are identified: 1) Need to increase the capacities of the Albanian law enforcement system (Albanian State Police; SPAK; NBI; National Territorial Protection Inspectorate (IKMT); GPO) to fight organised crime (including environmental crime), and counter terrorism, bring cases to trial and increase the number of convictions; 2) Need to increase the capacities of MoI for drafting / reviewing and translating strategic documents and legislation related to Chapter 24 of the accession negotiations, also considering the high number of primary and secondary legislative acts to be transposed⁴³ supplemented by the large volume of case law of the Court of Justice of the European Union; 3) Put fully in function the National Referral Mechanism in order to protect, assist and support trafficking victims; 4) Put in full operation the NBI defining its investigation competence and inter-institutional cooperation, and provide necessary facilities; 5) Need to consolidate the Security Academy's capacities to ensure high-level training infrastructure and EU compliant qualification curricula; 6) Provide for the application of EU standards for border control and surveillance and continuous training programmes for the Border and Migration Police (BMP) 7) Align with EU/Schengen standards in terms of the equipment and logistics for effective border control, surveillance, and the management of migration flows; 8) Decrease the number of unfounded asylum applications lodged by Albanian nationals in the EU remains, particularly to address the phenomenon of unaccompanied minors.

The monitoring and reporting system and sector coordination are governed by the Sectoral Steering Committee for Internal Affairs, chaired by the MoI, where the main actors are represented (including SPAK, GPO, ASP). Significant efforts are being made to improve sector coordination which, as mentioned above, given the number of institutional actors involved is recognised as a challenge. Monitoring of the implementation of human rights within the sector strategies takes places through the IPMG mechanism. Regarding the budgeting structure, the sector is well integrated into the Medium-Term Budget Programmes, namely the State Police Programme and Planning and Management Programme, which represents 80% of entire MoI budget in the Mid-Term Budget Programme (MTBP) 2020-2022. As regards **sector financing**, the total budget allocation under both Thematic Priority 3 and 4 accounts for EUR 144 million in 2020, or 6% of total government expenditure.

Thematic Priority 5: Fundamental rights - Thematic Priority 6: Democracy - Thematic Priority 7: Civil Society

With regards to the **organisational and institutional set up**, several institutions are operational under the sectors covered by the three Thematic Priorities 5, 6 and 7. The Ministry of Health and Social Protection (MoHSP) is responsible for implementation of the National Strategy for Gender Equality, the National Action Plan for LGBTI Persons, the National Action Plan for Integration of Roma and Egyptians, and the Plan of Action for Children's Rights. The MoHSP implements the system of public health that, as the COVID-19 pandemic has indicated, must ensure individual health as a right to be publicly protected. The MoHSP needs to increase and improve its administrative capacities considerably.

The Commissioner for Protection from Discrimination needs to strengthen its capacities in handling cases of human rights violations due also to lack of legal provisions, and the misapplication of legal and sub-legal provisions. The Information and Data Protection Commissioner (IDPC) is the national

⁴² <http://www.parlament.al/Files/ProjektLigje/20200310112814ligj%20nr.%2018,%20dt.%205.3.2020.pdf>

⁴³ In total 392 acts divided into "hard *acquis*" (mandatory *acquis* to be transposed such as EU treaties, directives, regulations, etc.) and "soft *acquis*" (*acquis* stemming from standards, principles and recommendations of EU institutions or other relevant international organisations).

supervisory authority of the Republic of Albania in charge of supervising and monitoring the right to access public information and for guaranteeing the protection of personal data.

The Prime Minister's Office /Development and Good Governance (DDGG) coordinates the process regarding land management and property rights. The State Cadastre Agency is subordinated to the Prime Minister's Office and in charge of completion of the legalisation process, the digitisation and correction of cadastral data, completing and digitising an inventory of state assets, and the completion of agricultural title issuance. The Property Treatment Agency (ATP), under the MoJ, is in charge of the examination of the claims of expropriated subjects and claims for compensation. The Ombudsman is an independent institution acting as the People's Advocate to defend the rights, freedoms and lawful interests of individuals from unlawful acts of public administration bodies as well as third parties acting on its behalf. The Parliament and the Central Electoral Commission are vital institutions for democracy. The Agency for the Support of Civil Society is the main institution providing public support for the civil society and in charge of policy making and its implementation.

The following **main challenges** are identified in relation to the protection of **fundamental rights**: 1) The effective implementation of the national strategy and action plan 2016-2020 on gender equality is hampered by a persistent funding gap. More efforts are required to ensure that all sectoral strategies at central and local level are gender mainstreamed and apply gender responsive budgeting; 2) Obstacles to the exercise of the right to health and to sexual and reproductive health services, particularly for vulnerable groups, persist across the country. While abortion care is guaranteed by law, women from vulnerable groups, especially Roma women, face barriers in accessing it; 3) Vulnerable groups require wider range of services offered at higher standards. Protection and long-term treatment of all family members affected by violence is still to be ensured. There is a need for an increased awareness of the new generation to be open minded, without prejudice and gender stereotypes, against gender-based and domestic violence; 4) Improvement of conditions in prisons is necessary and the use of alternatives to custody should increase; 4) Challenges in the domain of protection of personal data are related to further aligning the national legislation with the EU *acquis*; 5) The freedom of expression including protection of journalists' work must be ensured; 6) To advance towards an efficient and legal property rights regime, the most pressing challenges are the finalisation of Property first registration and the update and improvement/ correction of existing cadastral data, the full digitisation of the cadastre register and the operationalisation of Central Integrated Land Management System (ILMS) as well as addressing capacities of the State Cadastre Agency (SCA) and ATP to fully enforce the regulatory framework. A further issue in property rights is addressing women's access to property rights which although enshrined in law is hindered by discriminatory cultural and social attitudes, practices at the institutional and community levels, and women's lack of knowledge of their rights.

The overall challenge for **democracy** is the proper implementation of the recent constitutional amendments on elections through the development of comprehensive secondary legislation. The independence and the impartiality of the Central Election Commission and the judiciary need to be continuously ensured. The Office for Democratic Institutions and Human Rights (OSCE/ODIHR) recommendations need to be fully implemented. The de-politicisation of the civil service and ensuring there is no pressure on voters to attend political campaign events or vote in a particular way requires continuous engagement from all stakeholders. A stronger alignment of the legal requirements for the transparency of media ownership and its limitations with international standards is required, including legislation review on public advertising to increase transparency.

Substantial efforts are still needed to ensure meaningful and systematic consultations of the Government with **civil society** and follow up mechanisms. The financial sustainability of Civil Society Organisations remains a major challenge and the legal and regulatory framework of the tax regime for CSOs is still an issue. The Law on the National Council for Civil Society requires amendments and proper implementation. Public funding is still insufficient to sustain CSOs' initiatives, in particular in the social sector.

The monitoring and reporting system and sector coordination are partly governed by the Public Administration Reform (PAR) and Good Governance IPMG, and partly by the Employment and Skills IPMG. There is a specific IPMG on Integrated Land Management, the function of which is performed by the Inter-ministerial Committee of the Integrated Land Management Reform. Monitoring of the implementation of human rights within the sector strategies takes places through the IPMG mechanism. As regards **sector financing**, the overall budget for the Thematic priority 5, 6 and 7 accounts altogether

EUR 48 million in 2020, structured in 8 budget programmes, representing only 2% of total government expenditure. The Agency for the Support of Civil Society is financed under the Prime Minister's Office budget programmes.

5. COHERENCE OF SECTORAL STRATEGIES WITH REGIONAL AND GLOBAL STRATEGIES

The Cross-Sector Justice Strategy 2017-2020 and Action Plan 2019-2021, Cross-cutting Justice Strategy 2021-2025, Inter-Sectoral Strategy against Corruption 2015-2020 and Action plan 2020-2023 and Strategy on the Fight against Organised Crime and Serious Crime 2021-2025 and the Action Plan 2021-2022 are directly aligned with Sustainable Development Goal (SDG) 16 'Peace, Justice and Strong Institutions' and specific targets to promote the rule of law and ensure equal access to justice for all, reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets; combat all forms of organised crime and reduce corruption and bribery in all their forms and strengthen relevant national institutions, including through international cooperation, for building capacity to prevent violence and combat terrorism and crime. Organised crime is also recognised as a cross-cutting threat to sustainable development, putting at risk SDGs 3, 14 and 15⁴⁴. The Action Plan for Social and Economic Reintegration of Women and Girls Victims / Potential Victims of Trafficking is in line with the specific target to end abuse, exploitation, trafficking and all forms of violence against and torture of children. Women survivors of domestic and sexual violence and human trafficking are one of the main groups to benefit from the free legal aid system⁴⁵ and expanded protection measures for victims of crime under the Code on Criminal Procedures⁴⁶. The strategies are also in line with the approach outlined in the EU Gender Action Plan, (GAP III) 2021-2025 to ensure freedom from all forms of gender-based violence against women, girls, men and boys. The UN Women's Global SDG Database gives Albania a scoring of 91.7 percent for overall legislative frameworks on Gender-Based Violence (GBV).

The sector strategies regarding Fundamental Rights are aligned with the 2030 Agenda for Sustainable Development. SDG 16 recognises that public access to information and protection of fundamental freedoms needs to be ensured in accordance with national legislation and international agreements as well as the need to promote and enforce non-discriminatory laws and policies for sustainable development. Property-rights and land-related targets are principally addressed under SDG 11 Sustainable cities and Communities as well as under SDG 5 target 5.to give women access to ownership and control over land and other forms of property and SDGs 1, 2, 11 and 15. The National Strategy for Gender Equality and its Action Plan, 2016-2020 is fully aligned with SDG 4 Achieve gender equality and empower all women and girls.

Albania's first Gender Equality Index was published in 2020⁴⁷. This provides a detailed analysis of remaining gender equality challenges, representing a strategic guide to plan policy measures. The results reveal interesting findings in comparison with the EU. In the domain of power, Albania's score of 60.9 is remarkably higher than the EU average of 51.9 reflecting the high representation of women in political and economic bodies. However, challenges persist the domain of time, with 51.1% of women caring for children or grandchildren, older people or people with disabilities every day, in comparison with 24.6 % of men. In the EU it is 37.5% of women, compared with 24.7% of men.

Albania signed the Istanbul Convention on 19 December 2011 and was the second Council of Europe member state to ratify the Convention on 4 February 2013. Albania ratified the Convention without entering into any reservation. The Convention entered into force in Albania on 1 August 2014. The first Law on Domestic Violence in 2006 was later amended in 2018 and 2020 to bring it in conformity with the Istanbul Convention. In April 2020, the Criminal Code also was amended to recognise dating violence as a form of domestic violence offence, following similar amendments that took place in 2018 amendments in the Law on Domestic Violence.

⁴⁴ <https://globalinitiative.net/wp-content/uploads/2015/01/global-initiative-organized-crime-as-a-cross-cutting-threat-to-development-january-2015.pdf>

⁴⁵ Law 117/2017 "On State guaranteed legal aid".

⁴⁶ Law No.35/2017 "On amendments the law No.7905/21/03.1995 on the Code on Criminal Procedures".

⁴⁷ <https://shendetesia.gov.al/shqiperia-publikon-indeksin-e-pare-te-barazise-gjinore-manastirliu-te-dhenat-e-vendosin-shqiperine-ne-mes-te-vendeve-te-bashkimit-europian/>

Even though there is no specific SDG in support of Civil Society, multi-stakeholder partnerships are also considered a goal in themselves (SDG 17), underscoring the importance of working in partnership with civil society in its implementation. Underlying all the SDGs is the principle of “leave no one behind” to ensure that development has positive impacts on the poorest and most marginalised members of society, and CSOs can play a critical role complementing government initiatives with community-based, tailored assistance, in line with the objectives of the Government Policy Towards an Enabling Environment for Civil Society Development (“Roadmap”) 2019-2023.

PART 2 – PRIORITIES, OBJECTIVES AND ACTIONS UNDER IPA III ASSISTANCE

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

2. KEY THEMATIC PRIORITIES

The thematic priorities selected from the IPA III Programming Framework proposed to be addressed by the Actions described below for the period 2021-2024 are the following: Thematic Priority 1: Judiciary; Thematic Priority 2: Fight against corruption; Thematic Priority 3: Fight against organised crime / security; Thematic Priority 4: Migration and border management; Thematic Priority 5: Fundamental Rights and Thematic Priority 6: Democracy.

The objectives pursued in accordance with the Programming Framework and the area of support are presented below for each Thematic Priority. It is highlighted that several planned outputs shall contribute to other areas of support such as Window 3/ Thematic priority 1: Environment and climate change and Window 2/ Thematic Priority 2: Administrative capacity and EU *acquis* alignment.

Thematic Priority 1: Judiciary

- To strengthen the judiciary system by ensuring and monitoring the integrity of the magistrates, improve transparency of the judiciary and deliver better communication to the public on the functioning of the judiciary.
- To enhance justice efficiency and court management to ensure fair and timely proceedings for civil and administrative matters.
- To improve the professionalisation of judges and of the justice system as a whole, including the skills and capacities of officers and introducing management techniques in courts, beefing up the capacity to monitor and evaluate the performance of courts and the use of data and information and communications technology tools such as the digitalisation of management systems.
- To ensure fair and timely court proceedings on organised crime and corruption cases and improve the efficiency of service delivery of courts administration and the legal predictability of services related to judiciary.
- To improve access to justice, including for vulnerable persons and Juveniles and provide free legal aid.

Thematic Priority 2: Fight against corruption

- To consolidate the independent institutions, to prevent and tackle corruption and conduct more effective investigations and prosecutions, leading to a solid track-record of final court rulings that are enforced.
- To strengthen specialised prosecutorial structures to fight corruption (and organised crime) and judicial bodies.

Thematic Priority 3: Fight against organised crime / security

- To establish and strengthen the existing track records of investigation, prosecution, and conviction for organised crime, through better security and investigation practices as well as to counter radicalisation and combating all forms of violent extremism.
- To increase capacities to effectively dismantling criminal networks and their economic bases more effectively, making systematic and proactive use of financial investigations and applying asset confiscation.

Thematic Priority 4: Migration and border management

- To increase operational capacities of Integrated Border Management authorities and fostering further compliance with the rule of law and good governance principles, and stepping up international police cooperation.
- To further develop capacities to support asylum seekers and refugees.

Thematic Priority 5: Fundamental rights

- To implement the right to immovable property as one of the fundamental rights recognised by the EU Charter of Fundamental Rights.

Thematic Priority 6: Democracy

- To assist in implementing the recommendations of election observation missions (OSCE/ODIHR).
- To enhance parliamentary accountability, oversight of the executive, and democratic scrutiny by strengthening political and investigative journalism.

Thematic Priority 7: Civil Society

- To support Civil Society Organisations' development and long-term sustainability.

3. LIST OF ACTIONS PROPOSED FOR IPA III SUPPORT 2021 – 2024

Albania is interested in the possibility of participating in Team Europe initiatives and will discuss this further with the European Commission.

PROGRAMMING YEAR 2021

- **EU for Justice and Rule of Law (TP1, TP3 EUR 22 million plus EUR 500,480 Beneficiary contribution)**

This Action is framed within the ongoing comprehensive reform that Albania is implementing to strengthen the justice system and rule of law and shall build on the ongoing support under IPA 2018 and upcoming support under IPA II. Support under IPA II has been provided for the Rule of Law, Justice Reform, the vetting process and the independent justice institutions and this Action shall

build on this assistance, in order to further support the efficiency, accountability, and professionalism of the judiciary, prosecution offices, and independent justice institutions, as well as the Ministry of Justice and its subordinate institutions. The Action shall target the increasing of capacities and key investments within the justice system to further consolidate the reform and cope with the challenges ahead to ensure full efficiency of the justice system. New support shall be given for the reengineering of the Integrated Case Management System and the strengthening of the human rights approach through support to probation services, free legal aid and the reintegration of juvenile offenders. Support shall be provided to increasing proactive investigations, prosecutions and final convictions in the fight against organised crime, including environmental crime, and capacities to counter terrorism and financing of terrorism, also through the intensification of cooperation with EU Member States, Europol and Interpol. The capacities of the Ministry of Justice and the Ministry of Interior to align with the EU *acquis* shall be enhanced.

- **EU for Property Rights (TP5, EUR 10 million)**

Land ownership is one of the most complicated and cumbersome issues in Albania affecting the rule of law and its economic development. Strengthening the productivity and sustainability of land use is a key priority of the Government. Currently, however, the protection of immovable property rights cannot be enforced due to fragmentation, the uncertainty and complexity of legislation and sub-laws, informality, the proliferation of illegal buildings, requiring the compensation of owners. This Action is the second phase of the IPA 2020 Property Rights Programme and shall continue its activities through: the improvement of the spatial data and legal property rights information which will be corrected, updated and made publicly accessible; the re-engineering of the State Cadastral Public Services, and preparatory actions to set up the land parcel based agricultural monitoring system according to EU standards.

PROGRAMMING YEAR 2022

- **EU for Democracy (TP6, EUR 5 million)**

The Action provides a response to the challenges to Albania's democratic system by offering support to address long-standing weaknesses in the electoral management system in line with the EU Electoral Cycle Approach, increasing media independence and journalism quality, ensuring equal participation of women in democratic institutions and creating an enabling financial and legal environment which supports the sustainability of Civil Society Organisations. In line with the European Democracy Action Plan, this Action shall prompt the implementation of democratic principles through cooperation among parliament, the political parties, and the media and civil society so that the necessary checks and balance are fully in place and strengthened. This Action also recognises the need to improve the professional capacities of young journalists, journalism students and journalism departments in Public Universities on the principles of transparency, investigative journalism and news reporting.

PROGRAMMING YEARS 2023 AND 2024

- Support to the anticorruption institutional framework (TP2, EUR 3.85 million)
- Fighting organised crime and improving citizens safety and security (TP3, EUR 10 million)
- EU for Border Management: Improving Border Surveillance with regard to the fight against organised crime, drug trafficking and illegal migration (TP4, EUR 10 million)
- Supporting Albanian Diaspora Empowerment and Engagement (TP4, EUR 2.5 million)

4. INDICATIVE BUDGET AND IMPLEMENTATION PLAN 2021-2024

	Estimated budget (million EUR)	Implementation plan⁴⁸ Planned date for the submission of the Action Document
2021		
Thematic Priority 1– Judiciary and Thematic Priority 3– Fight against organised crime / security		
EU for Justice and Rule of Law	22	March 2021
Total Thematic Priority 1 (2021) – IPA contribution	18	
Total Thematic Priority 3 (2021) – IPA contribution	4 (plus EUR 0.50048 as Beneficiary contribution)	
Thematic Priority 5– Fundamental rights		
EU for Property Rights Phase II	10	March 2021
Total Thematic Priority 5 (2021) – IPA contribution	10	
2022		
Thematic Priority 6– Democracy		
EU for Democracy	5	March 2021
Total Thematic Priority 6 (2022)	5	
2023 -2024		
Support to the anticorruption institutional framework	3.85	March 2022
EU for organised crime and internal security: Fighting organised crime and improving citizens safety and security	10	March 2022
EU for Border Management: Improving Border Surveillance with regard to the fight against organised crime, drug trafficking and illegal migration	10	March 2022
Supporting Albanian Diaspora Empowerment and Engagement	2.5	March 2022
Total Thematic Priority x (2023-2024)	26.35	
Total (2021-2024) – IPA contribution	63.35	

⁴⁸ [indicate planned date (month and year) for the submission of the action document]. [Indicate the tentative implementation modalities (including, if possible, the split between direct and indirect management and the number and types of contracts)].

WINDOW 2 - GOOD GOVERNANCE, ACQUIS ALIGNMENT, GOOD NEIGHBOURLY RELATIONS, AND STRATEGIC COMMUNICATION

PART 1 - SECTOR CONTEXT AND RELEVANCE WITH THE ENLARGEMENT POLICY

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

2. ALIGNMENT OF BENEFICIARY’S STRATEGIES WITH IPA III PROGRAMMING FRAMEWORK

The main strategic documents in Albania in the area of Good Governance, EU *acquis* alignment, good neighbourly relations, and strategic communication, are listed below.

Thematic priority (TPs)	Relevant Beneficiary’s strategy
All TPs	<ul style="list-style-type: none"> National Strategy for Development Integration 2015-2020⁴⁹.
TP1: Good governance	<ul style="list-style-type: none"> The Public Administration Reform Strategy 2015-2020 (extended until 2022) Action Plan 2018-2022⁵⁰. Public Finance Management Strategy 2019-2022⁵¹. Strategy of Public Procurement 2020-2023⁵². The National Cross-Cutting Strategy for Decentralisation and Local Governance 2015-2020⁵³ and Action Plan extended until 2022⁵⁴. Cross-Sector Strategy “Digital Agenda for Albania” 2015-2020⁵⁵ and extended Action plan 2020-2022⁵⁶ - upcoming Cross-Sector Strategy “Digital Agenda for Albania” 2021-2024 due to be adopted by Q3 2021. The Official Statistical Programme 2017-2021⁵⁷ – the Strategy for the Development of National Statistical System 2021-2030 due to be adopted within 2021. Long Term Policy Document on Public Service Delivery⁵⁸

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<https://administrata.al/Documents/strategjia%20doc/1.Strategjia%20Komb%c3%abtare%20p%c3%abr%20Zhvillim%20dhe%20Integrim%202015%20%20e2%80%93%20%202020%20.pdf>

⁵⁰ DCM No. 697/30.10.2019.

<https://administrata.al/Documents/Strategjia%20Nd%C3%ABrsektoriale%20e%20Reform%C3%ABs%20n%C3%AB%20Administat%C3%ABn%20Publike%202015%20-%202020.pdf>

⁵¹ DCM No. 824/18.12.2019 <https://portavendore.al/wp-content/uploads/2019/12/Strategjia-e-MFP-2019-2022.pdf>

⁵² DCM No.850/04.11.2020 <https://qbz.gov.al/eli/fz/2020/197/4b30b3bc-c212-4dd4-bf25-f27c7e408832;q=Strategjia%20e%20Prokurimit%20>

⁵³ DCM No. 631/29.07.2015 http://www.bashkiakavaje.gov.al/web/strategjia_zhvillimit_ekonomik_150.pdf

⁵⁴ DCM No..783/07.10.2020 <https://qbz.gov.al/eli/fz/2020/179/49346dd2-0d3b-4927-a829-811abcc4679e;q=decentralizim>

⁵⁵ DCM No. 284/01.04.2015 https://akshi.gov.al/wp-content/uploads/2018/03/Digital_Agenda_Strategy_2015_-_2020.pdf

⁵⁶ DCM No.1081/24.12.2020: <https://qbz.gov.al/eli/fz/2020/233/0c4afe98-ea52-4e67-8f2c-10ef89e88e7b>

⁵⁷ DCM No. 10/9.2.2017 <http://www.instat.gov.al/media/3594/psz-2017-2021.pdf>

⁵⁸ DCM No.384/25.05.2016 <https://qbz.gov.al/eli/fz/2016/96/9d808094-d0e1-4a5d-bb2d-b19b921e04a9;q=Dokumenti%20i%20politikave%20afatgjata%20p%C3%ABr%20ofrimin%20e%20sh%C3%ABrbimeve%20me%20n%C3%AB%20qend%C3%ABr%20qytetarin%20nga%20administrata%20shtet%C3%ABrore%20n%C3%AB%20Shqip%C3%ABri>

Thematic priority (TPs)	Relevant Beneficiary's strategy
	<ul style="list-style-type: none"> • Inter-Sectoral Strategy against Corruption 2015-2023⁵⁹ and Action plan 2020-2023.⁶⁰
TP2: Administrative capacity and <i>acquis</i> alignment	<ul style="list-style-type: none"> • The National Plan for European Integration 2021-2023⁶¹.

With regard to **Good Governance**, the objectives of the Public Administration Reform Strategy 2015-2020 (extended until 2022) and the Public Finance Management Strategy 2019-2022 are fully aligned with the overall objective of IPA III concerning public administration reform at central government level to improve public service delivery, human resources management; accountability and public financial management. Furthermore, the objectives of the Public Administration Reform Strategy and the Cross-Sector Strategy "Digital Agenda for Albania" 2015-2020 and extended Action Plan 2020-2022 are fully coherent with the IPA III Programming Framework priority aiming at the digital transformation of government services in support of cross-sector, cross-administration and cross-border cooperation, in order to ensure interoperability, trust and openness. The objectives of the Public Finance Management Strategy 2019-2022 are fully aligned with the IPA III focus on improving the capacity for domestic revenue mobilisation and effective management of public funds, including through upgrading the revenue administration, budget reliability, transparency of public finances, public investment planning policy-based fiscal strategy and budgeting, internal control, accounting and reporting, and external audit.

The National Cross-Cutting Strategy for Decentralisation and Local Governance 2015-2020 and Action Plan extended until 2022 aims at improving the process of decentralisation of public funding (fiscal decentralisation) and increasing the quality of public services provided by local government which is in line with IPA III priority to improving governance at sub-national levels and ensure fiscal sustainability of the beneficiary countries, and sound management of public finances as applicable in the EU. Notably there is a focus on improving the capacity for domestic revenue mobilisation and effective management of public funds. The Cross-Sector Strategy "Digital Agenda for Albania" 2015-2020 and extended Action Plan 2020-2022 prioritises the enhancement of performance and efficiency of local governments through their utilisation of new ICT systems and methodologies in providing public services to citizens and interaction with central government, in line with the IPA III specific objectives for improving governance at sub-national level, especially e-Governance, transparency and accountability towards citizens and efficient service delivery through interoperable, trusted and inclusive digital public services at local government level.

The IPA III specific objective on statistics aims at ensuring a statistical infrastructure based on principles of impartiality, reliability, transparency, confidentiality as well as to develop a methodology and ensure the production of statistical information in various areas such as macro-economic and price statistics, demographic and social statistics, regional statistics. This is consistent with the Official Statistical Programme 2017-2021 that aims at improving the quality and diversity of data produced in line with EUROSTAT/EU standards. Furthermore, the Inter-sectoral Strategy against Corruption 2015-2023 includes a specific objective: Analysing corruption trends and improving statistics related to the activity of anticorruption law enforcement agencies, relating to the collection, processing and harmonisation of statistical data on corruption and the collection and harmonisation of statistical data on assets confiscated and seized by court decisions on criminal offenses of corruption and organised crime.

Good governance and human rights are mutually reinforcing. The above-mentioned strategies in the good governance sector mainstream human rights ensuring the full respect of civil, cultural, economic, political and social rights in a manner free of abuse and corruption, and with due regard for the rule of law.

⁵⁹ DCM No. 247/20.03.2015; DCM No. 516/01.07.2020. <http://www.drejtesia.gov.al/strategjia-ndersektoriale-kunder-korrupsionit/>

⁶⁰ DCM No. 516/01.07.2020. <http://www.drejtesia.gov.al/strategjia-ndersektoriale-kunder-korrupsionit/>

⁶¹ DCM No. 90/17.02.2021 <https://qbz.gov.al/eli/fz/2021/31/c430e608-ff28-412c-9078-a9b61137ba16;q=PKIE%2021>

As regards **administrative capacity and *acquis* alignment**, as stated in the IPA III Programming Framework, the specific objective of IPA III is to bring beneficiaries' policies and legislation in line with the EU policies and the EU *acquis*, and to build administrative capacity to fully and effectively implement sector policies and the adopted legislation, building the ability of beneficiaries to take on the obligations of membership as well as the digitalisation efforts. This objective constitutes a crosscutting priority and complements administrative capacity building under other Windows in line with the sector approach; it is therefore addressed in the majority of the sector and cross-sector strategies presented in this document. In this perspective, the Public Administration Reform Strategy 2015-2020 (extended until 2022) and the Cross-Sector Strategy "Digital Agenda for Albania" 2015-2020 and extended Action Plan 2020-2022 provide an overall supporting policy framework for institutional capacity-building, strategic planning, monitoring and reporting; inclusive and evidence-based policy and legislative development, human resources management and digitalisation.

With regard to the EU *acquis* alignment process, this increasingly focuses on the quality of the law-making process, including capacity to produce and use data/statistics as the basis of decision-making, capacity to prepare impact assessments and the capacity to ensure systematically inter-institutional and public consultations; these are addressed under the Public Administration Reform Strategy 2015-2020 (extended until 2022). Tri-annual plans for the EU *acquis* alignment process are prepared and updated annually in the National Plan for European Integration, which sets out the priorities and envisaged timeframe for laws and secondary legislation/implementing acts; further details are provided in Section 3 below.

With reference to *Thematic Priority 3: Good neighbourly relations and reconciliation*, the Government of Albania's foreign policy is coherent with the IPA III objective to promote developing local and people-to-people exchanges (in the region) in various areas, including economic and environmental cooperation, good governance and justice, media, human rights, gender equality, and minorities. Furthermore, some specific issues are addressed in sectoral strategies, such as judicial and police cooperation in the fight against corruption.

With regard to *Thematic Priority 4: Strategic communication, monitoring, evaluation and communication activities*, communication on enlargement policy is principally targeted and sector-specific and is envisaged within the NPEI; monitoring is carried out through the IMPG mechanism and the MEFA's monitoring of the NPEI.

3. COHERENCE OF BENEFICIARY'S STRATEGIES WITH THE EU ENLARGEMENT POLICY

Introductory Remarks. This section presents the strategic coherence between the key sectoral and cross-sectoral strategies of Albania relevant under Window 2, the Economic Reform Programmes, the National Plan for EU Integration and the following documents: 1) Economic and Investment Plan for the Western Balkans and Guidelines for the Implementation of the Green Agenda for the Western Balkans (October 2020); 2) Western Balkans Strategy (February 2018); 3) Recommendations of the Enlargement Package (Albania Report 2020, October 2020); 4) Policy guidance agreed in the joint conclusions on the Economic Reform Programme 2020-2022 (April 2020); 5) Conclusions of the relevant meetings organised in the context of the Stabilisation and Association Agreement.

A number of strategies relevant under Window 2 ended in 2020 and related action plans were revised and extended until 2022. The COVID-19 pandemic delayed some processes such as for the Cross-Sector Strategy "Digital Agenda for Albania" 2021-2024 due to be adopted by Q3 2021 and the Strategy for the Development of National Statistical System 2021-2030 due to be adopted in 2021. Since Albania is currently in the process of developing and consulting on the new National Strategy for Development and Integration 2021-2030, new sectoral strategies shall integrate the directions of the relevant EU policies.

*Thematic Priority 1: Good governance & Thematic Priority 2: Administrative capacity and *acquis* alignment*

The **Western Balkans Strategy** requires Albania to establish an accountable administration and defines public administration reform as paramount to strengthening governance at all levels. Specifically, both the Public Administration Reform Strategy 2015-2020 (extended until 2022) and the Western Balkans

Strategy aim at improving the quality and accountability of administration, increasing professionalism, de-politicisation, and transparency, also in recruitment and dismissals, more transparent management of public finances, and better services for citizens. An appropriate balance between central, regional, and local government also needs to be found. The **2020 Communication**⁶² adopted by the EC on 5 February 2020, highlights the need for clear commitments from the accession countries' leaders who must deliver on their commitment to implement the fundamental reforms required, ensuring the proper functioning of the public administration. Accession to the EU is the primary driver of governance improvement for the Government of Albania, alongside economic growth which depends on a positive enabling environment. Fiscal sustainability and Public Finance management need to be monitored closely in the wider context of the Economic Reform Programme (ERP), in line with the Public Finance Management Strategy 2019-2022. The government shall continue building capacity in line ministries to effectively implement regulatory and budgetary impact assessments for legislative and all policy proposals; roll out the integrated policy-making system; and connect the human- resource-management information system with the treasury to provide an automated payroll. The latter is part of the policy objectives under the Public Finance Management Strategy 2019-2022.

The **Albania 2020 Report** highlights that the public administration capacities need to be improved, especially regarding the involvement in EU integration processes. The territorial administrative reform should be further consolidated as part of the wider decentralisation agenda. This is particularly necessary to guarantee local fiscal autonomy and empower municipalities to provide quality public services, in line with the National Cross-Cutting Strategy for Decentralisation and Local Governance 2015-2020 and the Action Plan 2019-2022.

The Cross-Sector Strategy "Albania's Digital Agenda 2015-2020 and Action Plan 2020-2022 recognise that significant development in e-government, e-services, digitalisation of ICT systems in public administration are an important component for macroeconomic management and the national digital economy. The **ERP 2021-2023** stresses the importance of digital infrastructure as a precondition for the development of the digital economy in e-government, e-health, and the provision of interoperable services.

The main priorities for the Thematic Priorities on Good Governance and Acquis Alignment under the **NPEI 2021-2023** are fully in line with national sectoral strategies, aiming at: i) Strengthening the IPS and ensuring efficient allocation of financial resources to policy priorities and full deployment of IPSIS; ii) Building and operating the institutional structures needed to start the EU accession review and negotiation process and implement the necessary training of public administration staff on European integration issues; iii) improving the public service delivery system through the activities of the Agency for the Delivery of Integrated Services Albania (ADISA) and iv) a strong commitment to improving public finance management through public debt reduction, the settlement and prevention of arrears, continuous mobilisation for tax and customs revenue collection, improving the management of public investment projects and ensuring a better link between strategic plans and the Medium Term Budget Programme.

Thematic Priority 3: Good neighbourly relations and reconciliation

Under the **NPEI 2021-2023**, Chapter 31, the Government defines as a priority the participation of Albania in regional organisations, contributing to nurturing the regional cooperation and accelerating the EU integration of Albania within the region as well as the alignment with EU sectoral policies and standards. Thus, for Albania it is a priority to maintain its active participation in the South East European Cooperation Process, the Regional Cooperation Council (RCC), the Central European Free Trade Agreement (CEFTA), the Western Balkans Six, the Adriatic-Ionian Initiative, the Energy Community Treaty, the European Common Aviation Area Agreement, the Central European Initiative, the Regional Initiative for Migration and Asylum, the Regional School of Public Administration (ReSPA), and the 'Brdo-Brijuni process'.

⁶² Enhancing the accession process – A credible EU perspective for the Western Balkans.

Thematic Priority 4: Strategic communication, monitoring, evaluation, and communication activities

The **NPEI 2021-2023** includes as an objective under Governance the need to raise awareness and communicate to stakeholders the benefits of the EU integration and the obligations deriving from candidate country status and the EU membership. The latest Eurobarometer survey (2020) showed that the citizens of Albania overwhelmingly support EU accession endorsed by 87%, by far the highest in the Western Balkans.

4. SECTORAL ANALYSIS

Coherence of strategies with the sector approach. As presented in the previous section, many of the key strategies beyond 2022 are still under development or consultation as of March 2021. However, efforts have been enhanced for the new cycle of strategies to ensure that the preparation of each strategy is evidence based, takes into account the lessons learned from implementation of the phasing-out strategy, appropriately considers the results achieved so far and the main challenges, and identifies and build on the key priorities in the context of an inclusive partnership. An illustrative example is the case of the Public Finance Management Strategy 2019-2022; during 2019, the Ministry of Finance and Economy (MoFE) prepared the Public Finance Management Strategy (PFM) 2019-2022 to revise and extend the PFM Strategy 2014-2020, building lesson learned from 2018 Mid-Term Review of the Strategy. Furthermore, it enabled the inclusion of PFM measures that had emerged since 2014 so that these priorities can be addressed effectively. In order to foster stakeholder engagement regarding fiscal transparency, CSOs were frequently invited to contribute to the development of the PFM framework and the Strategy was published for public consultation. As public trust in these processes is still being established, in 2019 a public consultation workshop also received feedback for how MoFE could improve stakeholder engagement in the different budget phases. Additionally, for each annual PFM monitoring report, CSOs are invited to provide their comments and attend the PFM Steering Committee meeting. Albania's Parliament has established public hearings related to the approval of the annual budget and CSOs are invited to collaborate and provide feedback during the preparation of budget documents such as the Medium-Term Budget Planning (MTBP). In line with the 'Open Government Partnership (OGP) National Action Plan for Albania 2020-2022'⁶³, videos on PFM and the PFM Strategy were shared with various stakeholders that have posted the videos on their social media and websites.

Thematic Priority 1: Good governance

The Government of Albania aims to improve Governance addressing a wide range of complex issues in the Public Administration Reform (PAR), public finance management (PFM), anti-corruption, decentralisation, statistics and government operation digitalisation. Implementation of the public administration reform and public-financial-management reform followed the introduction of the new organisational structure of the central government in August 2017 is aimed at enhancing efficiency and transparency of public services delivery, improving the regulatory framework on impact assessment of policies, recruitment process transparency. Furthermore, the quality of policymaking has improved through the introduction of the Regulatory Impact Assessment (RIA) procedure and methodology that, since April 2018, is compulsory for all draft primary laws as established through the Regulation of the Council of Ministers.

The Government's priorities in the field of Public Administration Reform focus on the implementation of the Integrated Planning System (IPS), and the management information system (IPSIS), by creating the conditions for introducing a performance orientation in the policy planning and budgetary processes and by improving institutional capacity to monitor results at the strategy and programme levels. The implementation of the Civil Service Law and Code of Administrative Procedures shall enhance the professionalisation and depoliticising of the public administration. Simplification of procedures is a key

⁶³ https://www.opengovpartnership.org/wp-content/uploads/2021/01/Albania_Action-Plan_2020-2022_EN.pdf

component of the PAR Strategy, for civil service and Administrations, as well as for administrative procedures of citizens. The reform ambitions have been maintained especially with regard to (i) policy development, (ii) centre of government functions, and (iii) human resource management.

The Government of Albania aims at strengthening **economic governance**, to maintain macroeconomic stability and financial stability, and to pursue growth-enhancing public investments. The annual Economic Reform Programme (ERP), prepared through the inter-institutional collaboration between the Ministry of Finance and Economy and the different line ministries and the Bank of Albania, outlines key macroeconomic and fiscal policies aiming to establish a clear balance between domestic factors and external risks, and establishes policy priorities to enable sustainable economic growth, employment growth and reduction of public debt. The Order of the Prime Minister No. 107, 06.08.2019 that established the inter-ministerial group and inter institutional technical secretariat, provides for the establishment of well-defined structures tasked with coordination, preparation, drafting, and monitoring of the ERP. Improvement of the ERP will be achieved through: i) enhancing the institutional capacity for medium term economic programming; ii) improving the ownership of the process on inter-ministerial coordination, budgeting and public consultations.

With regards to **institutional and organisational set up**, the Deputy Prime Minister provides overall political leadership for the Good Governance and Public Administration reform process. At the technical level the Department of Development and Good Governance (DDGG) within the Prime Minister's Office (PMO) serves as the technical secretariat for quality control for mid-term reviews of strategies, and for implementing and monitoring reforms in line with government priorities. The main institutional stakeholders involved in the management, implementation and oversight process of the reform programme in the sector are the Department for Development and Good Governance in the PMO; the Ministry of Finance and Economy (MoFE) and its subordinated structures; the Ministry of Interior (MoI) as coordinator for the decentralisation agenda, and its subordinated Agency of Self-Government Support; the Department of Public Administration (DoPA) and the Albanian School of Public Administration (ASPA); the Commissioner for the Oversight of the Civil Service; the National Agency for Information Society (AKSHI) in charge of almost all government IT development as well as the coordination of the Digital Agenda strategy; the Agency for the Delivery of Integrated Services Albania (ADISA); the Public Procurement Agency; the Central Inspectorate. The self-local government level comprises 61 municipalities, all of whom are members of the Association of Municipalities. The National Territorial Planning Agency (AKPT) and Territorial Development Agency (AZHT) are responsible in terms of territorial planning. Independent institutions with an oversight role include the Albanian Supreme Audit Institution (ALSAI), the Institute of Statistics (INSTAT), the High Inspectorate for the Declaration and Audit of Assets and Conflicts of Interest (HIDAACI) and the Public Procurement Commission.

The main **challenges** for good governance are related to the need for stronger coordination through the IPS system and performance approach and sufficient human resources as well as further capacity building to secure sustainability of the reform process and the IPS implementation. Policy management needs to be strengthened and accountable systems promoted in the public administration through enhanced good governance standards framework, implementation of a performance evaluation system, strengthening of public participation in open governance reforms, improved procedures to support evidence-based policy development and policy implementation monitoring and evaluation. Full implementation of the Integrated Planning System (IPS) and a systemic approach, personal file registry, standardisation of public administration processes on an integrated communication platform and scaling up of business intelligence analysis for financial forecasting is needed to improve public administration functioning through digital tools. Further efforts are required to strengthen the coordination and quality assurance of the policy making system for inclusive and evidence-based policy and legislative development as policy formulation and strategic planning capacities vary across the system and administrative capacity to implement Regulatory Impact Assessment (RIA) and public consultation, to advance policy monitoring capacity in line ministries needs to be enhanced. Administrative data collection and its systematic use for policy and law-making is still weak. Progress towards achieving policy goals needs to be properly monitored, analysed and evaluated, and the revision of policies or drafting new policies based on evidence and evaluation results. Furthermore, the General Secretariat of

the IPMG with a centre of government role coordinating between the PMO, the MEFA and the MoFE needs to be further strengthened, with a particular focus on ensuring a better quality of strategic planning and monitoring of the policies and implementation of NPEIs.

In the implementation of the public administration reform, de-regulation processes or restructuring of agencies and institutions are needed to improve service delivery. In terms of human resources measures are needed to address turnover through the implementation of the new salary structure and appropriate retention policy; human resources management and development needs further support through procedures, full HRMIS functionality and strengthening ASPA's capacity to deliver an integrated training cycle. The HRMIS does not cover the entire civil service and needs to be extended further to local government. Investment in ICT infrastructure and systems to support for the government digitalisation reform, the extension of the integrated communication platform administrative and further roll-out of e-services are needed to support the good governance goals.

Public service delivery needs to be further enhanced including infrastructural accessibility for persons with disabilities, along with other facilities to ensure equal access to public offices. An improved data collection system is needed in order to better analyse the delivery of public services.

With regards to **PFM reform**, several key challenges remain such as: the lack of control measures which result in over-commitment; the weak link between the Medium-Term Budget Programme (MTBP) and annual budget planning, in particular regarding public investment planning and appraisal; weak expenditure control leading to arrears; weak tax collection and compliance; tax evasion and high share of informal economy. It is identified that capacities are weak on the application of Public Internal Financial Control (PIFC), while external oversight of public finances are not fully in line with international standards. Budgeting national strategies into the MTBP and annual budget is not adequately performed. The financial management and control law defines accountability only in relation to financial management. Managerial accountability is not yet enshrined in the legislation and administrative practice. Decision-making in the institutions is centralised and a very small number of decisions are delegated in practice. Vertical accountability is very weak between policy-making and policy implementing entities. Governance arrangements ensuring strategic plans with defined objectives, performance indicators and clear monitoring and reporting lines between parent ministries and subordinated agencies are still lacking. The national accounts need to be improved in accordance with the European System of Accounts (ESA) 2010.

Risk management is still at an early stage and needs to be better incorporated in the management of financial and operational processes.

Internal audit quality control procedures still need to become generally compliant with international audit standards and fully operational and monitoring of the effectively and timely implementation of internal audit recommendations needs improvement. The capacity of Central Harmonisation Unit (CHU) to monitor the performance of internal control and internal audit in the public sector needs to be strengthened.

The quality of ALSAI audit work needs to be further improved, as the audit activities do not yet fully comply with the INTOSAI⁶⁴ standards specifically regarding quality control procedures. The impact of audit work is limited and the monitoring of the effectively and timely implementation of audit recommendations need to be improved.

With regards to governance at **sub-national levels /decentralisation**, the municipalities originating from the territorial administrative reform face major challenges in consolidating their fiscal autonomy, which limits the delivery of quality public services. Local government units (LGUs) still lack sufficient capacities for strategic planning, financial resources and administrative capacity to exercise their transferred functions and policy-making powers following the reform. The outstanding challenges include: i) Full implementation of the civil service law at local level; ii) Extension of the IPSIS and Albanian Financial Management Information System (AFMIS) in local government; iii) Further strengthening the strategic planning, implementing and monitoring based on the performance and alignment with the MTBP, Ensuring transparent and effective financial management and good administration of local governance; iv) Further strengthening co-operation between ministries and

⁶⁴ International Organisation of Supreme Audit Institutions.

municipalities regarding the implementation of the transferred functions (Water utilities, forests management, education, irrigation and drainage, fire and rescue, and rural roads). National minimum standards for local services need to be established. LGUs have made further progress on public participation in local decision-making, especially in the area of participatory budgeting. However, the institutional framework for effective and inclusive participation needs further strengthening. Local-level implementation of the Law on public consultation remains unsatisfactory and the level of citizen participation in general is low.

With regards to **Statistics**, the 2019 earthquake and COVID-19 pandemic have led to a delay in the preparation for the Population and Housing Census (PHC). Considering that the results of Population and Houses Censuses will serve for defining the sample frame for the Census of Agriculture and Holdings (CAH), the postponement of the PHC to 2022, will lead to the postponement of the CAH to 2024. The methods of data collection need to be modernised and the statistical production processes should be improved. Further improvements are needed in Government Finance Statistics, an area included in the PFM strategy 2019-2022. Agricultural statistics are partially aligned with the EU *acquis*. The quality of data in the administrative registers, such as the farm register, individual register of animals and the animal holding registers, among others, needs improvement. INSTAT does not produce Job Vacancy Statistics yet. Environmental statistics are in line with the EU *acquis* to a very limited extent and energy statistics need some improvement. Furthermore, there are gaps in administrative sex-disaggregated statistics and gender data⁶⁵.

With regards to key public policy stakeholders for good governance, the overall coordinator is the Deputy Prime Minister. In the case of anti-corruption, inter-institutional coordination is streamlined, following the establishment of the Transparency and Anti-Corruption Unit in the Prime Minister's Office responsible for monitoring the Transparency Programme and the access to public information.

Monitoring and reporting system and sector coordination are governed by the IPMG - "Good Governance and Public Administration", headed by the Deputy Prime Minister and the SSC Public Financial Management, which enable cooperation at political level for the sector Democracy and Governance. The IPMG-Good Governance and Public Administrative is a high-level Policy Dialogue Platform comprising officially appointed representatives of the relevant ministries, and other government agencies related to Good Governance and Public Administration sector, as well as invited development partners and civil society representatives. At technical level, there are 8 Thematic Groups: (i) Policy Making; (ii) Anti-Corruption; (iii) Decentralisation; (iv) Civil Service; (v) Digitalisation Thematic Group; (vi) Public Services Thematic Group; (vii) Statistics; and (viii) Public Finance Management Committee. The Deputy Prime Minister provides overall political leadership for the PAR political process and at technical level, the Department of Development and Good Governance within the PMO is the General Technical Secretariat, ensuring the technical management and efficiency of the Good Governance policies and coordination of the eight Thematic Groups in terms of the planning process, quality control for mid-term review, and implementing and monitoring reforms in line with government priorities. The overall function of the IPMG on good governance and public administration is to guide and coordinate institutions involved in the sector. The IPMG aims to ensure informed policy decision making, co-operation and use of a results-based framework to develop and implement key government reforms and related action plans; and to support regular dialogue and interaction with development and integration partners. Monitoring of the implementation of human rights within the sector/cross-sector strategies takes places through the IPMG mechanism.

This mechanism is designed to converge cross cutting Good Governance related policies, using an integrated approach that requires a substantial degree of inter-ministerial cooperation, while ensuring the sector's core policy and financial processes are managed in a coherent, effective, results-oriented and integrated manner. It shall support the implementation of Good Governance Agenda for Albania over the next years through intensive policy dialogue aiming at accompanying the reform process with its greater focus on the centre of government, delivering outcomes with and through other sectors.

As regards **sector financing**, the total budget allocated for this thematic priority is structured through

⁶⁵ ALBANIA COUNTRY GENDER EQUALITY BRIEF 2020. https://www2.unwomen.org/-/media/field%20office%20albania/attachments/publications/2020/12/cgeb%20albania_report_1.pdf?la=en&vs=4248

11 budget programmes of MTBP⁶⁶, with a total value of EUR 115 million in 2020. This amount accounts for 4% of the total government expenditure.

Thematic Priority 2: Administrative capacity and acquis alignment

With regards to **institutional and organisational set up**, the Ministry for Europe and Foreign Affairs (MEFA) is the main responsible institution for European Integration co-ordination. The MEFA provides the guidelines to line ministries in planning and implementing European Integration activities, related to legislation approximation, co-ordination of the negotiation process with the EU, and IPA management. As of May 2020, the Chief Negotiator has been appointed⁶⁷ sitting at the Prime Minister's Office, who is assigned to perform also the National IPA Coordinator (NIPAC) role. The Government has established the organisation and related operation of the structure responsible for conducting accession negotiations and concluding the treaty of accession of the Republic of Albania to the European Union. The analytical assessment of the harmonisation of the domestic legislation with the EU *acquis*, as prepared by the respective interinstitutional working group on the chapters will be reviewed by the Negotiating Team members. The government introduced the requirement to carry out Regulatory Impact Assessment (RIA) on legislative proposals in order to analyse, among other aspects, the compliance with EU *acquis*, through amendments to the rules of procedure, approved in 2018. The electronic web-portal for public consultations of legislation is operational, but its use by the public remains limited.

The Accession Negotiating Team is composed of 13 deputy ministers, representatives of the Bank of Albania, Public Procurement Agency, Competition Authority Chair, Financial Supervisory Authority and Albanian Institute of Statistics (INSTAT). Each of the members serves as negotiator, responsible for specific chapters of the EU *acquis*.

The National Plan for European Integration 2021-2023 is the main Government planning document for the European Integration.

The **main challenge** is that generally the alignment with the EU *acquis* has been slow, with a high share of EU *acquis* alignment commitments carried forward from year to year, which need to be further improved. Monitoring reports on the NPEI need to be regularly published to ensure external scrutiny and transparency of the process. The regulatory and methodological framework for co-ordination of accession negotiation is to be fully completed and operationalised: the legal act for the establishment of the European Integration Secretariat is outstanding and the Partnership Platform is in the process of being set up. Improvement of the procedures for organising the translation of EU legislation and to ensure translations are available to line ministries on time to inform the preparation, public consultation and legislative drafting are needed. Another key challenge is to increase the ownership and capacities of the Albanian authorities on programming the annual IPA assistance in a context where no annual country allocations are established by the European Commission. There is a need to strengthen the orientation of the use of EU financial assistance on the requirements of the EU integration process, thus enhancing the administrative capacities of the office of Chief Negotiator, being integrated with NIPAC support office⁶⁸. Participation in Union Programmes and Agencies needs to be increased giving its potential benefits for EU integration and establishing EU and international networks with the participation of Albanian public and private enterprises, and citizens. Focus needs to be maintained on strengthening institutional capacity and capability to participate in Union Programmes and increase local ownership of the process. The Network of Contact Points and inter-institutional coordination needs to be strengthened.

As regards **sector financing**, the budget allocation for this TP cannot be identified under a specific budget chapter.

⁶⁶ Public Procurement Service; e-governance; Management and Development of Public Administration; Planning, Management and Administration of Public Procurement Commissionaire; Statistical Activity; Prefectures and Delegated Functions of Local Government; Audit activity of SAI; Public Expenditure Management; Execution of Miscellaneous Payments (MoFE); Tax Revenue Management; Customs Revenue Management.

⁶⁷ DCM No 422/ 6.5.2020 "On the composition, rules of operation and financial treatment of the Negotiating Team and the Chief Negotiator for accession negotiations of the Republic of Albania to the European Union".

⁶⁸ DCM No. 422 of 6 May 2020 "On the composition, rules of operation and financial treatment of the Negotiating Team and the Chief Negotiator for accession negotiations of the Republic of Albania to the European Union".

Thematic Priority 3: Good neighbourly relations and reconciliation

In terms of **institutional and organisational set-up** MEFA is responsible for this Thematic Priority. Albania is actively participating in regional organisations and initiatives of the Western Balkans and is strongly supporting the dialogue between Kosovo and Serbia. The main Government of Albania policy objectives, under this Thematic Priority, are: - addressing the legacy of the conflicts of the past and bringing justice to all victims of the conflicts and to combating impunity for serious international crimes; - promoting policy dialogue including inter-cultural dialogue, as vectors for social cohesion and peaceful relations as well as drivers of sustainable socio-economic development. As regards **sector financing**, the budget allocation for this TP cannot be identified under a specific budget chapter.

Thematic Priority 4: Strategic communication, monitoring, evaluation, and communication activities

In terms of **institutional and organisational set-up** of communication, the NIPAC and MEFA are responsible for ensuring strategic communication. The NIPAC is responsible for ensuring the overall monitoring and reporting of IPA assistance. The main **challenges** in strategic communication regard the capacities of the Government of Albania in providing information and communication on the EU accession process and IPA assistance to the general public and key stakeholders as well as the effective coordination of communication to ensure a more strategic approach. Upon finalisation of the Strategic Response and approval of the IPA Regulatory Framework, the Communication and Visibility Strategy for IPA III covering the whole financial perspective shall be drafted in order to ensure a harmonised approach and support assured for the identification and design of communication tools and delivery of the annual communication action plans. The Strategy and annual plans shall envisage increased coordination and engagement with communication and visibility actions of the EUD to increase the strength of communication impact overall. The capacities of the newly established IPA Network of Information Officers need to be strengthened. Identified challenges in terms of monitoring relate to the need to increase the capacities of the monitoring units in the NIPAC Support Office and IPA Units to implement the established procedures. The Albanian institutions have limited practical experience in organising and participating in evaluation activities. As regards **sector financing**, the budget allocation for this TP cannot be identified under a specific budget chapter.

With regard to monitoring, Albania has been engaged in a long-term reform process building a central and broad planning and monitoring framework (IPSIS) to ensure that Government's core policy and financial processes are coordinated and function in a coherent, efficient and integrated manner. The IPSIS ensures quality data for the preparation of strategic planning and policy documents and their monitoring by central government institutions, through performance passports using Key Performance Indicators (KPIs), as well as ensuring harmonisation with the Medium-Term Budget Programme, etc. through an integrated functionality, in line with Albanian Financial Management Information System (AFMIS). IPSIS will be fully operational in 2021 and the main challenge relates to the need to ensure the implementation of IPSIS standards for monitoring and identify strong KPIs.

5. COHERENCE OF SECTORAL STRATEGIES WITH REGIONAL AND GLOBAL STRATEGIES

Cross-cutting and sectoral strategies under window 2 are coherent with several sustainable development goals of the 2030 Agenda for Sustainable Development.

The Public Administration Reform Strategy 2015-2020 amended until 2022, Public Finance Management Strategy 2019-2022 and the Inter-Sectoral Strategy against Corruption 2015-2023 all contribute to the implementation of the Sustainable Development Goal (SDG) 16 'Peace, Justice and strong institutions' under the Good Governance objective of building effective, accountable, and inclusive institutions at all levels. However, in more general terms, the 17 goals and 169 targets are critical reference points for the government in designing or revamping institutional arrangements, policies, strategies and plans to eradicate poverty and achieve a better, more sustainable world. Public institutions have a critical role in ensuring the successful implementation of all SDGs and targets. Governments have primary responsibility for policy-making and delivering basic services for all as well as ensuring the respect of human rights. "Leaving no one behind" – the core principle of the 2030

Agenda for Sustainable Development - guides public administrations in delivering on all their functions, alongside the principles of effectiveness, inclusiveness and accountability. In this sense, the core objectives of these three strategies underpin all the SDGs. All strategies in the good-governance sector mainstream human rights.

The objectives and actions foreseen under the National Cross-Cutting Strategy for Decentralisation and Local Governance 2015-2020 and Action Plan extended until 2022 shall contribute to achieving several SDGs, principally SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable and SDG 16 as well as other SDGs related to assigned local government competencies.

The Cross-Sector Strategy Digital Agenda 2015-2020 and Action Plan 2020-2022 also underpin the achievement of the SDGs as digitalisation and e-services can be harnessed for the achievement of the SDGs, in the framework of the core principle of leaving no one behind. The provision of e-services and one-stop shops for public services contribute directly to the achievement of SDG 10, reducing inequality as extending the accessibility of public services.

Overall, Albania has a solid normative framework in place to promote, enforce and monitor equality and non-discrimination on the basis of sex. The UN Women's Global SDG Database⁶⁹ gives Albania a scoring of 90.9 percent for overall legislative frameworks on Gender Equality and Empowerment of Women (GEEW). The strategies are in line with the approach outlined in the EU Gender Action Plan, (GAP III) 2021-2025 and democratic governance is strengthened and women's rights advanced through mainstreaming gender in policy planning and budgeting. Gender Responsive Budgeting (GRB) has been included as a legal requirement in both the Organic Budget Law (2016) and Local Government Financial Management Law (2017) which both paved the way for the effective inclusion of GRB in all the phases of central and local financial management cycles (medium term and annual budget programming, monitoring & reporting, evaluation and auditing). GRB is currently an important tool for advancing gender equality in key national documents as in accordance with existing Albanian national policy documents on social inclusion and gender equality. Among the 38 budget programmes under the MTBP 2020-2022, half address gender inequality issues in sectors such as health, social protection, education, justice, business, and agriculture. Respective gender-responsive budget elements constitute 7.2 percent of the total planned annual budget, a clear increase compared to the just one percent in 2015, but insufficient for fully implementing national commitments and obligations on gender equality and women's rights⁷⁰.

In the Gender Equality Index 2020, the domain of power scores 60.9 and places Albania in 6th place vis-à-vis the rest of the countries reporting. This results from the high representation of women in political and economic power. On the other hand, women's social power, that is, representation in bodies of research financing, media, and top sports organisations boards, is lagging behind the progress in political and economic power.

PART 2 – PRIORITIES, OBJECTIVES AND ACTIONS UNDER IPA III ASSISTANCE

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

⁶⁹ <https://data.unwomen.org/data-portal/sdg>

⁷⁰ ALBANIA COUNTRY GENDER EQUALITY BRIEF 2020. https://www2.unwomen.org/-/media/field%20office%20albania/attachments/publications/2020/12/cgeb%20albania_report_1.pdf?la=en&vs=4248

2. KEY THEMATIC PRIORITIES

The thematic priorities selected from the IPA III Programming Framework proposed to be addressed by the Actions described below for the period 2021-2024 are the following: Thematic Priority 1: Good governance; and Thematic Priority 2: Administrative capacity and *acquis* alignment.

The objectives pursued in accordance with the Programming Framework and the area of support are presented below for each Thematic Priority.

Thematic Priority 1: Good governance

- To support public administration reform at central and local government level, and public agencies and independent institutions as applicable, in line with the normative framework of the Principles of Public Administration and to increase capacities on the strategic framework; policy development and coordination; public service and human resources management; accountability; service delivery and public financial management as well as support to the digital transformation of the government as a strategic enabler in order to ensure interoperability, trust and openness. This will include support for managerial accountability, evidence-informed policy-making and improved internal control culture across the public sector as well as civil society participation in the context of public administration reform.
- To ensure fiscal sustainability and sound management of public finances through improving capacity for domestic revenue mobilisation and effective management of public funds, including through upgrading the revenue administration, budget reliability, transparency of public finances, public investment planning, selection and management, management of assets and liabilities, policy-based fiscal strategy and budgeting, public procurement and concessions, internal control, accounting and reporting, and external audit.
- To provide support to strengthening economic governance, in particular the capacity to maintain macroeconomic and financial stability, and to pursue growth-enhancing public investments and structural reforms.
- To build capacity for administrative data and high-quality statistics production and use in all sectors and provide support for evidence-based policy development and monitoring and evaluation of implementation of policies.

*Thematic Priority 2: Administrative capacity and *acquis* alignment*

- To provide support to bringing Albania's policies and legislation in line with the EU policies and the EU *acquis*, and to build administrative and institutional capacities to fully and effectively implement sector policies and the adopted legislation, building the ability to take on the obligations of membership. This will include support to build on public administration reform and digitalisation efforts as well as administrative capacity needs at sector level.

Thematic Priority 3: Good neighbourly relations and reconciliation

- To provide support for the protection and promotion of the diversity of cultural expression.

Thematic Priority 4: Strategic communication, monitoring, evaluation and communication activities

- To provide support for sector-specific communication, monitoring and evaluation of the EU enlargement process and the use of EU funds in Albania.

3. LIST OF ACTIONS PROPOSED FOR IPA III SUPPORT 2021 – 2024

Albania is interested in the possibility of participating in Team Europe initiatives and will discuss this further with the European Commission.

PROGRAMMING YEAR 2021

- **EU Support for the Participation of Albania in Union Programmes and Agencies (TP2, EUR 6 million)**

This Action focuses on the participation by the Republic of Albania in the new generation of 2021-2027 Union Programmes designed to promote cooperation among Member States and between Member States and eligible non-EU countries in fields related to different EU policies such as research, competitiveness and innovation, media, education, health, youth, culture, environment, customs, the fight against poverty, and the fight against youth unemployment. The association of Albania with Union Programmes shall encourage the implementation of concrete reforms and offer clear benefits and a bottom-up boost to EU integration. It shall contribute to the active involvement of public and private institutions and civil society organisations in Union Programmes, fostering the increased participation of the civil society in the EU accession process. The contribution shall co-finance the due participation fees for the selected Union Programmes for the years 2021 and 2022.

PROGRAMMING YEAR 2022

- **Support to Good Governance (TP1, EUR 10 million)**

The overall objective is to contribute to strengthening administrative capacity and economic governance through an accountable, transparent, efficient and service-oriented public administration that ensures alignment with the EU *acquis*, proper enactment of legislation and continuous advancement of the EU integration process. It shall build on IPA II assistance to PAR and Public Finance Management by supporting better policy making and performance approach through the Integrated Planning System in central and local government, increased accountability through public consultation and RIA, further development of human resource management, strengthening Medium-Term Budget Programme preparation and execution in particular for public investments, acceleration of the digitalisation of public services through the ‘Administrata.al’ and ‘e-Albania’ platforms, improvement of national accounts in line with the ESA 2010 standards and support for the implementation of the Census of Agricultural and Holdings with international recommendations and EU regulations.

- **EU Integration Facility (TP2, EUR 25 million)**

The main aim of this Action is to strengthen the capacity and accountability of the Albanian public administration in the preparations for EU membership. The support will be instrumental in enhancing capacities for alignment and implementation of EU *acquis* requirements, reforms and strategies. It shall support further development of capacities of the Chief Negotiator Office, the National IPA Coordinator Support Office and the structures involved in Indirect Management by the Beneficiary Country to advance with the accession negotiations and IPA III uptake as well as support strategic and sectoral communication. The Action shall also assist the enhancement of the maritime transport regulatory system, the establishment and development of the new rail authorities and entities in cooperation with the European Railway Agency, the creation of a Farm Accountancy Data Network, the alignment of legislation, institutional development and capacity building in the energy sector including support to a new energy agency covering energy efficiency and renewable energy.

PROGRAMMING YEARS 2023 AND 2024

- **Support to Good Governance (TP1, EUR 30 million)**

- Upgrade of the interoperability infrastructure and overall improvement of e-services delivery in Albania (TP1, EUR 33.27 million)
- EU Support for the Participation of Albania in Union Programmes and Agencies 2023-2024 (TP2, EUR 6 million)
- EU Integration Facility 2023-2024 (TP2, EUR 30 million)
- Support for the Coordination and Implementation of MAP REA⁷¹ 2.0 measures at national level (TP2, EUR 1.5 million)
- Project Preparation Acceleration Fund (TP2, EUR 10 million)

4. INDICATIVE BUDGET AND IMPLEMENTATION PLAN 2021-2024

	Estimated budget (million EUR)	Implementation plan⁷² Planned date for the submission of the Action Document
2021		
Thematic Priority 2: Administrative capacity and acquis alignment		
EU Support for the Participation of Albania in Union Programmes and Agencies (covering 2021 and 2022)	6	March 2021
Total Thematic Priority 2(2021)	6	
2022		
Thematic Priority 1: Good governance		
Support to Good Governance	10	March 2021
Total Thematic Priority 1 (2022)	10	
Thematic Priority 2: Administrative capacity and acquis alignment		
EU Integration Facility	25	September 2022
Total Thematic Priority 2 (2022)	25	
2023 -2024		
EU Support for the Participation of Albania in Union Programmes and Agencies (covering 2023 and 2024)	6	March 2022
Support to Good Governance	30	March 2022
Upgrade of the interoperability infrastructure and overall improvement of e-services delivery in Albania.	33.27	March 2022
EU Integration Facility 2023-2024	30	March 2022
Support for the Coordination and Implementation of MAP REA 2.0 measures at national level.	1.5	March 2022
Project Preparation Acceleration Fund	10	March 2022
Total Thematic Priority x (2023 - 2024)	110.77	
Total (2021-2024) - IPA contribution	151.77	

⁷¹ the Multi-Annual Action Plan for a Regional Economic Area in the Western Balkans.

⁷² [indicate planned date (month and year) for the submission of the action document]

[Indicate the tentative implementation modalities (including, if possible, the split between direct and indirect management and the number and types of contracts)].

WINDOW 3 - SUSTAINABLE CONNECTIVITY AND GREEN AGENDA

PART 1 - SECTOR CONTEXT AND RELEVANCE WITH THE ENLARGEMENT POLICY

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

2. ALIGNMENT OF BENEFICIARY'S STRATEGIES WITH IPA III PROGRAMMING FRAMEWORK

The main strategic documents in Albania in the area of sustainable connectivity and green agenda are grouped according to the relevant thematic priorities.

Thematic priority	Relevant Beneficiary's strategy
All TPs	<ul style="list-style-type: none">• National Strategy for Development Integration 2015-2020⁷³.
TP1: Environment and climate change	<ul style="list-style-type: none">• The National Strategy of Integrated Water Resources Management 2018-2027⁷⁴.• The National Strategy of Irrigation and Drainage 2019-2031 and the action plan (incorporated as an Annex in the Strategy)⁷⁵.• National Integrated Waste Management Strategy and the Action Plan 2020-2035⁷⁶.• Final draft of National Water Supply and Sewerage Strategy 2020-2030 – due to be adopted by Q4 2021.• National Master Plan for the Water and Sewerage Sector (2013 – 2040).• National Sectoral Plan of Solid Waste Management 2019–2032⁷⁷.• National Biodiversity Strategy and an Action Plan 2015-2022⁷⁸.• The Forests Policy Document 2019-2030⁷⁹.• The National Implementation Plan for phasing out and elimination of Persistent Organic Pollutants (POPs)⁸⁰.• The Strategic and National Plans for the Mitigation of the Gases with Greenhouse Effect and for their Adaptation Toward Climatic Changes⁸¹.

⁷³ DCM No. 348/11.05.2016.

<https://administrata.al/Documents/strategjia%20doc/1.Strategjia%20Komb%20c3%abtare%20p%20c3%abr%20Zhvillim%20dhe%20Integrim%202015%20%20%20e2%80%93%20%202020%20.pdf>

⁷⁴ DCM No. 73/07.02.2018. <http://www.ambu.gov.al/programi-kombetar-sektorial-i-ujit-2/>

⁷⁵ DCM No. 345/22.05.2019 <https://www.bujqesia.gov.al/wp-content/uploads/2019/10/FZ-2019-77.pdf>

⁷⁶ DCM 418/27.5.2020.

⁷⁷ Minister's Decision 1/13.01.2020 <https://www.infrastruktura.gov.al/wp-content/uploads/2020/07/PLANI-KOMBETAR-SEKTORIAL-PER-MENAXHIMIN-E-MBETJEVE-TE-NGURTA.pdf>

⁷⁸ DCM No. 31/20.1.2016 <https://www.turizmi.gov.al/wp-content/uploads/2019/09/Dokumenti-i-Politikave-Strategjike-per-Mbrojtjen-e-Biodiversitetit.pdf>

⁷⁹ DCM No. 814/31.12.2018 <https://turizmi.gov.al/wp-content/uploads/2019/07/vkm-814-2019-per-pyjet-ne-Shqiperi.pdf>

⁸⁰ DCM No. 505/29.08.2018 <https://turizmi.gov.al/kimikate/>

⁸¹ DCM No. 466/03.07.2019.

Thematic priority	Relevant Beneficiary's strategy
	<ul style="list-style-type: none"> Upcoming National Strategy for Disaster Risk Reduction and upcoming National Plan of Civil Emergencies (NPCE), due to be adopted by Q4 2021⁸².
TP2: Transport, digital economy and society, and energy	<ul style="list-style-type: none"> Albanian Transport Sector Strategy and its Action Plan 2016-2020⁸³ and upcoming National Transport Strategy 2021-2025 due to be adopted by Q2 2021. Albanian National Transport Plan (ANTP3) 2020-2024⁸⁴. The National Road Safety Strategy 2011-2020 and the Road Safety Action Plan 2011-2015⁸⁵ –and upcoming new Strategy on Road Safety 2021-2030, due to be adopted in 2022. Upcoming National Airport Master Plan for 2021-2040. Action Plans of the Transport Community, 2020 -2022⁸⁶. The Strategy for the Implementation of Intelligent Transport Systems, approved in 2020⁸⁷. Strategic Plan for Reform in Energy Sector in Albania (2018-2020)⁸⁸. National Sector Strategy for Energy 2018-2030⁸⁹. The upcoming National Energy and Climate Plan 2021-2030 (draft)⁹⁰, to be adopted by December 2021. Second and Third National Energy Efficiency Action Plan for Albania, 2016-2020⁹¹. The National Consolidated Renewable Energy Action Plan (NCREAP 2019-2020)⁹². The National Action Plan on Renewable Energy Sources 2019-2020, and the upcoming Action Plan on Renewable Energy Sources for 2021-2022. Master Plan of Natural Gas for Albania (until 2040)⁹³ National Plan for Sustainable development of digital infrastructure, Broadband 2020-2025⁹⁴

The National Strategy for Development and Integration (NSDI) 2015-2020 pillar 4 “Growth through the use of sustainable resources and territorial development” overall goal is fully in line with the IPA III Programming Framework requiring the improvement of the quality of the environment, addressing environmental degradation, promoting resource efficiency, sustainable consumption and production and supporting the transition to green and circular economies. Both the NSDI and IPA III Programming Framework share the objective to secure institutional and financial capacities to implement and enforce the environmental and climate change policies and regulation. The focus of the strategic objectives of the National Strategy of Integrated Water Resources Management 2018-2027 aimed at water quality and quantity management improvement, water risks’ management, water information, orientation of water services towards principles of cost control and recovery, improvement of administration

⁸² The Inter-Institutional Working Groups which will draft the documents are currently being set up.

⁸³ DCM No. 811/16.11.2016.

⁸⁴ Order of the Minister of Infrastructure and Energy No. 40/21.01.2020.

⁸⁵ DCM No. 125/23.02.2011.

⁸⁶ Endorsed by the Ministerial Council of the Transport Community on 26 October 2020

<https://www.transport-community.org/wp-content/uploads/2020/11/Road-Safety-Action-Plan.pdf>

⁸⁷ Order of Minister of Infrastructure and Energy No.185/18.06.2020 <http://qzb.gov.al/eli/urdher/2020/06/18/185>

⁸⁸ DCM No. 742/12.12.2018.

⁸⁹ DCM No. 480/31.07.2018.

<https://administrata.al/Documents/strategjia%20doc/23.Strategjia%20Komb%c3%abtare%20e%20Energjis%c3%ab%20p%c3%abr%20peri%20udh%c3%abn%202018%20-%202030.pdf>

⁹⁰ As of drafting this document, 10 Policies and Measures have been drafted for RES and 16 for EE.

⁹¹ DCM No. 709/01.12.2017.

⁹² DCM No. 580/31.07.2018.

⁹³ DCM No. 87/14.02.2018.

⁹⁴ DCM No. 434/03.06.2020.

institutional frameworks, investment to increase sector capacity, and full approximation with EU water *acquis* are directly linked to IPA III priorities, regarding support for institutional capacities to deliver, implement, enforce and monitor policies and legislation, sustainable management of infrastructure and public resources, and the need to apply cost-recovery principles.

The National Strategy of the Integrated Water Resources Management (NSIWRM) 2018-2027 has as its main objective the creation of the legal, economic, institutional, technical capacities that are required based on EU environmental policies and principles of Integrated Water Resources Management. The purpose is to ensure an integrated and functional management of water resources by setting a monitoring and risk management system for floods, quality and insufficiency of water resources. In line with the provisions from the IPA III Programming Framework, it addresses the global challenge of improving the environment and ensuring its preservation for future generations through activities that foster water related legislation, investments in water infrastructure and in the governance structure for sustainable water management. The NSIWRM also links with the upcoming National Water Supply and Sewerage Strategy 2020-2030 (draft) with the vision to develop proper policies and commit sufficient resources to improve the provision of water supply and sewerage services across the country set out in the National Master Plan for the Water and Sewage Sector (2013 – 2040), The reform on the Civil Protection Mechanism, through the actions foreseen in the protection from water strategic objective (floods & droughts), as well as with the National Strategy for Irrigation and Drainage (2019-2031) .

The National Integrated Waste Management Strategy 2020-2035 sets out the Circular Economy benefits for economic growth, job creation and health fully in line with the IPA III overall objective to accelerating the shift towards a low-carbon and circular economy. Moreover, links with IPA III specific objectives for Thematic Priority 1 are identified with regards to monitoring and improving the quality of air, soil and water, reducing industrial and chemical pollution, as well as the proper disposal of waste, including hazardous and extractive waste which are counterstones in the respective Albanian strategies: National Strategy for the Air Quality 2014-2020; National Integrated Waste Management Strategy and the related Action Plan 2020-2035 and National Strategy of the Integrated Water Resources Management 2018-2027. The reform on the Civil Protection Mechanism, through the Law on Civil Protection No. 45/2019 will primarily aim to increase operational capacities for disaster risk management, in consistency with the IPA III objective to improve the same with enhanced participation in the Union Civil Protection Mechanism.

The policy objective in the National Biodiversity Strategy and Action Plan 2015-2022 to establish the Natura 2000 Network of Areas of Interest for the European Community and ensure their sustainable management and strengthen the capacity of protected area management structures to implement management plans is fully in line with the IPA III focus on reversing environmental degradation and promoting the conservation of terrestrial and marine ecosystems.

Regarding Thematic Priority 2, the Albanian National Transport Plan (ANTP3) 2020-2024 outlines measures for upgrading the transport network and safety infrastructure, including targeted intervention for eliminating Black Spots on roads, that are fully aligned with the IPA III programming framework priority to promote smart and safe transport and remove bottlenecks in key network infrastructures. The ambition of the National Plan is to invest on new road transport corridors, relevant to TEN-T connections with the EU, fully aligned with the IPA III objective to improve transport networks and regional connectivity (Roads and Railways), bringing the core transport network up to EU standards, hand in hand with the strengthening of the institutional and regulatory frameworks and their alignment with EU requirements. Both the ANTP3 2020-2024 and IPA III objectives focus on maritime, railway and air transport market reforms, transport safety, protecting passengers' rights and to reduce road fatalities and serious injuries.

The National Plan for Sustainable development of digital infrastructure, Broadband 2020-2025's objectives to further align with EU *acquis* and the Digital Agenda, promote investment in Broadband and 5G and increase cybersecurity and resilience in key sectors such as healthcare, transport, energy, banking, digital infrastructure and water supply are fully aligned with the IPA III objectives for strengthening digital connectivity and the digital transformation of businesses and public services, and ensuring operators of essential services in key sectors have the necessary capacities to take appropriate security measures based on EU values and principles. The Plan's aims to develop the fixed broadband infrastructure and the planned enablement of public funding through Universal Service Obligation (USO) and State aid to further infrastructure coverage in rural and remote areas are aligned with the IPA III objective on the reduction of the digital gap between rural and urban areas.

Both the National Sector Strategy for Energy 2018-2030 and the IPA III Programming Framework put a strong emphasis on the energy market, energy efficiency, energy security and increased digitalisation of the system and smart grids. The National Sector Strategy for Energy 2018-2030's objectives to reduce the electricity import and increase production of electricity, develop a competitive market that provides the correct signals for the production and consumption of electricity and gas and improve energy infrastructure will contribute to IPA III objectives for energy security. The objectives of the National Sector Strategy for Energy 2018-2030 include increasing the use of RES and diversifying energy resources, in line with the IPA III priority for investing in renewable energy, and the improvement of EE in the residential, services, transport, agriculture, and industry sectors which aligns with the IPA III focus on energy efficiency as the most effective way to meet carbon reduction targets, reduce energy costs and dependence on imports. The National Strategy's objective of the further harmonisation and integration of national policies and legislation with EU energy legislation and EU market regulation is fully aligned with the IPA III specific objective to continue supporting institutional and regulatory reform measures, through the alignment with and the implementation of the EU *acquis* as well as reaching a fully-integrated internal energy market.

The above-mentioned strategies in Window 3 mainstream human rights as applicable in the strategic context, and their respect and realisation is monitored through the IPMG mechanism.

3. COHERENCE OF BENEFICIARY'S STRATEGIES WITH THE EU ENLARGEMENT POLICY

Introductory Remarks. This section presents the strategic coherence between the key sectoral and cross-sectoral strategies of Albania relevant under Window 3, the Economic Reform Programmes, the National Plan for EU Integration and the following documents: 1) Economic and Investment Plan for the Western Balkans and Guidelines for the Implementation of the Green Agenda for the Western Balkans (October 2020); 2) Western Balkans Strategy (February 2018); 3) Recommendations of the Enlargement Package (Albania Report 2020, October 2020); 4) Policy guidance agreed in the joint conclusions on the Economic Reform Programme 2020-2022 (April 2020); 5) Conclusions of the relevant meetings organised in the context of the Stabilisation and Association Agreement.

The recommendations of the Enlargement Package, the Economic and Investment Plan for the Western Balkans, and the guidelines for the Implementation of the Green Agenda for the Western Balkans were published in October 2020, while the Western Balkans Strategy is dated 2018. A number of strategies relevant under Window 3 expired in 2020, and the process for the development of the successor documents is advancing. However, the COVID-19 pandemic has delayed the process and some key strategies and/or plans are still under development or consultation as of March 2021, for example the new Strategy on Road Safety 2021-2030 and the new National Energy and Climate Plan (NECP 2021-2030) to be adopted by 2021. In some cases, the related action plans have been extended to bridge between expired strategies and the new strategies, for example, the National Transport Plan (ANTP3) 2020-2024 bridging to the upcoming National Transport Strategy 2021-2025 to be adopted by Q2 2021. Since Albania is currently in the process of developing and consulting on several new key strategies from 2021, including the new National Strategy for Development and Integration 2021-2030, the upcoming strategies shall integrate the relevant EU policy directions.

Thematic Priority 1: Environment and climate change

The environmental and climate change sector includes the following sub-sectors: Air Quality, Circular economy and waste management, Water Quality (supply and wastewater treatment), Nature Protection /Biodiversity/Green Infrastructure, Industrial and Chemical Pollution, Noise, the horizontal and cross-sectoral Climate Change, and Disaster risk management and civil protection.

The **Economic and Investment Plan for the Western Balkans** anticipates support for integrated regional waste management systems that go hand-in-hand with the closure of non-compliant landfills. The Green Agenda for the Western Balkans translates the objectives of the European Green Deal to the needs of the Western Balkans. The guidelines for the implementation of the Green Agenda for the Western Balkans accompanying the Economic and Investment Plan outline the actions related to the Green Agenda for the Western Balkans included in the Communication on an Economic and Investment Plan for the Western Balkans, set out relevant actions and recommendations, including alignment with

the EU standards and the *acquis*. The identified priorities were further discussed in the Sofia Declaration on the Green Agenda for the Western Balkans endorsed by the Western Balkan Leaders in Sofia in November 2020.

Four of the five pillars of the **Green Agenda for the Western Balkans**, are relevant under this Thematic Priority: climate action, including decarbonisation, energy and mobility; circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources, biodiversity, aiming to protect and restore the natural wealth of the region; and fighting pollution of air, water and soil. Support provided under IPARD (described in Window 4 – Thematic Priority 3), while focusing on the fifth pillar - sustainable food systems and rural areas - shall also contribute to climate change mitigation and foster sustainable management of natural resources, such as water, soil and air as one of the specific objectives of IPARD III support.

In the water sector, the **Green Agenda** identifies the following priorities for action (i) support the modernization of water monitoring infrastructure, (ii) implementation of the WFD and the UWWTD, (iii) support regional and/or bilateral agreements and/or protocols on transboundary water pollution and on land-based sources of pollution, (iv) investment in waste and manure management and wastewater treatment plants for reuse of water in agriculture and (v) investment in urban wastewater collection and treatment including advanced treatment of nutrients. The following priorities are mentioned in the Sofia declaration (i) implement relevant EU water-related *acquis* (WFD, UWWTD, ND), (ii) modernise water monitoring infrastructure to reach good status for all water bodies (iii) build the necessary infrastructure for wastewater treatment, (iv) prepare and sign regional agreements on transboundary water pollution. The Green Agenda includes Flagship 7 on Waste and Water Management that recognises sustainable and reliable ways of managing the water supply, wastewater and waste disposal as crucial for the protection of the environment and for the health of citizens and can have positive impacts on tourism in the region, and safeguarding health and welfare.

In the **Albania 2020 Report** the Commission highlights that further alignment of national legislation with key water directives is necessary, alongside sustained capacity development of the national agencies for Water Resource Management and for Water Supply, Sewerage and Waste Infrastructure. Increasing capacities in the wastewater and waste management sectors is a priority, together with the adoption of the relevant legislation and development of the National Energy and Climate Plan. As regards horizontal issues, the Report states that Albania needs to step up efforts to achieve full alignment and implementation in most areas of the environment and climate change sector. This reinforces the key overall priority in the enlargement process as stipulated under the **Western Balkans Strategy** requiring alignment with the EU *acquis*, the establishment or building up the related institutions, and ensuring implementation capacity, whether in terms of single market rules, social policy, energy and transport *acquis* or EU environmental law. The reform on the Civil Protection Mechanism through the Law on Civil Protection No. 45/2019 aimed to increase operational capacities for disaster risk management. However, as observed under the **Albania 2020 Report**, both the 2019 earthquakes and the Covid-19 pandemic have highlighted the need to update and strengthen the legal framework and institutional capacities as well as the human and financial resources of civil protection authorities with regard to disaster risk reduction and health emergencies. As required by the Law, a National Strategy for Disaster Risk Reduction and local strategies for Disaster Risk Reduction shall be prepared. It is also foreseen that plans for civil emergencies and risk assessments are carried out at central, district and local level and preparations start for Albania to join the Union Civil Protection Mechanism.

The 10th EU–Albania meeting in the framework of the **Stabilisation and Association Agreement - Subcommittee on Transport, Energy, Environment and Regional Development**, held on 7 March 2019, highlighted that further efforts to alignment with the EU *acquis* on environment are needed mostly on waste management including significant investments needs and better monitoring. Fighting plastic pollution and improving air quality in cities remain areas for improvement in Albania. At the 10th meeting of the EU–Albania **Stabilisation and Association Committee** held on 14 November 2019, it was agreed that due to the specificity of the marine environment, bilateral and regional cooperation needs to be encouraged and the problem of maritime waste management addressed.

Reform Measure 05 included under the **Economic Reform Programme (ERP) 2020-2022** ‘Reform of the water and wastewater sectors’ is assessed as appropriate by the Commission. However, in April 2020, the **Commission Assessment of the ERP** observed that lacking target years and relevant budget allocations, the implementation of this measure could be endangered. Additionally, Reform Measure 06 foresees that “... to mitigate the negative impact of tourism on the environment, a number of

measures are intended such as: ...implementing policies to minimise pollution from urban waste by separation at source for recycling, composting and dumping; collection and disposal of urban waste at approved landfills, etc.”.

The **ERP 2021-2023** establishes the following priorities in the field of environment:

- Achieve measurable air quality improvements in 2022 as defined in the national air strategy.
- Improve the performance of integrated waste management.
- Increase the area of protected areas.
- Improve the water supply service and urban wastewater treatment and disposal.

The **National Plan for EU Integration (NPEI) 2021-2023** highlights the need for further efforts to assure a complete approximation with the environmental EU *acquis*. The NPEI recognises that adherence to the EU *acquis* with around 200 legal acts included in Chapter 27 “Environment and Climate Changes”, including Civil protection and disaster resilience considerations, requires considerable investment and structured cooperation between all stakeholders, including local authorities, industry and civil society. Furthermore, for the application and implementation of the EU *acquis*, strong and well-equipped central and local administrations are necessary, particularly for inspection and monitoring purposes. The Environmental Impact Assessment of public and private projects needs to be improved and more effective public participation is needed for consultation in the decision-making process, especially at the local level.

Thematic Priority 2: Transport, digital economy and society, and energy

In the **transport sector**, the **Economic and Investment Plan for the Western Balkans** envisages the construction of new transport infrastructure and the upgrading of the existing infrastructure, with the objective of bringing the core transport network up to EU standards. The Plan indicates that work with the Transport Community needs to be further intensified, which will greatly speed up the implementation of technical standards and connectivity reform measures, as well as the rail reform to overcome the legacy of a fragmented network. The adoption and implementation of the regional rail, road safety, transport facilitation and road action plans prepared by the Transport Community, shall be promoted. The **Green Agenda for the Western Balkans** addresses the sector under its pillar on climate action, including decarbonisation, energy and mobility that promotes, *inter alia*, Smart and Sustainable Mobility, assuming as the top priority the revitalisation of the rail network. The Regional Rail Strategy and its action plan aim at making rail a credible and sustainable alternative to road transport. The **Western Balkans Strategy** aims *inter alia* to increase connectivity by supporting the necessary connectivity reform measures. At the same time, the Strategy targets the reduction of the disproportionately high number of road fatalities, which was targeted in the National Road Safety Strategy 2011-2020 and shall be further addressed in the upcoming new Road Safety Strategy 2021-2030.

The **Albania 2020 Report** observes that ‘The revised Albanian National Transport Plan 2020-2024 should be implemented’ and provides specific recommendations on priorities under the Plan, such as ‘developing a national strategy for intelligent transport systems, adopt legislation to implement the railway sector reform and finalise the preparation for the National Transport Strategy for 2021-2025 to be adopted by Q2 2021. The ongoing road safety interventions being implemented on the ‘core’ road network, should be extended to the entire network. On maritime transport, there is a need to reduce the detention rate of Albanian-flagged vessels and follow up on the country’s application for membership of the Paris Memorandum of Understanding on Port State Control. Full compliance with the requirements under the first transitional phase of the European Common Aviation Area Agreement needs to be achieved’.

During the 10th meeting of the **EU-Albania Stabilisation and Association Committee** which took place on 14 November 2019, progress with the reforms on transport, energy, environment and regional development was discussed. There was agreement on the need to continue working with Montenegrin counterparts on joint railways stations in the region, as well as monitoring the quality of the vessels operating under the Albanian flag.

The **Economic Reform Programme 2020-2022** implements the ANTP3 through Reform measure 03: Rehabilitation and construction of the railway segment Durrës-TIA-Tirana. The same measure is proposed under the **ERP 2021-2023**.

The **NPEI 2021-2023** prioritises the transposition of EU *acquis* in the transport and energy sector in line with Albania 2020 Report. It is planned that the legal framework will be harmonised on TEN-T (Trans-European Transport Networks) and TEN-E (Trans-European Energy Networks), including transposition of Regulation (EU) 347/2013 on guidelines for trans-European infrastructure. Moreover, the NPEI outlines the purpose to adopt the new National Transport Strategy and the Strategy for Intelligent transport systems. On railways, the Government plans the adoption of four laws, currently in preparation in line with the Railway Code: the Law for establishing the National Safety Authority, the Law for establishing the National Investigation Body, the Law for establishing the Regulatory Body and the Law on separating infrastructure and operations currently concentrated in the National Company Albanian Railways. On Maritime transport, the Government plans to approve the Regulation on the system of monitoring and information of ship traffic (VTMIS)" to be fully in line with the EU *acquis*.

In the **telecom/broadband infrastructure sector**, the national strategies are consistent with the **Economic and Investment Plan for the Western Balkans** and the **Green Agenda for the Western Balkans**. The Economic and Investment Plan shall support significantly increased investments in digital infrastructure also to deploy ultra-fast and secure broadband with a view to ensure universal access. Through its flagship 8, concrete support will continue supporting the development and roll-out of national broadband infrastructure in the six Western Balkans partners with the completion of the most advanced investment projects in the region by 2024. The preparation of further investments will be accelerated with particular focus on connecting rural areas. The Green Agenda indicates that digitalisation will be a key enabler for all its pillars in line with the concept of the dual green and digital transition.

Since 2018, Albania has been implementing the Digital Agenda for the Western Balkans, prompted by the **Western Balkans Strategy** under the flagship initiative ‘Digital Agenda for the Western Balkans’. The **Albania Report 2020** acknowledges the progress made by Albania to develop the broadband infrastructure for a gigabit society including in areas lacking sufficient commercial interest for investment. The Report observes that in order to monitor progress on compliance with the EU rules on electronic communications and information society services and convergence with the internal market, as well as the alignment with the Digital Agenda for the Western Balkans, Albania needs to improve the collection of statistical data on digital performance and digital competitiveness.

The **Commission Assessment of the ERP 2020-2022** analyses Measure 12: Adoption of the legal and regulatory framework for the development of broadband infrastructure and states that the rolled-over measure on implementation of the legal and regulatory framework for developing the broadband infrastructure is in line with Albania’s 2020 digital agenda and the EU’s strategy for the digital agenda in the Western Balkans and addresses key obstacles to competitiveness and growth. The proposed activities are clearly outlined and include installing broadband infrastructure in pilot areas. However, it is observed that no funding is planned for infrastructure development, which undermines implementation of the measure. The **ERP 2021-2023** includes Reform measure 11: Development of the broadband infrastructure for digital economy. The objectives for broadband development are in line with EU Digital Agenda and the smart growth pillar part of the Multi-Annual Action Plan for a Regional Economic Area in the Western Balkans (MAP-REA) endorsed at the Trieste Summit in July 2017. The plan to implement the above reform measure during the coming years covers the establishment of a national Broadband Competent Office, the launch of pilot projects for developing broadband infrastructure in rural and remote areas, and the establishment of synergies with utility projects and a digital highway study.

The **NPEI 2021-2023** identifies the update and implementation of the National Plan for Sustainable Development of Digital Infrastructure as a priority. The Plan was approved in June 2020. In the context of the NPEI, the adoption of amendments to the Law on Electronic Communications in accordance with the EU Electronic Communications Code and the preparation and approval of strategies and action plans for the Digital Agenda, Cyber security, and Digital skills are added to the abovementioned priorities under Chapter 10 of the accession negotiations. Furthermore, the NPEI outlines the priority to support investments for steady broadband network penetration based on the Feasibility Study for Broadband Development, approved in 2020.

In the **energy sector**, the **Economic and Investment Plan for the Western Balkans** provides support for investing in clean energy, in line with the climate change adaptation strategy. In the context of the

Green Agenda, in November 2020 Albania committed together with the other Western Balkans governments, through the Sofia declaration⁹⁵, to pursuing a clean energy transition and sustainable development by setting forward-looking **2030 energy and climate targets** in line with the Energy Community framework and EU *acquis*, as well as developing and implementing an **integrated Energy and Climate Plan** with clear measures designed to reduce greenhouse gas emissions in the Western Balkans economies by integrating climate action into all relevant sectors. This transition should reduce energy imports, develop renewable energy sources, strengthen regional energy security, unlock greater economic growth, and address persistent air and related health pollution challenges. The National Sector Strategy for Energy 2018-2030 objective for the Improvement of Energy Infrastructure (including electricity grid transmission) will contribute to the Connectivity agenda promoted by **Western Balkans Strategy 2018** which states that increasing transport and energy connections will allow for increased competitiveness, economic growth and security of supply, being at the same time an important prerequisite for economic integration within the Western Balkans. Moreover, the Western Balkans Strategy indicates that countries must fully comply with the Energy Community Treaty and shall adopt the energy and transport *acquis* as well as related standards (e.g. environment and competition) well before accession, coherent with the National Strategy's objective for further harmonisation and integration of national policies and legislation with EU energy legislation and EU market regulation.

The **Albania Report 2020** identifies that Albania has delayed electricity market reforms, especially those regarding the removal of legal and contractual obstacles to the integration of energy markets, and highlights that the country should establish an organised day-ahead electricity market. Albania is committed to these reforms as reflected in the **ERP 2021-2022** which includes the following measures: effective liberalisation of the energy market, with complete unbundling and a functioning power exchange; implementation of the law on renewable energy sources; and adoption of the secondary legislation for the laws on energy efficiency and the energy performance of buildings. The **joint conclusions on the ERP 2020-2022** highlight that diversifying the energy supply, increasing energy efficiency and improving the financial sustainability of public energy companies is a key challenge for the Albanian economy which is hampered by the inefficiency of its energy market and the insecurity of its energy supply. It is recognised that greater focus should be put on energy efficiency. The liberalisation of the electricity and gas markets needs to proceed in line with the EU's third energy package, and the alignment with EU law needs to be completed.

During the 10th meeting of the **EU-Albania Stabilisation and Association Committee** which took place on 14 November 2019, reform in the energy sector was also discussed, starting from diversification of electricity production to diminish the over-dependence on hydropower, to the need to support energy efficiency measure, the Power Exchange and the retail market development.

The **ERP 2021-2023** includes the following two reform measures: Reform measure 01 – Further liberalisation of the energy market, and Reform measure 02 – Diversifying energy sources through the promotion of renewable energy sources and energy efficiency improvements. These measures aim to ensure effective liberalisation of the energy market, with complete unbundling and a functioning power exchange, finalise implementation of the law on renewable energy sources to ensure their integration into the market, and adopt the secondary legislation for the laws on energy efficiency and energy performance of buildings, including the setting up of the Energy Efficiency Fund.

The **NPEI 2021-2023** and the **Albania 2020 Report** state that diversifying electricity generation by promoting alternative sources of renewable energy as well as setting up a day-ahead electricity market are priorities. Full alignment of the Law on Energy Efficiency with the EU *acquis*, drafting and adoption of secondary legislation implementing the Energy Performance of Buildings Directive, and adoption of the National Energy and Climate Plan (2022-2030) remain mid-term priorities for the Government.

4. SECTORAL ANALYSIS

Coherence of strategies with the sector approach. As presented in the previous section, a number of key strategies are still under development or consultation as of March 2021. However, efforts have been enhanced for the new cycle of strategies to ensure that, based on the Integrated Planning System (IPSIS) approach, the preparation of each strategy is evidence based, takes into account the lessons learned from

⁹⁵ <https://www.rcc.int/docs/546/sofia-declaration-on-the-green-agenda-for-the-western-balkans-rn>

implementation of the phasing-out strategy, appropriately considers the results achieved so far and the main challenges, and identifies and build on the key priorities in the context of an inclusive partnership. As regards the enforcement of the partnership principle, the ‘Open Government Partnership (OGP) National Action Plan for Albania 2020-2022’ states that "As public trust is being developed it is necessary to not only publish information, but to reach out to citizens through a variety of channels". New draft strategies are published on Government websites.

Thematic Priority 1: Environment and climate change

With regards to the **organisational and institutional set up**, the principal institution for policy formulation, implementation/coordination, budgeting and reporting on environment and climate change is the MTE. Waste and water policies are implemented by MTE jointly with the Ministry of Infrastructure and Energy (MIE)/ National Water Supply, Sewerage and Waste Infrastructure Agency (AKUM)⁹⁶, with the purpose to integrate and consolidate all the environmental infrastructure investment within one central organisation (both Water and Solid Waste infrastructure). The Ministry of Agriculture and Rural Development has specific responsibilities in the sector such as regarding irrigation and drainage, sewage sludge, and water pollution from nitrates from agricultural sources. The Water Resources Management Agency⁹⁷ (AMBU) is the main central institution for water resources policy and management, as well as the key national stakeholder to direct work on the harmonisation process of EU water acquis with line ministries. EU Water Integration Processes are part of the Chapter 27 "Environment and Climate Change", under the jurisdiction of Vice Minister of the MTE (Prime Minister Order no. 94, dated 20.05.2019 "On the establishment, composition, and functioning of inter-institutional working groups for European Integration") and in this regard AMBU is the responsible institution to lead the Water Sub-chapter (11 Water Directives).

Based on the Prime Minister’s Order No. 24, of 09.02.2021 “on the establishment of the inter-institutional working group for drafting the legal package to harmonize all EU directives in the field of water resources management”, AMBU will lead the inter-institutional working group composed of the Ministry of Tourism and Environment (MTE), the Ministry of Agriculture and Rural Development (MARD), Ministry of Finance and Economy (MFE), Ministry of Infrastructure and Energy (MIE), Ministry of Defence (MOD), Ministry of Health and Social Protection (MHSP), the Albanian Geological Survey (AGS), and the National Environmental Agency (NEA).

Municipalities have been given responsibility for water supply, sewerage and waste treatment management infrastructure at the local level; therefore, they have to strongly enhance their performance and financial sustainability.

There is an overall need to further develop capacities of the implementing agencies: AMBU needs to further build its capacities for the assigned responsibilities in the water sector and AKUM needs to increase its capacities in implementing projects in the wastewater and waste sectors⁹⁸, with a key focus on waste infrastructure. As regards the waste sector, while municipalities are responsible for infrastructure at the local level, the law on waste management does not assign specific responsibility for the construction and operation of national/regional level infrastructure for waste treatment.

The main institutions responsible for the implementation of directives/regulations in the sector of nature protection and biodiversity are the MTE and the National Agency for Protected Areas (NAPA), which has the overall responsibility for the management of protected areas in Albania. Some competences are shared with the National Environmental Agency (NEA) and the Inspectorate within it, and with the National Territory Inspectorate (Ministry of Interior). NAPA needs to further increase its administrative capacities to implement the policies.

On civil protection, the approval of Law on Civil Protection No. 45/2019 has transformed the former General Directorate of Civil Emergencies into the National Agency for Civil Protection subordinated

⁹⁶ According to the Waste Framework Directive 2008/98/EC, the following planning documents will need to be prepared by the Government for the specific sector: Waste Prevention Programme; Waste management plans for special waste streams (packaging, WEEE, Batteries and Accumulators, ELVs); the National Plan for the Reduction of Biodegradable Waste Disposal on Landfills; and the National Plan for the Closure of Non-compliance Landfills, while the legal, institutional and policy framework is at a very initial phase for the separate collection of waste streams, recycling and reuse, and composting of bio-waste.

⁹⁷ DCM No 221, Date 26.04.2018.

⁹⁸ Addressing also the 8th Operational Conclusion of the Sectoral Monitoring Committee (second round 2019) with regards to AKUM.

to the Ministry of Defence. Coordination must be strengthened among all the authorities concerned, primarily the National Agency for Civil Protection, the Ministry of Interior and municipalities. The administrative capacity, infrastructure and systems for early warning, prevention, preparedness and response of the NACP need strengthening. As regards climate change, the main challenge relates to the fact that no specific administrative structure for handling climate change is in place.

Main challenges. Albania has started the process of harmonisation of the environmental legislation with the EU in 2002, and new laws on Environment, Nature, Water, Air Quality and Waste Management have been adopted. Drafting of primary and secondary legislation in the environmental sector is an ongoing process, guided and supervised through the NPEI 2021-2023. The related challenges are set out below.

Air quality in the major cities in Albania is not in line with EU benchmarks. The current air quality monitoring does not provide an accurate picture as it does not cover the entire territory of Albania, nor all the parameters required by EU. Moreover, the National Environment Agency (NEA) does not conduct regular monitoring of industries and installations which potentially emit large quantities of pollutants. There is an urgent need to consolidate the NEA's capacities in developing the air emission inventory and dispersion modelling and projection to support air quality assessment and national emission reduction commitments. The Government shall establish a National Clean Air Commission, to ensure the coordinated implementation of national legislation and policies, bringing together ministries, LGUs, industry/businesses, civil society, the scientific community etc.⁹⁹ The NEA, under the Ministry of Tourism and Environment (MTE), has the main responsibility for the Air Quality sub-chapter implementation. It is responsible for petrol quality control and securing alignment with environmental standards. The Thematic Group for Environment and Climate Change, under the Sectoral Steering Committee on Environment, Climate Change, and Waste Management in the IPMG mechanism, is in charge for prioritisation and monitoring of the National policies on Management of Air Quality.

Waste management is an utmost Governmental priority. On the Circular Economy, the Government has no specific economic instruments to promote recycling and prevent waste generation. The main challenges relate to the implementation of the waste management legislation, still at an early stage, where significant financial resources shall be needed for infrastructure, and insufficient administrative capacity is available both at national and local level. Waste tariffs are not adopted by municipalities and rules and procedures for the implementation of Extended Producer Responsibility are totally lacking. In terms of infrastructure, only three existing EU compliant landfills (Bushat, Maliq and Bajkaj) are available covering a very limited area out of the 12 regions. At the local level, separate waste collection is poorly done, and recycling mostly carried out sporadically by the private sector. There are more than 190 illegal dumpsites that need to be safely rehabilitated or closed to comply with EU standards.

In the **Water sector**, a new Law "on Water" is foreseen to be adopted by 2022 while the secondary legislation is planned to be in place by 2023 including here the law for transposition of Marine Strategy EU Directive. The focus is on completing the relevant secondary legislation which defines River Basin Management competencies and the Environmental Quality Standards in the Field of Water Policy in line with the EU Water Framework Directive (WFD). The main challenges are related to water supply and wastewater collection and treatment with two 'heavy investment' EU directives to be implemented. The alignment with and implementation of key EU Water Directives requires more efforts.¹⁰⁰ The existing wastewater treatment plants face operational and maintenance issues. There is a pressing need to extend the sewage networks and build new treatment plants, notably in urban, coastal and tourist areas. There is no long-term plan assessing the financial resources and time needed to fully implement EU standards, thus slowing down the preparation of needed feasibility studies and project designs. Implementation of water quality legislation is still at early stage. Water quality and its monitoring are not in full compliance with the Directives' requirements. Furthermore, AMBU needs to speed up the adoption of all river basin management plans.

⁹⁹ Based on the DCM No 162 of 19.02.2020 "On the rules on preparation, approval, reassessment and implementation of the national programmes on reducing the emissions in the air".

¹⁰⁰ Conclusions of the 10th EU-Albania Subcommittee meeting on Transport, Energy, Environment and Regional Development, held on 7 March 2019.

As regards **Nature Protection and Biodiversity**, the Law on Protected Areas¹⁰¹ provides the basis to better regulate aspects of their planning and development. Generally, environmental crime is an issue in all fields, including the hunting and killing of protected and non-protected species. Enforcement of the laws needs to be strengthened in case of deforestation and logging, and culprits need to be prosecuted. The quality of Environmental Impact Assessment reports on nature and biodiversity needs to be significantly improved in the context of relevant feasibility studies. The revision of existing management plans and drafting of new ones is crucial under the new legislative framework. There is a need for more investment on infrastructure inside the Protected Areas' territory. Clear procedures and cooperation agreements between NAPA and other ministries/agencies must be developed and enforced. For most of directives/regulations, implementation is at an initial stage while clear mechanisms and procedures for permitting, licensing, derogation and public consultation must be developed and implemented.

The **Industrial Pollution Control** policy is guided until 2023 by the National Implementation Plan (NIP) for phasing out and elimination of Persistent Organic Pollutants (POPs)¹⁰². It outlines the need to identify the equipment with PCBs and PCTs in Albania and provides a mapping of responsible institutions and applicable legislation. The management of Environmental **Noise** has no specific policy document. The Mining Strategy 2010-2025 aims at the development of environmentally friendly mining activities through strengthened supervision and monitoring to ensure safety and less pollution. In terms of challenges, alignment with EU legislation and implementation of legislation on industrial pollution is still at an early stage. Capacity constraints in the MTE and the NEA and its Inspectorate are hampering progress in implementing legislation on the prevention of major accidents involving dangerous chemicals. Upgrades in equipment (cars, computers, laboratory equipment and kits etc.) are also necessary. Permitting for industrial installation is not fully compliant with EU legal requirements, in particular the Industry Emission and Medium Combustion Plants Directives. There is no independent monitoring of industrial pollution and requirements in environmental permits are minimal or completely missing. Administrative capacity for preparing strategic noise maps and action plans needs to be strengthened.

The main institutions in charge for policy making and coordination for the implementation of the NIP are the MTE and the subordinated NEA. The NIP considers the interaction with other ministries (Health, Finance and Economy, Infrastructure and Energy) and municipalities for delivering on certain actions. The **Civil protection** sector is guided by the National Plan of Civil Emergencies (NPCE)¹⁰³ under the Ministry of Defence, which provides measures for the protection of the population, property and cultural heritage in the case of civil emergencies. The Ministry of Defence shall develop the new National Strategy for Disaster Risk Reduction as the main policy in mitigating the adverse natural events. The Post Disaster Needs Assessment report for the earthquake that hit Albania in November 2019 concluded that disaster-risk management of the government and communities needs to be strengthened and aim at reducing risks and vulnerabilities to future disasters. The upcoming National Plan of Civil Emergencies (NPCE) and Disaster Risk Reduction (DRR) Strategy are expected to focus on the following objectives: capacity building and secure equipment and strengthening the provision of local Fire Protection and Civil Protection services; improvement of the early warning of all operational forces system; progressing with DRR, Risk Assessment and Risk Response in line with EU standards; and increasing the public awareness activities and education on hazards included in school curricula. The primary challenge in the sector is the transposition of the Flood Directive, by establishing early warning system and mapping the flood risk zones and occurred floods. Lack of capacities has affected sector performance and policy implementation, more evident at local government levels. A key challenge is providing disaster preparedness for effective response at all levels. A system for processing calls to an "emergency number call handling centre" (112) is implemented only in Tirana and should be introduced throughout the country. The lack of a national training centre for all DRR stakeholders is a clear gap.

In **Climate change**, some progress was made by ratifying the most recent amendment to the Montreal Protocol known as Kigali Amendment, the Kyoto protocol, and the Rio Convention on climate change. The core policy in the sector is included in the National Plan for the Mitigation of the Gases with

¹⁰¹ Law 81/2017 on Protected Areas.

¹⁰² Approved by DCM No. 505, of 29.08.2018.

¹⁰³ Approved by DCM No. 835/03.12.2004

Greenhouse Effect and for their Adaptation toward Climatic Changes¹⁰⁴. Strengthening of administrative capacity and the allocation of the necessary financial resources as well as awareness-raising activities are needed. The alignment process for this sub-sector is still at an early stage; further efforts should be made in transposing EU climate change legislation and on regulating emission standards for new cars and vans and related consumer information.

The monitoring and reporting system and sector coordination are governed by the Sectoral Steering Committee on Environment, Climate Change and Waste Management, under the IPMG mechanism, which is in charge of prioritisation and monitoring of National crosscutting policies on climate change and the “Integrated Water Management” IPMG, and its 2 Thematic Groups: “Water Resources”- led by AMBU and “Water Reform”- led by MIE. AMBU also serves as the technical secretariat of the IPMG. Several IPMGs are in charge of prioritisation and monitoring of National policies on Civil Protection: IPMG Good Governance and PAR (Thematic Group for Decentralisation); the Sectoral Steering Committee on Environment, Climate Change, and Waste Management, and Sectoral Steering Committee for Home Affairs.

As regards **sector financing**, the financial resources are planned through five budget programmes of the Ministry of Tourism and Environment, Ministry of Infrastructure and Energy and Ministry of Defence, accounting for a total EUR 110 million, or 4% of government expenditure. According to the legal framework, the MTE is responsible for drafting the policy on waste management area and monitoring the implementation of the activities in the National Waste Management Strategy. In addition, the MTE is responsible on drafting the feasibility study for every waste zone. The MIE is responsible for waste management regarding the territorial planning and waste management infrastructure. The MIE has invested in large infrastructure such as sanitary landfills and the MTE has invested in the rehabilitation/closure of the existing dumpsites. Most of the budget is allocated to the MIE and its subordinated agencies, while the budget for MTE is limited. The water infrastructure component is under the responsibility of AKUM, under the MIE, and Municipalities as owners of local utilities. AKUM aligns the yearly investment plans in the sector with the Long-Term Water Supply and Sewerage Master Plan (until 2040) aiming at the rehabilitation and extension of current infrastructure as well as new systems. AKUM is also directly engaged by proposing annual investment plans under the State Budget, defining standards and technical specifications on waste management.

Thematic Priority 2: Transport, digital economy and society, and energy

With regards to the **organisational and institutional set up**, transport policy is led by the Ministry of Infrastructure and Energy (MIE). The subordinated Albanian Road Authority (ARA), and the General Directorate of Transport Services (GDTS) are the main implementing agencies for the management of the national road network and Road Transport Services/regulation. With regards to Road Safety policy implementation, responsibilities lie with the Department of Road Traffic in the Albanian State Police, the Local Government Units and with the Albanian Carrier Associations (ANALTIR). ARA is responsible for construction, rehabilitation and maintenance of the national road network. Through its new business model, the Albanian Road Authority (ARA) needs to address systemic weaknesses on public procurement, contract management, arrears, control standards, quality assurance. Furthermore, it should increase capacities in road safety inspections and audits and address insufficient supervision. The Albanian Railways sh.a (HSH) is responsible for implementing the Rail Code comprising all operations of the railway network in Albania. According to the new Rail Code, the restructuring of the current Albanian Railway (HSH) will lead to the unbundling of train operations from infrastructure management and set up an open market for public and private investors both in terms of market regulation, infrastructure management and rail operations. The HSH will be split into four independent Joint Stock Companies covering Infrastructure Management, Railway services for passengers, and Railway Services for national and international freight transport and maintenance entity. The following three independent authorities shall be established: the Railway Regulatory Authority (RRA), the National Safety Authority (NSA), and the National Investigation Body for accidents and incidents in railways and maritime (NIB), in addition to the Railway Licensing Authority (RLA) established in

¹⁰⁴ Approved by DCM No. 466/0 3.07.2019.

2018. For maritime transport, the main policy implementing bodies are the General Maritime Directorate (GMD), and the four major port authorities: Durres, Vlora, Shengjin and Saranda. The Albanian Civil Aviation Authority (ACAA) is an independent regulatory Authority with financial autonomy under the supervision of the MIE¹⁰⁵. Albcntrl is the air navigation services provider. The MIE has the policy mandate in the electronic/telecommunication field, including Broadband/Digital connectivity, and is the authority in charge for drafting and proposing the legal framework for electronic communications. The Authority for Electronic and Postal Communication is the regulatory body in charge of the electronic communication market.

The Ministry of Infrastructure and Energy has the overall responsibility for developing and implementing policies in the energy sector. Additionally, the largest state-owned electricity producer, Albanian Electricity Corporation (KESH), the Electricity Power Distribution System Operator (OSSHEE), the Transmission System Operator, (OST) are the main implementing bodies in the electricity sub sector. On Energy Efficiency, the main institution is the Energy Efficiency Agency (EEA) which is responsible for developing secondary legislation and implementing/ monitoring programmes to promote energy efficiency. The Agency of Renewable Energy serves as the main regulatory body for renewable energy production. There is a plan to merge the two above-mentioned Agencies into a new National Agency of Energy. The Energy Efficiency Agency is still understaffed, and the existing staff needs training on evaluation of energy efficiency investment projects, and support in drafting local energy efficiency plans, etc. Relevant to the sector regulation is the Energy Regulatory Authority (ERRE) with responsibility for approving tariffs in the sector. On hydrocarbons, the National Agency for Natural Resources (AKBN) is responsible for the development of policies for natural resource exploitation and supervision. Albgas sha has a crucial role to play in the gasification of the country and will target the operation, development and maintenance of the country's gas transmission, distribution, storage and Liquefied Natural Gas (LNG) infrastructure. Under the IPMG mechanism, the Thematic Group on Transport, the Thematic Group on Energy and the Connectivity Sectoral Steering Committee provide the main mechanism for sectoral coordination, monitoring and reporting. A special Thematic Group for telecommunication and broadband assures coordination for these sectors as part of IPMG mechanism under the Connectivity Sectoral Steering Committee.

In the **Road sector**, the main challenges for the Ministry of Infrastructure and Energy and Albanian Road Authority are on road maintenance and safety, and further development of transport infrastructure. Road maintenance has gained stronger focus aiming in the coming years at no road section in poor condition while the Albanian Road Authority (ARA) is currently preparing a 5-year maintenance plan and shall establish a Road Asset Management System. As regards road safety, black spots elimination is a priority within the overall challenge of implementing the EU road safety policy. Following the adoption of the Strategy for the Implementation of Intelligent Transport Systems (ITS), the further deployment of ITS on roads needs to be expanded beyond the 200 km pilot phase currently being procured and due to be implemented in 2022. Further challenges include the lack of a national road design guideline/manual, inadequate road signing and marking. The tachograph system in Albania is not functional nor well organised at national level. The National Roads Vehicle Archives is not digitalised and training of inspectors and the certification process on the homologation of road vehicles are administrative challenges.

In the **Railway sector**, the 2018 Rail Code is the main document governing the sector¹⁰⁶. The secondary legislation of the Railway Code will lay the ground for the set-up of the new railway framework according to the EU Directives. Most of the tracks are operational but in extremely poor condition. Train average speed is very low, and the customer service is poor and irregular. In addition, rolling stock (wagons, passenger coaches and locomotives) are old and in need of renewal. The life cycle of signalling is expired therefore the MIE needs to ensure appropriate national budget funding for the Rail Maintenance Plan. The new Rail Code is partly aligned with EC Regulations No 1370/2007, No 1371/2007 and No 97972016.

In the **Maritime sector**, the main policy is embedded in the National Transport Plan and the draft

¹⁰⁵ Under Law No. 10233/11.02.2010, as revised.

¹⁰⁶ In 12.01.2018 under the Railway Law No 142/22.12.2016 (the Law is enforceable one year after its publication in the Official Gazette (230-2016 as of 12.01.2017).

extended National Transport Strategy 2021-2025, due to be adopted by Q2 2021. The Government aims at continuing the approximation of the national legislation with the EU *acquis* and fulfilling all the obligations as member of the Paris Memorandum of Understanding¹⁰⁷. Strategy priorities include the development of port infrastructure through the construction of new ports (touristic and commercial) and extending the existing ones to become part of the TEN-T network. The development of touristic ports/marinas and nautical tourism is part of the National Strategy on the Sustainable development of Tourism 2019-2023. Albania is yet to fully ratify and approximate EU maritime legislation. The challenges relate to the needs to significantly improve maritime connectivity. Investments in ports are not sufficient to support an increase in the cargo volume, container processing or passenger numbers. With Decision No 1 dated 14.10.2020, the National Council for the Territory approved the National Sectorial Plan for Maritime Transport and Port Infrastructure. The Plan foresees that Port of Durrës will be one of the largest and most important port in the region for tourism and passenger transport, while goods transport will be transferred to Porto Romano. The port of Vlora will change the destination from a commercial port (passenger and cargo) to a tourist port and the transport of passengers and cargo will be transferred to the port of “Triport” in Vlora. A major missing component is the Vessel Traffic Monitoring and Information System, and support will be needed for its implementation along the Albanian coast; World Bank funds have been secured for the established of the Vessel Traffic Monitoring and Information System and the feasibility study is in the drafting phase.

In the field of **Air transport**, the Government aims to progress in meeting the conditions of the Multilateral Agreement on the Establishment of the European Common Aviation Area (ECAA), thus further aligning national legislation with the EU legal framework set out in Annex I of the ECAA. In July 2020, the Government approved the “The Air Code of the Republic of Albania”¹⁰⁸ which aims at governing market reform in air transport. The Government priority in the coming years is to expand the air transport infrastructure, putting in operation another 2 international airports¹⁰⁹ in addition to Tirana Airport ‘Nene Teresa’.¹¹⁰ The MIE is preparing the National Airport Master Plan for 2021-2040. The transposition of the EU *acquis* in the national air transport legislation is not complete, which directly affects the implementation of the updated oversight rules and procedures, and fulfilment of ECAA requirements. With reference to security oversight in aviation, the Albanian Civil Aviation Authority (ACAA) needs continuous assistance and capacities to implement security programmes.

With regards to **Digital Connectivity**, the MIE finalised the National Broadband Feasibility Study in May 2020 aiming to determine optimal technical options, business models, and size of the investment needed including the public investment needed to cover with future-proof broadband infrastructure the ‘white areas’¹¹¹. In terms of challenges, digitalisation in Albania is hampered by the low penetration of fixed internet services and weak digital skills. While Albania performs reasonably well in terms of mobile broadband penetration (around 63%), fixed broadband penetration in households remains a challenge. Only 58% of the households have access to fixed internet, thus investment costs for future proof broadband investment in white areas, grey areas, and black areas under different scenarios are huge. Administrative capacities are required to drive the process including the establishment of a national Broadband Competent Office, and expertise to launch of pilot projects for development of broadband infrastructure.

As regards the **Energy Sector**, the National Sector Strategy for Energy 2018-2030¹¹² defines national energy policy targets until 2030. The Strategy foresees the introduction of energy market regulation providing the correct signals for the production and consumption of electricity and natural gas. The electricity Transmission System Operator is currently developing its Master Plan for the period 2020-2033. It aims to provide a long-term Investment and Network Development Plan for the Electricity Transmission Sector in Albania. With the adoption in 2017 of the Law on the Promotion of the Use of Energy from Renewable Sources¹¹³, Albania increased its compliance with the EU *acquis*. The MIE

¹⁰⁷ <https://www.parismou.org/inspections-risk/library-faq/memorandum>

¹⁰⁸ Adopted the Law No. 96/2020

¹⁰⁹ One in the south (Vlora area) and the other in the north (Kukës area).

¹¹⁰ Kukësi Airport concession / PPP granting procedure and the “Feasibility Study of an airport in the south of the country” considering Vlora county as the most favourable location.

¹¹¹ Defined as per EU Regulation No. 651/2014 - art. 52 on Aid for broadband infrastructures - as areas where there is no infrastructure of the same category and where, due to market failure, no such infrastructure is likely to be developed on commercial terms within three years from the approval of public support, which shall also be verified through an open public consultation.

¹¹² Approved by DCM No. 480/31.07.2018.

¹¹³ Law No 7/2017.

plans to update the National Action Plan on Renewable Energy Sources for 2021-2022, aiming at significantly increasing the share of renewable energy sources, other than hydropower. The National Energy and Climate Plan (NECP) 2021-2030 is under preparation, further to No Law 155/2020¹¹⁴ on Climate Change, in line with the EU and Energy Community acquis and targets. In May 2019, amendments to the Energy Efficiency Law were prepared to stimulate the development of the Energy Service Companies (ESCO) market and establishment of the Energy Efficiency financial mechanisms. On Hydrocarbons, the Government has adopted the Master Plan of Natural Gas for Albania 2018-2040, which highlights the importance of the Trans Adriatic Pipeline in the gasification of Albania and provides medium to long-term planning of gas infrastructure investment in Albania. However, there is no gas network in Albania connecting households or enterprises to the gas supply. The challenges currently facing the Albanian energy sector include the need of reducing energy intensity and energy losses and the increase of investments to secure energy supply by increasing the share of renewables and other indigenous energy sources. Regarding Renewable Energy Source (RES) grid integration, secondary legislation to implement access to and operation of the network must be finalised and made available to all applicants. The administrative procedures for authorisation, permitting and licensing are not streamlined including the establishment of a one-stop shop for small RES projects¹¹⁵. Regarding EU energy efficiency there has been insufficient progress with respect to the adoption of by-laws on energy certification/performance in buildings¹¹⁶. Albania is a net importer of electricity and ensuring the security of its power supply is a challenge. Efforts are needed to diversify electricity production from hydropower and promote alternative sources of renewable energy. Grid infrastructure is one of the main challenges in facilitating cross-border trade in electricity, while integrating variable sources of renewable energy and ensuring a stable electricity supply. Electricity distribution losses in the Albanian power grid in 2018 were high at 24.4%, and immediate measures to reduce them are needed.¹¹⁷

The monitoring and reporting system and sector coordination are supported by the IPMG mechanism, through the Thematic Group on Transport, the Thematic Group on Energy and the Connectivity Sectoral Steering Committee provide the main mechanism for sectoral coordination. A special Thematic Group for telecommunication and broadband ensures coordination for these sectors as part of IPMG mechanism under the Connectivity Sectoral Steering Committee. The Ministry of Infrastructure and Energy is the lead institution in the sector, where a number of implementing agencies and regulators are also operational. As regards **sector financing**, in 2020, the budget allocation in the MTBP for transport sector and connectivity/broadband is estimated as EUR 241 million, or 9% of total government expenditure. In the same year, the total budget for Energy under the MTBP accounts for EUR 23 million, or 1% of government expenditure, allocated through 2 budget programmes. However, most of the sector implementation institutions (KESH, OST, OSHEE) are self-financed with their own revenues and expenditure plans.

5. COHERENCE OF SECTORAL STRATEGIES WITH REGIONAL AND GLOBAL STRATEGIES

Thematic Priority 1: Environment and climate change

The National Integrated Waste Management Strategy and the Action Plan 2020-2035 aims to provide strategic instructions and define a set of measures for integrated waste management by reflecting the best practices of the EU member states, and incorporating circular economy principles in the national waste management system is coherent with the **European Union Strategy for the Adriatic and Ionian Region (EUSAIR)** that in its third pillar on Environmental Quality addresses the issue of waste management with respect to the marine, coastal and terrestrial ecosystems in the Region. One of the specific objectives of the pillar is to improve waste management by reducing waste flows to the sea and, to reduce nutrient flows and other pollutants to the rivers and the sea. Data from the National

¹¹⁴https://www.parlament.al/Files/ProjektLigje/2021010413081820201227203009ligj%20nr.%20155,%20dt.%2017.12.2020_compressed.pdf

¹¹⁵ Annual Implementation Report by Energy Community Secretariat, 1 November 2019.

¹¹⁶ Annual Implementation Report by Energy Community Secretariat, 1 November 2019.

¹¹⁷ On average, electricity distribution losses in EU countries are around 6%: e.g. Poland – 6.47%, Slovenia – 4.78%, Netherlands – 4.77%, etc.)

Integrated Waste Management Strategy suggest that there are 199 illegal dumpsites in which municipal solid waste and not only, have been deposited, some of which are located along watercourses and rivers. Waste deposited in these water sources sail to the shores of the seas, adversely affecting the ecosystem and aquatic – terrestrial flora and fauna. On the topic of Marine Environment, one of the two issues identified is Pollution of the sea highlighting that ‘...poor management of solid waste and a large number of illegal landfills including hazardous waste result from a combination of scarce funding for solid waste treatment infrastructure, lack of awareness on the part of the general public, weak enforcement and increasing urbanisation of the coastlines. Facilities for treating wastewater are equally poor in many places.’

The Document of Strategic Policies for the Protection of Biodiversity to 2020 which targets an increase of protected areas, ecosystem restoration and their sustainable management, including marine and coastal areas, is also coherent with the **EUSAIR**. The EUSAIR Flagships 2021-2027, adopted on the 12th extraordinary EUSAIR Governing Board meeting on 10 June 2020, include *inter alia* the protection and enhancement of natural terrestrial habitats and ecosystems, and the promotion of regional sustainable growth by implementing Integrated Coastal Zone Management including monitoring and management of marine protected areas.

The sectoral and cross-cutting strategies under this Thematic Priority aim to contribute to the following **Sustainable Development Goals (SDGs)**: SDG 3: Good health and well-being; SDG 6: Clean water and sanitation; SDG 11: Make cities inclusive, safe, resilient and sustainable; SDG 12: Ensure sustainable consumption and production patterns; SDG 9: Building resilient infrastructure; SDG 13: Climate Action: Take urgent action to combat climate change and its impacts; SDG 14: Conserve and sustainably use the oceans, seas and marine resources; and SDG 15: Life on land. According to the **UN Sustainable Development Goals**, Disaster Risk Reduction is an integral part of social and economic development and is essential for sustainable development is to be sustainable for the future.

Thematic Priority 2: Transport, digital economy and society, and energy

Albania is part of the **Energy Community Treaty and the Transport Community Treaty** as well as the European Common Aviation Area which provide for advanced regulatory frameworks that can – combined with strong political cooperation in the region – largely facilitate intra-regional connectivity. The national policies on transport are also consistent with the **EUSAIR**. The EUSAIR Flagships 2021-2027 include the development of an interconnected and integrated transportation system in the Adriatic-Ionian Region, greener and low-carbon multimodal corridors alongside the TEN-T network; the expansion of interconnecting national power systems, the creation of power market coupling while exploring opportunities for large-scale deployment of low-carbon energy sources and grid digitalisation; and expanding and interconnecting national gas systems promoting security of gas supplies while exploiting opportunities for gas storage.

With the adoption of the **2030 Agenda for Sustainable Development**, road safety was expressly included as an important sustainable development issue, in targets 3.6 related to the number of global deaths and injuries from road traffic accidents and 11.2, related to health and cities. Target 11.2 calls for providing by 2030 “access to safe, affordable, accessible and sustainable transport systems for all, improving road safety”. In addition, target 9.1 calls for developing “quality, reliable, sustainable and resilient infrastructure”, including through investment in transport infrastructure, the goals and related targets being universal in nature and applicable to all United Nations Member States. These are fully aligned with the goals of the national policy.

The development of digital infrastructure and the digital economy targeted by the national policies shall contribute to achieving the targets established under the SDG 9.c which aims to ‘Significantly increase access to information communication technologies and strive to provide universal and affordable access to internet in least developed countries’, fully in line with the objectives of the National Plan for Sustainable development of digital infrastructure, Broadband 2020-2025. This will also contribute to SDG 17, target 17.8 enhance the use of enabling technology, in particular information and communications technology, SDG 5 Gender Equality, target 5.b enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women and SDG 4 Quality Education.

Energy lies at the heart of several Sustainable Development Goals – from expanding access to electricity, to improving clean cooking fuels, from reducing wasteful energy subsidies to curbing deadly

air pollution; SDG 7 that aims to ensure access to affordable, reliable, sustainable and modern energy for all by the end of the next decade is the major goal targeted by national policies in the energy sector in particular targets 7.2 to increase substantially the share of renewable energy and 7.3 on energy efficiency, as well as SDG 5 Gender Equality.

The Albanian Strategy for Gender Equality 2016-2020 at central Government level and Gender Equality Action Plans at Municipal level (e.g. the Gender Equality Action Plan of Tirana Municipality) are consistent with the **EU Roadmap on the “Action Plan of Gender equality and women’s empowerment in external relations for 2021-2025”** which promotes the inclusion of women and girls in the green transition and digital transformation. All relevant national policies mainstream gender equality during their preparation, implementation and monitoring.

PART 2 – PRIORITIES, OBJECTIVES AND ACTIONS UNDER IPA III ASSISTANCE

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

2. KEY THEMATIC PRIORITIES

The thematic priorities selected from the IPA III Programming Framework proposed to be addressed by the actions described below for the period 2021-2024 are Thematic Priority 1: Environment and climate change, and Thematic Priority 2: Transport, digital economy and society, and energy.

The objectives pursued in accordance with the IPA III Programming Framework and the areas of support are presented below for each Thematic Priority.

Thematic priority 1: Environment and climate change

- To help to address the global challenge of improving the environment and ensuring its preservation by reversing environmental degradation, promoting conservation of ecosystems, monitoring and ultimately improving the quality of air, soil and water, abating levels of industrial and chemical pollution, as well as properly disposing of waste, including hazardous and extractive waste.
- To assist beneficiaries in Green Agenda Goals and address other environmental issues, such as cutting pollution and improving the sustainable production of raw materials needed for the green transition and climate-neutral economy.
- To promote the green agenda by reinforcing environmental protection, contributing to mitigation, and increasing resilience to climate change.
- To improve capacity for disaster risk management with enhanced participation in the Union Civil Protection Mechanism.
- To support Albania to bring its environmental protection standards and climate change policies in line with EU requirements and policy priorities.

Thematic Priority 2: Transport, digital economy and society, and energy

- To support initiatives that increase transport safety, in road transport, and passengers’ rights in accordance with EU requirements and to reduce road fatalities and serious injuries to almost zero by 2050.

- To strengthen digital connectivity and the digital transformation of businesses and public services.
- To improve energy efficiency and full enforcement of the Energy Performance of Building Directive, increase the share of renewable energy sources, and provide the necessary investment conditions, in line with the EU and Energy Community acquis and targets. To improve the energy connectivity within the IPA III beneficiaries by better cross-border interconnections, diversification of sources and routes, and promote energy efficiency and renewable energy projects in line with EU targets and policies.
- To support institutional and regulatory reform measures, through the alignment with and the implementation of the EU *acquis*.

In addition, through the EUIF Actions proposed under Window 2, support is proposed to implement maritime and railway reforms in line with EU *acquis*. Furthermore, through the EUIF Actions proposed under Window 2, support is proposed to promote energy efficiency and renewable energy projects in line with EU targets and policies, as well as to support institutional development, capacity building and legal alignment in the telecom/broadband sector.

3. LIST OF ACTIONS PROPOSED FOR IPA III SUPPORT 2021 – 2024

Albania is interested in the possibility of participating in Team Europe initiatives and will discuss this further with the European Commission.

PROGRAMMING YEAR 2021

- **EU for Circular Economy and Green Growth (TP1, 30.9 EUR million plus EUR 3.265 million Beneficiary’s contribution)**
The Action will contribute towards developing the circular economy and sustainable green growth in Albania. It will provide assistance in transposing key EU waste directives and their implementation and prepare key planning documents for legal compliance, waste prevention, circular economy, and hazardous waste. It will support capacity building of central and local waste management authorities to implement, monitor and enforce waste management policies including setting up integrated waste data collection systems and fulfilment of reporting requirements. It will enable the regulatory and financial environment for an Extended Producer Responsibility system and support its implementation and waste separation and recycling for three separate waste streams. It will implement integrated municipal solid waste management models including recycling and reuse in the waste areas of Kukës and Gjirokastër—Vlora South as demonstration projects, and strengthen economic opportunities for non-state actors and local governments in circular economy and green growth initiatives. The action will also raise public awareness on the circular economy, green growth and recycling.
- **Support the Protection of Irreplaceable Nature – SPIN (TP1, EUR 6.9 million plus EUR 0.653 million Beneficiary’s contribution)**
The aim of the action is to align Albania’s nature conservation policy with EU requirements, with a particular focus on the implementation of the Birds and Habitats Directives. To achieve the full transposition of EU nature *acquis*, legislation shall be developed ensuring the appropriate assessment of any plan and/or project likely to have a significant effect on conservation sites and all necessary compensatory measures to ensure the overall coherence with Natura 2000. Implementation will be supported by developing appropriate monitoring and law enforcement mechanisms and capacity building for the competent authorities and institutions to duly exercise assigned responsibilities regarding the management of protected areas and future Natura 2000 sites. Support will be provided in further developing the inventory and monitoring of bird species and habitats as well as communication and awareness-raising among stakeholders on Natura 2000 and nature management and conservation.

- **EU for digital connectivity: institutional development, capacity building and legal alignment (TP1, EUR 2 million)**
Approximately 58% of Albanian households have access to fixed internet, but the gap between internet access in rural and urban areas remains huge as only 5% of the rural population have access to broadband internet. Consequently, this Action aims to improve the legal and regulatory environment for digital connectivity and strengthen economic and social development in Albania through better ICT access and broadband connections and strengthening capacities for investment, so the digital gap between Albania and EU Member States will decrease. The Action shall also provide capacity building for establishing a Broadband Competent Office in charge of broadband development and preparing investments to bring broadband connectivity to all citizens, with an emphasis on bridging the digital gap between urban and rural areas and achieving the Gigabit Society objectives as well as develop and implement measures to have secure and resilient 5G networks based on the EU 5G toolbox experiences.
- **EU for Road Safety (TP 2, EUR 15 million)**¹¹⁸
In line with the EU Road Safety Policy Framework 2021-2030, the long-term objective of this Action is to contribute to the reduction of fatalities and serious injuries caused by road accidents in Albania, through safer conditions on road sections identified as Black Spots, improving the road infrastructure safety management system and promoting safer road user behaviour. It combines investment to improve up to 6 road sections by safety applications and eliminate up to 13 Black Spots by 2025, primarily on roads located in the corridors of the Trans-European Road Network Adriatic-Ionian Sea, with complementary measures supporting safer road user behaviour through increased awareness, wide access to road safety related and traffic information, and a consistent road safety infrastructure management system and data quality. It will also enhance capacities of Albanian authorities to comply with the procedures stipulated under the EU Directive on road infrastructure safety management.

PROGRAMMING YEAR 2022

- **Approximation of EU water legislation and support implementation of the national strategy for integrated water resources management (TP2, EUR 30 million)**
The aim of the action is to align Albania's water policy with the EU water related requirements by fostering the implementation of Integrated Water Resources Management (IWRM) as prescribed under the Water Framework Directive and other water related directives and to support the development of wastewater treatment plants and sewerage networks to progress toward the infrastructural requirements of the Urban Wastewater Treatment Directive. The expected outcomes will be to (i) complete the transposition of EU water legislation into national laws and regulations for most WFD related directives, (ii) complete River Basin Management Plans for all River Basins and build capacity for their implementation, (iii) develop and operate a national water monitoring system based on accredited laboratories to designate, assess and enforce water physical, ecological and chemical status for all relevant water related EU directives for all types of water bodies, and (iv) initiate a marine strategy development plan aligned with the Marine Strategy Framework Directive. Furthermore, urban wastewater infrastructure will be developed in selected cities by providing co-funding grant resources to a KfW water sector performance and infrastructure programme.

PROGRAMMING YEARS 2023 AND 2024

- EU for civil protection at national and local level. (TP1, EUR 8 million)
- Support to the implementation of climate, air quality and emissions control legislation and the development of an Environmental Monitoring and Information System (TP1, EUR 10 million)

¹¹⁸ The Action 'Maturity Support for the Albanian Road Authority (TP2, EUR 1.5 million) was merged into the 2021 Action 'EU for Road Safety and elimination of black spots'.

- Support to the telecommunication sector and to the Digital Transformation for the Private Sector Development (TP2, EUR 20 million¹¹⁹)
- Support to improving energy transmission and connectivity (TP2, EUR 21.8 million¹²⁰)
- Overall improvement of the Custom's electronic systems (TP2, EUR 50.29 million)
- Support the implementation of the National Energy and Climate Plan 2021-2030 (TP1 and TP2, EUR 4 million – technical assistance support only)
- Support for Transport Sector Reform and Transport Community Action Plan Implementation (TP2, EUR 15 million)

4. INDICATIVE BUDGET AND IMPLEMENTATION PLAN 2021-2024

	Estimated budget (million EUR)	Implementation plan¹²¹ Planned date for the submission of the Action Document
2021		
Thematic Priority 1 – Environment and climate change		
EU for Circular Economy and Green Growth	30.9 (plus 3.265 Beneficiary contribution)	March 2021
Support the Protection of Irreplaceable Nature – SPIN (Enhancing national efforts on nature protection)	6.9 (plus 0.653 Beneficiary contribution)	March 2021
EU for digital connectivity: institutional development, capacity building and legal alignment	2	March 2021
EU for Road Safety	15	March 2021
Total Thematic Priority 1 (2021) – IPA contribution	54.8	
2022		
Thematic Priority 1 – Environment and climate change		
Approximation of EU water legislation and support implementation of the national strategy for integrated water resources management	30	September 2021
Total Thematic Priority 1 (2022)	30	
2023-2024		
EU for civil protection at national and local level.	8	March 2022
Support to improving energy transmission and connectivity	21.8	March 2022
Support to the implementation of climate, air quality and emissions control legislation and the development of an Environmental Monitoring and Information System	10	March 2022

¹¹⁹ Any component of the Action eligible for a loan could be financed through the Western Balkans Investment Framework.

¹²⁰ This amount might include a loan component subject to calculations of the funding gap.

¹²¹ [indicate planned date (month and year) for the submission of the action document]. Indicate the tentative implementation modalities (including, if possible, the split between direct and indirect management and the number and types of contracts).

Support to the telecommunication sector and to the Digital Transformation for the Private Sector Development	20	March 2022
Overall improvement of the Custom's electronic systems	50.3	March 2022
Support the implementation of the National Energy and Climate Plan 2021-2030 (technical assistance only)	4	March 2022
Support for Transport Sector Reform and Transport Community Action Plan Implementation	15	March 2022
Total Thematic Priority x (2023-2024)	129.1	
Total (2021-2024) – IPA contribution	213.9	

DRAFT

WINDOW 4 - COMPETITIVENESS AND INCLUSIVE GROWTH

PART 1 - SECTOR CONTEXT AND RELEVANCE WITH THE ENLARGEMENT POLICY

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

2. ALIGNMENT OF BENEFICIARY'S STRATEGIES WITH IPA III PROGRAMMING FRAMEWORK

The main strategic documents in Albania in the area of competitiveness and inclusive growth are grouped according to thematic priorities.

Thematic priority	Relevant Beneficiary's strategy
All TPs	<ul style="list-style-type: none">• National Strategy for Development Integration 2015-2020¹²²
TP1: Education, employment, social protection and inclusion policies, and health	<ul style="list-style-type: none">• Strategy of Pre-University Education 2014-2020 - upcoming Strategy for Education 2021-2026 due to be approved in Q4 2021): including policies in the subsectors of Education (all levels)¹²³• National Employment and Skills Strategy 2019-2022 & Action plan¹²⁴ includes policies of: Employment, Vocational education and training.• National Action Plan for Youth 2015-2020'' –upcoming strategic Document on Youth 2021-2027 due to be approved in Q4 2021¹²⁵.• National Social Protection Strategy, 2020–2023 & Action plan¹²⁶ related to Social protection and inclusion¹²⁷.• Social Inclusion Policy Paper 2016-2020¹²⁸ includes all areas of social protection and inclusion¹²⁹-• Social Inclusion Policy Paper 2021-2025 will be finalised within 2021.• Social Housing Strategy 2016-2025¹³⁰.• National Action Plan for LGBTI Persons in the Republic of Albania, 2016-2020 - upcoming National Action Plan for LGBTI Persons, due to be adopted by Q3 2021.

¹²² DCM No. 348/11.05.2016.

<https://administrata.al/Documents/strategjia%20doc/1.Strategjia%20Komb%c3%abtare%20p%c3%abr%20Zhvillim%20dhe%20Integrim%202015%20%20e2%80%93%20%202020%20.pdf>

¹²³ <https://administrata.al/Documents/strategjia%20doc/15.Strategjia%20Sektoriale%20p%c3%abr%20Arsimin%20Parauniversitar%202015%20-%202020.pdf>

¹²⁴ DCM No. 659/10.10.2019.

¹²⁵ https://financa.gov.al/wp-content/uploads/2020/10/Publikim_AL_Strategjia-Komb%c3%abtare-p%c3%abr-Pun%c3%absim-dhe-Aft%c3%absi-2019-2022.pdf

¹²⁶ DCM No. 866/24.12.2019.

¹²⁷ <https://alprofitconsult.al/wp-content/uploads/2020/01/FZ-2019-184.pdf>

¹²⁸ DCM No. 87/03.02.2016. <https://qbz.gov.al/eli/vendim/2016/02/03/87/8def4d93-c60b-488e-ac66-4a4459d3ff6f>

¹²⁹ <http://planifikimi.gov.al/index.php?eID=dumpFile&t=f&f=5097&token=8c270ec246d9636ee39d843c8c5cf839a6133f94>

¹³⁰ DCM No. 405/01.06.2016.

Thematic priority	Relevant Beneficiary's strategy
	<ul style="list-style-type: none"> • National Action Plan for Integration of Roma and Egyptians in Albania 2016-2020 – upcoming National Plan of Action for Integration of Roma and Egyptians 2021-2025, due to be adopted by Q3 2021. • National Agenda for Children's Rights 2017-2020 and upcoming Plan of Action for Children's Rights 2021-2025 due to be adopted by Q3 2021. • National Action Plan on Persons with Disability 2016-2020¹³¹ includes policies of Social protection and inclusion – the National Action Plan on Persons with Disabilities 2021-2025 including the National Plan on Accessibility are under development. • Policy document “The reform of disability assessment in the social protection system and the action plan 2019-2024”¹³². • The national policy document on aging 2020–2024, and the action plan includes policies of Social protection.¹³³ • Albanian National Health Strategy 2016-2020¹³⁴ – upcoming National Health Strategy 2021 - 2025 and budgeted Action Plan¹³⁵. • The Primary Health Care Services Development Strategy in Albania 2020-2025¹³⁶. • Public Health Strategy and Health Promotion 2011-2021¹³⁷.
TP2: Private sector development, trade, research and innovation	<ul style="list-style-type: none"> • Business and Investment Development Strategy (BIDS) 2014-2020¹³⁸ - The upcoming Business and Investment Development Strategy (2021-2027), planned in 2021 includes policies of Support to the private sector (enterprises/SME/entrepreneurship)¹³⁹. • Inter-sectoral strategy “On Consumer Protection and Market Surveillance 2015-2020”¹⁴⁰ • Roadmap on Free Movement of Goods, expected by 2022, includes policies of Trade. • Upcoming Strategy on Standardisation 2021-2030, expected to be approved in 2021. • National Strategy on Science, Technology and Innovation 2017-2022, and the Innovation Action Plan of the Policy Framework for Innovation (2017-2022) includes policies of digital agenda (digitalisation and innovation), Research, innovation and smart specialisation¹⁴¹.

¹³¹ DCM No. 483/29.06.2016.

¹³² DCM No. 380/05.06.2019.

¹³³ DCM No. 864/24.12.2019.

¹³⁴ <https://administrata.al/Documents/strategjia%20doc/5.Strategjia%20e%20Zhvillimit%20t%20c%20ab%20Biznesit%20dhe%20Investimeve%202014%20-%202020.pdf>

¹³⁵ Referenced in the ERP 2021-2023 p. 145.

¹³⁶ DCM No.405/20.05.2020.

¹³⁷ Order of the Minister of Health No. 342/10.08.2015.

¹³⁸ DCM No.635/01.10.2014.

¹³⁹ <https://administrata.al/Documents/strategjia%20doc/5.Strategjia%20e%20Zhvillimit%20t%20c%20ab%20Biznesit%20dhe%20Investimeve%202014%20-%202020.pdf>

¹⁴⁰ <https://administrata.al/Documents/strategjia%20doc/14.Strategjia%20Komb%20c%20ab%20Nd%20c%20abrsektoriale%20p%20c%20abr%20Mbrojtjen%20e%20Konsumatorit%20dhe%20Mbik%20c%20abqyrjen%20e%20Tregut%202015%20-%202020.pdf>

¹⁴¹ DCM No. 710/1.12.2017.

<https://administrata.al/Documents/strategjia%20doc/24.Strategjia%20Komb%20c%20ab%20p%20c%20abr%20Shkenc%20c%20abn%20c%20Teknologjin%20dhe%20Inovacionin%202017%20-%202022.pdf>

Thematic priority	Relevant Beneficiary's strategy
	<ul style="list-style-type: none"> • The upcoming Smart Specialisation Strategy expected by Q2 2022 includes policies of digital agenda (digitalisation and innovation), Research, innovation and smart specialisation. • Action Plan “Support the development of innovative policies based on the Triple Helix approach” 2017-2021 includes policies of digital agenda (digitalisation and innovation), Research, innovation and smart specialisation and of Support to the private sector (enterprises/SME/entrepreneurship) • National Strategy for Sustainable Tourism Development 2019–2023 and Action Plan includes policies for Tourism Development and culture (culture heritage).¹⁴² • Inter-sectoral strategy “On Consumer Protection and Market Surveillance 2015-2020¹⁴³. • National Strategy for Culture 2019-2025¹⁴⁴. • Upcoming draft Strategy for the recognition and operation of the creative industry and draft action plan for the implementation of the strategy for the recognition and operation of the creative industry (planned Q4/2022). • National Strategy on Intellectual Property 2016-2020¹⁴⁵ - The new National Strategy on Intellectual Property 2021-2025 is expected to be approved by 2021¹⁴⁶ - upcoming National Strategy on Intellectual Property 2021-2025 due to be approved by Q4/2021. • Upcoming National Action Plan for free movement and fight against illicit trafficking of cultural property 2021-2023 due to be approved Q3/2021.
TP 3: Agriculture and rural development	<ul style="list-style-type: none"> • Inter-Sectoral Strategy for Agriculture and Rural Development (ISARD) 2014-2020 - the upcoming Strategy for Agriculture Rural Development and Fisheries (SARDF) 2021-2027 expected by end 2021 includes policies related to agriculture, agricultural infrastructure, rural development, food safety, veterinary and phytosanitary services and fisheries¹⁴⁷. • National Irrigation and Drainage Strategy 2019-2031 and Action Plan¹⁴⁸ includes policies of agricultural infrastructure¹⁴⁹. • There is no specific policy document on Forestry. The Document on Strategic Policies for Biodiversity Protection 2016-2020¹⁵⁰ includes to some extent policies on Forests included in protected areas and the Natura 2000 network. The Government is currently supporting Municipalities for the preparation of Forest Management Plans.

¹⁴² DCM No. 413/19.06.2019 <https://turizmi.gov.al/wp-content/uploads/2019/12/National-Tourism-Strategy-2019-2023-EN.pdf>

¹⁴³ <https://administrata.al/Documents/strategjia%20doc/14.Strategjia%20Komb%20c3%abtare%20Nd%20c3%abrsektoriale%20p%20c3%abr%20Mbrojtjen%20e%20Konsumatorit%20dhe%20Mbik%20c3%abqvrjen%20e%20Tregut%202015%20-%202020.pdf>

¹⁴⁴ <https://kultura.gov.al/wp-content/uploads/2021/02/finale-Strategjia-Kombe%CC%88tare-pe%CC%88r-Kulture%CC%88n-2019-2025-ne-Anglisht.pdf>

¹⁴⁵ DCM No. 527/24.12.2016.

¹⁴⁶ <https://administrata.al/Documents/strategjia%20doc/26.Strategjia%20Komb%20c3%abtare%20e%20Pron%20c3%absis%20c3%ab%20Intelektuale%202016%20-%202020.pdf>

¹⁴⁷ <https://administrata.al/Documents/strategjia%20doc/6.Strategjia%20Nd%20c3%abrsektoriale%20p%20c3%abr%20Zhvillimin%20Rural%20dhe%20Bujq%20c3%absor%202014%20-%202020%20.pdf>

¹⁴⁸ DCM No. 345/22.05.2019.

¹⁴⁹ <https://bujqesia.gov.al/projekti-i-burimeve-ujore-dhe-ujitjes/strategjia-e-ujitjes-dhe-kullimit-2019-2031-dhe-plani-i-veprimeve/>

¹⁵⁰ DCM No. 31/20.01.2016.

Thematic priority	Relevant Beneficiary's strategy
TP 4 – Fisheries	<ul style="list-style-type: none"> National Fisheries Strategy 2016-2021 includes policies related to fisheries ¹⁵¹. It shall not be extended being covered from 2021 by the upcoming SARDF.

Thematic Priority 1: Education, employment, social protection and inclusion policies, and health

In **education**, the Strategy of Pre-University Education 2014-2020 will be replaced by the upcoming Strategy for Education 2021-2026, due to be adopted by the end of 2021, which will be the key strategic framework for the area, covering both pre-university and university education. Vocational education is treated in the National Employment and Skills Strategy 2019-2022. Other strategic documents include the Policy document for Social Inclusion 2016-2020¹⁵², which emphasises the importance of inclusiveness of vulnerable categories and poor people in the pre university educational system. All these strategic documents are linked to the IPA III Programming Framework objective to strengthen access to and quality of education, including vocational education and training, participation in Early Childhood Education and Care and lifelong learning opportunities at all levels. Moreover, they are aligned with the IPA III objective on the improvement of the governance and the financing of the education system and the inclusion of the most disadvantaged, including children and marginalised communities. The Strategy for Education 2021-2026 will correspond to the IPA III objectives with a focus on inclusion and equity, quality of education, and managing the quality of education, the competency-based curriculum based on lifelong learning, teacher professional development and digitalisation of education.

The objectives of the National Strategy on Employment and Skills (NESS) 2019 – 2022 are fully in line with the IPA III Programming Framework objectives for fostering quality employment, vocational education and access to the labour market. The NESS sets a priority on youth employment through active labour measures and a youth guarantee, and the Government confirms its full commitment to implement the EIP Flagship Programme on the Western Balkans Youth Guarantee in Albania as envisaged in the NESS. The MoFE will establish a National Plan of Action for the youth guarantee with a focus on youth not in employment and not in education that will promote economic growth and social equity and cope with structural challenges. Currently the new Youth Strategy 2022-2029 is in its early stages of development.

In the **social sectors**, the National Social Protection Strategy (NSPS) 2020–2023 is linked with the IPA III Programming Framework priorities, as both aim at better social care coverage of poor and extremely poor families, children and at risk individuals, thereby enhancing transparency and avoiding abuses in the Economic Aid scheme, as well as linking aid to employment schemes, for faster social reintegration. The NSPS is focused on supporting the reform of social care services by supporting local governments to establish local social plans and social care services for different categories in need, such as: children, women, elderly people, people with disabilities. The reform will aim at establishing an adequate financing mechanism and support to more community-based services and reintegration through the labour market.

The upcoming National Health Strategy 2021 – 2025 following on from the Albanian National **Health** Strategy 2016-2020 and the Primary Health Care Services Development Strategy in Albania 2020-2025 include the objective of expanding the range of free services offered to all citizens, thereby aligned with the IPA III Programming framework objective for promoting universal health service coverage. The establishment of an Integrated Mental Socio-Health Services Network is based on the fulfilment of two major strategic objectives of health and social protection, that of decentralisation of mental health services through expansion and enrichment of the existing network with services as close as possible to the community and deinstitutionalisation, by reducing the number of psychiatric beds and establishment and strengthening of community mental socio-health services.

¹⁵¹ DCM No. 701/12.10.2016. https://www.bujqesia.gov.al/files/pages_files/STRATEGJIA_KOMB%C3%8BTARE_E_PESHKIMIT.pdf

¹⁵² DCM No. 87/03.02.2016.

The strategies in these sectors mainstream gender equality. It should be noted that the strategies listed in Window 1 TP5: Fundamental rights are relevant for this Thematic Priority and contain relevant cross-cutting measures. The Youth Strategy 2022-2029 is under development in line with Law No 75/2019 on youth. It will be inter-related to sectors such as education, employment, culture, sports and youth in decision making. Moreover, the Action Plan on Youth 2015-2020 is currently being evaluated and in all likelihood the future Youth Action Plan will be included in the new Strategy.

Thematic Priority 2: Private sector development, trade, research and innovation

The Government policies are aligned with the specific objective of IPA III to improve the **business environment**, innovation ecosystem and investment climate. Particularly, improving services to SMEs, with a focus on supporting start-ups and SMEs, addressing Micro, Small and Medium-Sized Enterprises (MSME)'s lack of access to finance, and human capital with appropriate skills are objectives of the IPA III Programming framework and the drafted BIDS 2021-2027 focusing on investment attraction and internationalisation, SME development, entrepreneurship and innovation and human capital development. Within government policies, specific commitments to sustainable economic development have been made focusing on and augmenting the contribution that women make to the economy. Government policies also define the need to redesign existing support schemes in complementarity with the IPA III Western Balkans Guarantee Facility and Western Balkans Enterprise Development and Innovation Facility¹⁵³.

The National Strategy on Science, Technology, and **Innovation** (2017-2022), the Action Plan of the Policy Framework for Innovation (2017-2022) and the upcoming Smart Specialisation Strategy are coherent with the IPA III Programming Framework specific objectives to strengthen research, technological development and innovation including the support to the quadruple helix model of innovation with interactions between academia, industry and governments and civil society, as well as with the Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport.

The IPA III Programming Framework shall support private sector development and trade which is essential for socio-economic development and regional integration, and to improve the region's competitiveness and job creation. In this connection, the National Strategy for Sustainable **Tourism** Development 2019-2023 establishes that tourism services shall be integrated, and new, environmentally friendly, socially responsible and economically sound tourism promoted in Albania including cultural heritage. This is also in line with the objectives of the National Strategy for Culture 2019-2025 regarding the promotion of sustainable tourism strategies.

The National **Consumer Protection and Market Surveillance** Strategy 2014-2020 is aligned with the IPA III objective to strengthen quality infrastructure, metrology, standardisation, accreditation, conformity assessment and market surveillance of products.

The strategies in these sectors mainstream gender equality.

Thematic Priority 3: Agriculture and rural development

The vision of the Strategy for **Agriculture, Rural Development and Fisheries** (SARDF) 2021-2027 (under preparation) will be for an efficient, innovative and viable agri-food sector, able to sustain competitive pressure and meet the requirements of the EU market, and to support a viable and high quality of life of rural residents. These objectives are fully aligned with the IPA III Programming Framework specific objectives to build an agricultural sector capable of competing with market forces, while progressively aligning with the EU legal framework in the field of agriculture and rural development, IPARD III objectives and the relevant veterinary, food safety and phytosanitary standards (SPS standards). The strategy includes objectives corresponding to IPA III regarding food safety, animal welfare and environmental standards, diversification of activities and development of rural business, increase competitiveness progressively in line with EU standards, build up modern public administration for agriculture and rural development and improve farmers position in the value chain by also attracting young farmers. Moreover, the government will be committed to the implementation of the EU legal framework in the field of agriculture and rural development, including the

¹⁵³ The EU-led platform which is part of the Western Balkans Investment Framework.

implementation of the management, implementation and control of the Common Agricultural Policy, in particular the various elements of the Integrated and Administrative Control System in line with the IPA III Programming Framework objectives. The strategy shall mainstream human rights and gender equality.

Thematic Priority 4: Fisheries

The objectives of the National Fisheries Strategy 2016-2021 are consistent with the IPA III specific priorities to increase the ability of national Fishing industry to progressively align the Union rules and standards as well as with the IPARD III objectives specifically related to improving the production of high-quality, safe, nutritious and sustainable food through Measure 3: “Investments in physical assets concerning processing and marketing of agricultural and fishery products”. Specifically, the national policies promote aquaculture and appropriate management of renewable resources, addressing the recommendations and action plans of the General Fisheries Commission for the Mediterranean (GFCM), improve the data collection and landing statistics, modernise and adjust the fishing fleet’s capacity and overall supporting infrastructure fully in line with IPA III objectives for this Thematic Priority.

The above-mentioned strategies mainstream human rights as applicable in the strategic context, and their respect and realisation is monitored through the IPMG mechanism.

3. COHERENCE OF BENEFICIARY’S STRATEGIES WITH THE EU ENLARGEMENT POLICY

Introductory Remarks. This section presents the strategic coherence between the key sectoral and cross-sectoral strategies of Albania relevant under Window 4, the Economic Reform Programmes, the National Plan for EU Integration and the following documents: 1) Economic and Investment Plan for the Western Balkans and Guidelines for the Implementation of the Green Agenda for the Western Balkans (October 2020); 2) Western Balkans Strategy (February 2018); 3) Recommendations of the Enlargement Package (Albania Report 2020, October 2020); 4) Policy guidance agreed in the joint conclusions on the Economic Reform Programme 2020-2022 (April 2020); 5) Conclusions of the relevant meetings organised in the context of the Stabilisation and Association Agreement.

The recommendations of the Enlargement Package, the Economic and Investment Plan for the Western Balkans, and the guidelines for the Implementation of the Green Agenda for the Western Balkans were published in October 2020, while the Western Balkans Strategy is dated 2018. A number of strategies relevant under Window 4 expired in 2020, and the process for the development of the successor documents is advancing. However, the COVID-19 pandemic has delayed the process and some key strategies and/or plans are still under development or consultation as of March 2021, for example the Strategy for Education 2021-2026 including policies in the subsectors of Education at all levels; the National Health Strategy 2021-2025 and budgeted Action Plan; the Youth Strategy 2021-2027; the National Strategy on Intellectual Property 2021-2025; the Business and Investment Development Strategy 2021-2027; the Smart Specialisation Strategy; the Strategy for Agriculture and Rural Development and Fisheries (SARDF) 2021-2027. Since Albania is currently in the process of developing and consulting on new key strategies from 2021, including the new National Strategy for Development and Integration 2021-2030, the upcoming strategies shall integrate the relevant EU policy directions.

Thematic Priority 1: Education, employment, social protection and inclusion policies, and health

The education, employment, social protection and inclusion policies, and health Thematic Priority includes the following sub-sectors: education (all levels), youth, sports, employment, vocational education and training, social protection and inclusion, social housing and public health.

The new strategic framework that is being developed takes into account the challenges met in the context of the pandemic, including the need to accelerate the digitalisation of the public services in the relevant sectors and digitalisation of education content to be used for blended education, remote and online teaching. This is fully coherent with the priorities ‘Investing in a digital future’ and ‘Investing

in human capital' under the **Economic and Investment Plan for the Western Balkans (EIP)**. Through actions such as the Digital Education Action Plan, the EU is supporting the development and uptake of digital skills in the Western Balkans to make the digital transformation as comprehensive and inclusive as possible. In higher education, the national policies support and plan to intensify capacity building and academic mobility, also by fostering participation in the successor programme of Erasmus Plus. In the social sector, the EIP encourages the reform of social protection and inclusion systems and health systems, strengthened health insurance and the preparedness and resilience of public health systems, also in the light of lessons learnt from the tackling of the COVID-19 pandemic and the recognised need to ensure all citizens have access to better treatment.

The **Western Balkans Strategy** aims at encouraging appropriate engagement from all levels of government, social partners, and civil society. Further efforts are needed to increase the competitiveness of strategic sectors in the country, to address high unemployment, especially among the young. The integration of Roma (and Egyptians) into society by supporting their full participation in education and in the labour market is of particular importance and will be a key priority.

According to the **Albania 2020 Report** the quality and relevance of education needs to be improved including the training systems, and the links strengthened between employers and vocational educational institutions.

Consequently, Albania should finalise the implementing legislation of the VET Law and continue with the optimisation of the VET system to develop services and competences in line with the needs of the private sector. As regards Culture, the Report states that the implementing legislation on the Law on Cultural Heritage and Museums should be fully adopted. With regard to vocational training and employment, the Commission recommended to continue the operationalisation of the employment and vocational education and training structure, following the establishment of the new National Agency for Employment and Skills, and finalise the adoption of the necessary implementing legislation for the employment reform; furthermore, progress should be ensured with the implementation of the National Social Protection Strategy (2020-2023) and Action Plan and the upcoming social inclusion policy document (2021-2025) while inter-institutional coordination on measures affecting the most at risk groups should be strengthened.

The **Economic Reform Programme (ERP) 2020-2022** envisages measures to improve the employability of the most vulnerable unemployed jobseekers through better targeted Employment Promotion Programmes and employment services. Further improvements, particularly for those at the margins of the labour market, hinge on the improvement of active employment policies and provision of quality social services. The ERP notes the importance on active labour measures and application of the youth guarantee programme for supporting youth not in education and not in employment.

The **Commission's Assessment of the ERP 2020-2022** acknowledges the objective of ensuring safe and productive employment for all in working age, fostering higher productivity, and ensuring integration of vulnerable groups into the labour market, especially the poor, women, youth and other disadvantaged groups. The ERP highlights the need to increase participation in lifelong learning, especially among people with low and upper-secondary education, and the very few opportunities for adult learning as well as active labour measures and the introduction of the youth guarantee programme to support youth not in education or employment. Moreover, the scarcity of social care services is considered by the ERP as a major obstacle to social integration, requiring labour market activation and upskilling of vulnerable groups. The specific ERP reform measure 19 "Strengthening social protection, and social inclusion measures" will be addressed by national actions such as: efficient targeting of the economic aid scheme; and progressive application of bio-psycho-social disability assessment and provision of combined cash support and social care to persons with disabilities.

The **ERP 2021-2023** contains several reforms measures relevant under Thematic Priority 1 of this Window ranging from the implementation of pre-university curricular reform, teacher training and employment, to inclusiveness and equality in education, to improve the quality and coverage of VET while ensuring linkages with the labour market and improving the employability of the most vulnerable employed jobseekers through better targeted EPPs and employment services. As concerns Youth, the Government needs to prepare all the procedures for implementation of the youth guarantee programme and pilot it for 200 NEETs (Youth not in Employment, or Education, or Training). With regard to higher education, the ERP 2021-2023 states the need to strengthen the link between the university graduates and the needs of the private sector. Foresight exercises are necessary to match the demand and supply

for professions both in vocational education and in universities. Moreover, these activities will guide funding priorities, as well as programmes and sectors where the workforce should be concentrated.

As regards health, the ERP 2021-2023 contains Reform measure 18 ‘Increasing access to health care’. Under this measure, universal Health Coverage remains a long-term objective of the Government of Albania in order to guarantee access, quality and safety in the provision of health care services. The ERP states that the Albanian government is committed to continue with the integrated approach for the better functioning of the public health care sector at all levels, focusing on the health of citizens as the only functional mechanism that guarantees the provision of quality, accessible and safe services for disadvantaged groups such as the elderly, children, women and people with disabilities. Remodeling public funding in the health sector by focusing on health investments beyond health spending will be the Government’s medium-term priority.

In education, the priority of the NPEI 2021-2023 is to implement the current pre-university education strategy and higher education reform, with a focus on providing inclusive and quality education at all levels in both urban and rural areas. Within the protection and respect of social rights, the Government’s main focus is to implement the social protection system and standards, to fight social exclusion and discrimination, to improve legislation in the field of aid and social services, to monitor the implementation of the current legislation, as well as to strengthen the capacity of the structures that implement legislation. Priorities of the NPEI include the finalisation and adoption of secondary legislation that regulates employment and VET, and provision of employment and VET services to the most vulnerable groups in cooperation with respective local government units. Implementation of new and revised employment promotion programmes including COVID-19 programmes will be now key priorities under the NPEI. Another priority in the employment and VET sector is the adoption of clear representation criteria for the National Labour Council monitoring system to track the implementation of their recommendations.¹⁵⁴ Regarding health, the NPEI 2021-2023 seeks to achieve universal healthcare coverage by strengthening the governance of public hospitals, in the context of the regionalisation process and the focus on upscaling of regional hospitals and services, and healthcare quality through appropriate funding and staffing.

Thematic Priority 2: Private sector development, trade, research and innovation

The private sector development, trade, research and innovation Thematic Priority includes the following sub-sectors: Support to the private sector (enterprises/SME/entrepreneurship), Tourism development, Culture including cultural heritage, Digitisation of businesses (part of the Digital Agenda), Research, Innovation and Smart Specialisation, Consumer protection and internal market, Intellectual and industrial property, and Trade.

The **EIP** - Flagship 9 ‘Investing in the competitiveness of the private sector’ states that the development of a robust, innovative and competitive private sector is essential for the socio-economic development of the Western Balkans, which is coherent with the upcoming Business and Investment Development Strategy (BIDS) 2021-2027 objective to increase investments in SMEs and their capacity to innovate, scale-up and grow. According to the EIP, support will be given to raising the quality standards and export potential of companies and unlocking adequate diversified finance and training for entrepreneurship (micro, small and medium enterprises, social enterprises) including financial and digital literacy. It is recognised that the Government needs to finalise the Smart Specialisation Strategy including specific objectives to strengthening research, innovation and technology transfer in line with the EU “Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport”. The EIP also addresses the promotion of sustainable tourism by exploiting economic opportunities in the creative and cultural sector and stepping up cooperation on the conservation of natural resources and biodiversity. The **EIP** Flagship 8 ‘Digital Infrastructure’ is also relevant to this Thematic Priority since investment in digital infrastructure will connect rural areas and ensure alignment with EU’s rules and fundamental values, including data protection, as well as linking to EU initiatives on high performance computers, digital incubators and innovation hubs.

¹⁵⁴ DCM No.151 of 19.02.2020, Chapter 4.19.1.7 (p.146).

The **Green Agenda for the Western Balkans** can greatly benefit from the Smart Specialisation Strategy, which is conceived as a place-based, innovation-led transformation agenda for sustainability. It creates the opportunity to engage regions and cities in transformation contributing to the European Green Deal, providing an overall framework and directionality for innovation investments. One of the six flagship initiatives is to enhance support for socio-economic development: including the expansion of the Western Balkans Investment Framework, to support start-ups and SMEs and greater trade facilitation.

The relevant recommendations under the **Albania 2020 Report** focus on improving the business climate, the business ecosystems and infrastructure quality in order for businesses to integrate into international value chains, particularly in the agricultural and tourism sectors. The Report recommends *inter alia* increased investment in research, in line with its own commitments and European research area priorities; progress on the development of the Smart Specialisation Strategy; adoption of the national cybersecurity strategy; and drafting of a digital skills strategy. The effective implementation of the triple-helix action plan should be in focus and Albania should also address the main challenges to the business environment, notably reducing regulatory burden and enhancing participation in the available funding programmes for businesses.

The 10th meeting of the EU-Albania **Stabilisation and Association Committee** which took place on 14 November 2019 discussed progress on **trade, industry, customs and taxation**. The EU delegation welcomed the smooth functioning of the National Trade Facilitation Committee, while pointing out that the overall administrative capacity in the Ministry of Finance and Economy on trade policy needs to be improved. SMEs are the backbone of the economy, providing more than 80% of the total employment in Albania.

The ERP 2020-2022 includes reform measures aiming at increasing domestic production, stimulating new investments, and ensuring sustainable growth and increased competitiveness. It further provides the policy priorities for improving the quality of regulations affecting the daily business operations of SMEs, as part of Government efforts to access the EU common market. Reforming the property tax system by establishing a market-price-based regime and establishing the fiscal cadastre are priorities to have a positive impact on the business environment. On Smart Specialisation, the Government will put all efforts to launch by 2021 the implementation of the next EDP phase (Entrepreneurial Discovery Process). The ERP 2020-2022 has also recognised as a priority the enhancing of the competitiveness of Albania's tourism sector, focusing on increasing service standard. In that regard, the National Strategy for Sustainable Tourism Development 2019–2023 has set as strategic goals the development of new evaluation models, standardisation, certification and classification of services for tourism and tour operators. On trade, the ERP 2020-2022 aims at better and greater integration of Albania to regional markets, with the view to increasing the export share and diversification. The need to strengthen the capacities of the National Trade Facilitation Committee Secretariat has been identified in the recommendation of the EU Trade, Taxation, Industry and Customs Subcommittee. **The ERP joint policy guidance** focuses on the need for Albania to step up the provision of business support to SMEs, with a particular focus on tourism and agriculture. Services should be more accessible at local level and custom-tailored to the needs of different SMEs, in order to support growth and access to foreign markets. Albania's business environment is hampered by structural weaknesses. Private-sector development remains below its potential, as action to improve the business environment lacks effective policy instruments and a more strategic approach. The lack of business know-how, low financial literacy and high degree of informality hamper access to finance for the private sector, consisting mainly of micro and small businesses. The other obstacles to doing business that Albanian firms identified are an inadequately educated work force, transport, and corruption.

The **ERP 2021-2023** includes the following reform measures relevant for this Thematic Priority. In support of the Business environment and reduction of informal economy, the relevant measures are Reform measure 06: Strengthening the fight against informality, Reform measure 07: Developing a legal framework in support of innovative start-up, Reform measure 08: Improving access to finance for SMEs, Reform measure 09: Modernisation of retail payment instruments. An additional measure supports research, development and innovation and the digital economy through Reform measure 10: Improving institutional, financial and human capacities for research and innovation.

The **NPEI 2021-2023** states that there is a need to improve the provision of technical support services to micro, small and medium-sized enterprises, to help them upscale, invest, innovate, digitalise and export. The Plan also underlines that Albania is to accelerate the implementation of the Triple helix

model, focusing on cooperation between academia, business, and government. Moreover, it is indicated that the Government shall accelerate the full approximation of Albanian legislation with the Late Payments Directive. The adoption of the new Business Development and Investment Strategy and the implementation of Economic Reform Programme 2021-2023 are priorities. The NPEI provides specific priorities on the alignment with the *acquis* on Copyright, enterprise and industrial policy as well as that related to tourism.

Thematic Priority 3: Agriculture and rural development and Thematic Priority 4: Fisheries

The **EIP** defines as a priority for EU assistance in the region the sustainable transformation of agri-food systems and rural development, in line with the EU food safety *acquis* and the EU Farm to Fork Strategy. The Plan identifies fisheries among the key sectors for primary food production, with a large potential for further sustainable economic development, making communities more attractive, and reducing migration of young people to urban centres and the EU. Sustainable food systems and rural areas is one of the five pillars of the **Green Agenda of the Western Balkans**. Transforming agri-food production systems to ensure that rural landscapes are not deteriorated and biodiversity is reduced is also a priority under the Green Agenda.

The **Albania 2020 Report** focuses on **Agriculture and rural development, Food safety, veterinary and phytosanitary policy, and Fisheries** under Chapters 11, 12 and 13. As regards Agriculture and rural development, the Report recommends that Albania should set up as a priority a farm register, further improve the animal registers and adopt an implementation plan to establish the farm accountancy data network (FADN) to provide validated data for policy-making; ensure administrative capacity required to fully implement available IPARD II funding and to prepare for the entrustment of the remaining measures under the IPARD II programme; complete the legal framework for organic products and quality schemes, as well as on vineyards and wine, and ensure the institutional and administrative capacity for its implementation. As regards Food safety, veterinary and phytosanitary policy, recommendations focus on the reorganisation of the veterinary service to enhance the efficiency and ensure a suitable level of administrative capacity; the efficient implementation of the new rabies vaccination programme; the adoption of a new risk-based methodology for the planning of official food safety controls; the implementation of official controls according to the updated annual inspection plans based on an improved risk-based methodology for the planning of official food safety controls; the improvement of the control of plant protection products and consolidate the pesticide residues monitoring capacity in food products. The statement in the Albania 2019 Report, “Albania is still expected to advance alignment with the latest EU *acquis* on official controls, animal health and plant health” is still relevant. For the fishery sector, the Commission recommends Albania to take steps to complete and strengthen the administrative capacity of the fishery sector to ensure an appropriate management of fisheries resources in line with the national strategy and international obligations; continue with the implementation of the Regional Plan of Action for small-scale fisheries including the improving of data collection and landing statistics from small fisheries; finalise the process of reactivation of the vessel monitoring system (VMS) and strengthen inspection and control capacity to deter illegal, unreported and unregulated fishing.

The 11th meeting of the **Stabilisation and Association (SA) Committee** between Albania and the European Union took place on 9 December 2020. On agriculture and fisheries discussions focused on IPARD III programme preparation, agriculture registers, and food safety, as well as fishing vessel monitoring.

The **ERP 2020-2022** established Reform measure 04: Consolidation and defragmentation of agricultural land. According to this measure, a Land Information System (LIS) will create/digitalise information for about 50,000 ha of agricultural land in the districts of Lezhë, Shkodër and Dibër, for about 60,000 ha of agricultural land in the districts of Tirana, Gjirokastër and Shkodër from QTTB Fushë-Krujë, and for about 70,000 ha of agricultural land in the districts of Elbasan, Gjirokastër, Korça, Kukës, and Tirana.

The **NPEI 2021-2023** foresees the completion of the legal framework regarding Chapter 11 and ensuring administrative capacity for its implementation as well as increasing the efficiency of the staff responsible for the implementation of IPARD III programme. The NPEI earmarked the following priorities for chapters 11 and 12: Implementation of the Farm Accounting Data Network (FADN); Development of Integrated System of Administration and Control (IACS), including improving the

farm and livestock register; Strengthening the food safety system and similar control systems; Strengthening laboratory capacities in the field of food safety; Enforce food safety rules through improved official controls, including import conditions and controls; Completing the legal framework for animal disease control, hygiene, animal welfare and veterinary checks in accordance with EU *acquis*; Ensuring complete control of the epizootic situation, particularly with regard to zoonotic diseases; and Upgrading the system of controls of residues and contaminants in live animals and animal products. In the fishery sector, the NPEI sets out the introduction of measures to prepare the administration and the operators for the implementation of the Common Fisheries Policy which includes resource and fleet management, inspection and control, structural measures and state aid control. In some cases, existing fisheries agreements and conventions with third countries or international organisations need to be updated. The above-mentioned Plan focus on the following objectives: Achieving further compliance with the legal framework of EU regulations in the field of fisheries, aquaculture and inland waters; Organisation of fish product wholesale markets and the fish product retail market; Further extension of existing fishery harbours, in Vlora, Saranda and Shëngjini; Supporting for the provision of soft loans to fishery operators for the purpose of repairing and modernising their fishing vessels; and Increasing the level of industrial processing of fishery and aquaculture products, improving their marketing by increasing quality, safety and diversity.

4. SECTORAL ANALYSIS

Coherence of strategies with the sector approach. As presented in the previous section, a number of key strategies are still under development or consultation as of March 2021. However, efforts have been enhanced for the new cycle of strategies to ensure that, based on the Integrated Planning System (IPSIS) approach, the preparation of each strategy is evidence based, takes into account the lessons learned from implementation of the phasing-out strategy, appropriately considers the results achieved so far and the main challenges, and identifies and build on the key priorities in the context of an inclusive partnership. As regards the enforcement of the partnership principle, the ‘Open Government Partnership (OGP) National Action Plan for Albania 2020-2022’ states that "As public trust is being developed it is necessary to not only publish information, but to reach out to citizens through a variety of channels". New draft strategies are published on Government websites.

Thematic Priority 1: Education, employment, social protection and inclusion policies, and health

With regards to the **organisational and institutional set up** in *education and employment*, the Ministry of Education, Sport and Youth (MESY) and the Ministry of Finance and Economy (MoFE) are respectively responsible for the policy level. The system of pre-university education is administered at central level by the MESY responsible for the development of the pre-university and university education system. In the area of vocational education and training (VET), the MESY is responsible for the general curricula and shares the related competences with the Ministry of Finance and Economy. In 2019, the Agency for Quality Assurance (AQA) was established under the MESY, responsible for setting teaching and learning standards, curriculum design and the teaching preparation roadmap for Pre-University Education, as well as monitoring the education system performance. The new National Agency for Employment and Skills (NAES), established in 2019, is currently implementing a new package of Active Labour Market programmes, applying a new service delivery model and reorganising local and regional labour offices. The National Agency of Vocational Education Training and Qualifications (NAVETQ) is responsible for the development of vocational qualifications and standards, and the development of frame curricula and assessment methodologies and instruments as well as the accreditation of VET providers. The Employment Advisory Council was established in accordance with Law 15/2019 as the tripartite advisory body with social partners. The education and employment sector approach is coordinated through the Employment and Training thematic group under the IPMG on Employment and skills.

The Ministry of Health and Social Protection (MoHSP) is in charge of policy design, drafting the legislation framework and oversight for the provision of *health care and social protection*. The State Social Service (SSS) is the executive agency in charge of the management of the cash programmes in social protection policy and social care services delivered through local governments. The Institute of

Public Health is the national centre for epidemiological research / training, technical expertise and information in the field of public health. Sector coordination is assured under the IPMG mechanism through the Social Inclusion and Protection Thematic Group under the IPMG on Employment and Social Policies.

In *education*, the main **outstanding challenges** at the sector reform level can be summarised as follows: further improvement of school infrastructure is needed, including the provision of didactic tools, using IT and other technology in the learning process and the system needs further capacity development and professional growth particularly in Regional and Local Education Offices. There are challenges in the implementation of the competency-based approach and overall training, as well as in quality assurance. The VET optimisation plan is still not implemented, including the drafting of secondary legislation for VET and the Albanian Qualifications Framework. The capacities of MoFE's Department of Employment and Skills need strengthening in monitoring functions, evidence-based analysis, and research. The new Agency for Employment and Skills (NAES) needs to strengthen its planning and business processes human resource training and management, strategic analyses and reporting as well as the implementation of Employment Policies and Programmes. Capacities need to be built for the VET institutions, including NAVETQ and the MoFE's Department of Employment and Skills, with regards to the VET Organisation Models and Management, the evaluation of VET providers, performance measurement, the marketing and promotion of VET and Employment programmes, and collaboration and partnership with businesses. As a result of COVID-19 pandemic crisis, the recently approved Employment Promotional Programme targeting this category of unemployed jobseekers and re-integration in labour market will need relevant financial support and capacities for its implementation.

As regards **Social Protection**, the Social Protection Strategy 2020-2023 outlines as overall vision the building of a social protection system to reduce socio-economic inequalities by protecting all vulnerable groups through prevention programs, social reintegration and employment schemes. The Council of Ministers passed in 2018 a decision on the establishment of the Social Fund¹⁵⁵, yet the fund still needs to be efficiently operationalised and implementation improved. The current approach to social care includes the transfer of responsibilities for social care services to local government authorities. The Policy Document “The reform of disability assessment in the social protection system and the action plan 2019-2024 for its implementation”¹⁵⁶ emphasises the need to develop a new model for disabled people over 25 by helping to enhance their life and employment skills, with the aim to enhance and improve the quality of social and health services, as well as applying the bio-psycho-social assessment model.

In the **Health** sector, the main policy document is the Primary Health Care Services Development Strategy in Albania 2020-2025 while the National Health Strategy 2021 – 2025 is under preparation. With regards to the COVID-19 pandemic, the national objectives are to improve continuous testing, implementing necessary personal protective measures (including physical distancing), and strengthening long term surveillance and contact tracing and health care systems and informing the public.

The main challenges for both social protection and health sectors are insufficient access to health services, lack of quality of care due to financial unsustainability, inefficient use of the resources available to health, ineffective primary and secondary preventive and health-promoting services, and the low capacities of the health workforce. Both the MoHSP and Municipalities need to work closely to properly implement the Social fund, the secondary legislation on social care services and prepare Local Social Plans. The inspection and quality assurance of social care services needs strengthening. De-institutionalisation of residential care requires the establishment of alternative community and home-based services and a re-structuring of case management processes and procedures. Additional efforts should be made to strengthen the governance of public hospitals and healthcare quality and continuing education activities for health professionals.

¹⁵⁵ Decision of Council of Ministers “for the Establishment and functioning of the Social Fund”, No. 111/23.02.2018.

¹⁵⁶The policy document “The reform of disability assessment in the social protection system and the action plan 2019-2024 for its implementation” is approved by DCM No. 380/05.06.2019.

The monitoring and reporting system and sector coordination for *Education, employment, social protection and inclusion policies, and health* is coordinated through the Education and Health Thematic group under the IPMG on Public Administration Reform and Employment and Training Thematic Group, as well as the Social Inclusion and Protection Thematic Group under the IPMG on Employment and Skills.

As regards **sector financing**, in 2020, the overall budget for this thematic priority accounts for EUR 904 million¹⁵⁷, or 35% of the total government expenditure, allocated through 16 budget programmes in the MTBP.

Thematic Priority 2: Private sector development, trade, research and innovation

With regards to the **organisational and institutional set up**, the policy-making institutions are the Ministry of Finance and Economy (MoFE), the Ministry of Tourism and Environment (MTE), the Ministry of Education, Youth and Sports (MoEYS) and its subordinated National Agency of Scientific Research and Innovation (NASRI), and the Ministry of Culture. The MoFE is the main institution for the design of business support measures and services, implemented with the support of the subordinated Albanian Investment Development Agency (AIDA). The Prime Minister's Office coordinates the business start-up and innovation policies. The Minister of State for the Protection of Entrepreneurship is the policy coordination body for the improvement of business climate in Albania and acts as focal point for the dialogue and consultation with the private sector stakeholders. Another important actor in this sector is the Minister of State for the Diaspora - National Agency of Diaspora. With regards to the Copyright Sector, the main policy making body is the Ministry of Culture. The MoEYS coordinates the preparation of the Smart Specialisation Strategy. The MTE is responsible for policies promoting and supporting the sustainable development of tourism. The National Tourism Agency (NTA) promotes Albania as a tourist destination. Almost all the above institutions need to further develop their policy and implementation capacities, respectively. The IPMG 'Competitiveness and Investment' ensures coordination of the sector approach.

Main **outstanding challenges** are related to insufficient institutional and regulatory capacities for SME policy implementation and for the implementation of the triple helix approach, and the overall need to support development of value added, digitalised and green manufacturing and services. There is a strong need for simplification and updated business regulations in close dialogue with the business community. Access to finance is still a challenge for SMEs, especially young SMEs given relatively high credit costs and lack of collateral. Current efforts to provide support services for SME internationalisation are fragmented and a holistic approach to supporting SME integration into global value chains is needed. The approval of the Smart Specialisation Strategy has been delayed and consequently its implementation, while a solid framework is needed to implement to evolve the triple helix into the quadruple helix approach and ensure implementation of horizontal and cross-sectoral innovation policies.

On intellectual property, efforts should be made to improve the functioning of collective management agencies and the payment of royalties to right holders. The State Inspectorate of Market Surveillance requires capacity building on technical infrastructure for market surveillance, including an integrated database system. With regard to scientific research, key challenges remain the development of the new legal framework for the scientific research and the internationalisation of higher education institutions, improving statistics on scientific research and better institutional coordination. The MESY should strengthen capacities regarding the implementation and monitoring of Higher Education. The major challenges related to tourism are seasonality, regulatory and administrative burdens, poor tourism services, difficulty in finding and retaining skilled staff and keeping up to date with IT developments caused by the globalisation of information and advances in technology as well as growing demand for customised experiences, new products, and competition from other EU destinations.

The monitoring and reporting system and sector coordination for *Private sector development, trade, research and innovation* is supported by the IPMG mechanism under the IPMG 'Competitiveness

¹⁵⁷ Including the pension fund scheme.

and Investment'. As regards **sector financing**, in 2020, the MTBP included dedicated programmes for most of the subsectors, with a budget of EUR 22 million or only 1% of total government expenditure.

Thematic Priority 3: Agriculture and rural development and Thematic Priority 4: Fisheries

With regards to the **organisational and institutional set up**, the policy-making institution is the Ministry of Agriculture and Rural Development (MARD). Regarding the implementation of the IPARD II Programme, the Managing Authority in MARD is the entrusted body for 4 measures under this programme and is preparing the IPARD III programme. The Agricultural and Rural Development Agency (ARDA) is entrusted as the Paying Agency for IPARD II programme and upcoming IPARD III. The National Food Authority (NFA) is responsible for carrying out official controls on food and feed in order to ensure a high level of protection of human health and consumer interests, fair competition in the market and free movement of goods while the Food Safety and Veterinary Institute (FSVI) is the reference laboratory of Albania. The Albanian Development Fund is a public non-governmental organisation in charge of infrastructural investments at regional level and in the rural areas. On Forestry, the policy making body is the Ministry of Tourism and Environment, with the newly established National Agency of Forests. The Agency will be the main implementing body at the central government level and will coordinate the work with Municipalities which are formally the owner of Forests Units following the 2015 Decentralisation reform. The Agency needs to build appropriate capacities in relation to its tasks.

The Directorate of Fisheries and Aquaculture in MARD established in 2020, as part of the implementation of the National Fisheries Strategy 2016-2021, provides vertical command as it ends the distribution of competencies in several institutions and the difficulties of reconciliation between them.

In terms of **challenges**, the Ministry of Agriculture and Rural Development needs to speed up the implementation of the reform in the food safety, veterinary and phytosanitary sector in accordance with the legal and institutional framework. Advisory and extension services and agriculture-related information systems require improvements. The food safety and veterinary system has suffered from the fragmentation of competencies and poor communication among national bodies. Food legislation is not fully compliant with the EU *acquis*. The capacity to transpose the EU legislation is still low and there is limited analysis of the impact of laws and policies.

Another challenge of MARD is the preparation and the approval of the IPARD III programme within defined deadlines for the period 2021-2027. Intensive work is ongoing for the preparation of the sectoral studies and the programme drafting. The IPARD Managing Authority in MARD is leading, coordinating monitoring and reporting on IPARD implementation.

The new National Agency of Forests subordinated to the Ministry of Tourism and Environment needs to be strengthened and its capacities increased. Prepare and implement forests management plans for all forest units in the country is a priority. The National Strategy for Fisheries and Aquaculture 2016-2021 includes measures for the establishment of a functional fish wholesale markets and a fish marketing information system as well as the development of a multi-annual national strategic plan for aquaculture development in Albania. Proper law enforcement is needed in matters as: regulation of the coastal artisanal fishing, common organisation of the markets in fishery and aquaculture products, the collection, management and use of data in the fisheries sector, establishing a Community control system for ensuring compliance with the rules of the common fisheries policy. The challenges in the fisheries sector remain the lack of capacities in policy and legislative implementation and monitoring, a fragmented organisational structure and weak coordination between the fishery administration and other relevant public agencies. A functional fisheries management system is missing due to limited on-time data on production and fishing and there is limited control and surveillance capacity to deter Illegal, Unreported and Unregulated fishing (IUU). Sector development is also hampered by obsolete fishing infrastructure regarding landing facilities, repair and maintenance facilities, wholesale markets due to limited resources from the state budget in the sector.

The monitoring and reporting system and sector coordination for *agriculture, rural development and fisheries* are supported by the IPMG mechanism under the Agricultural and Rural Development Thematic Group established under the IPMG Competitiveness and Investments and the thematic group on Agricultural land. The Managing Authority of IPARD II is the MARD, and is in charge of

programming, including selection of measures under each call for applications and their timing, publicity, coordination, monitoring, evaluation and reporting; the Sector for the Monitoring of IPARD coordinates the monitoring and reporting of the implementation of IPARD and serves as the secretariat of IPARD Monitoring Committee. The Agricultural and Rural Development Agency (ARDA) is designated as the IPARD Agency and is responsible for publicity, selection of projects, authorisation, control and accounting of commitments and payments and execution of payments, debt management and internal audit.

Regarding National Actions, the IPA Sector Monitoring Committee meetings are held periodically. In addition, MARD organises periodical donor meeting which allow to develop actions in compliance of the field of intervention of each donor and to create synergy between all actors involved. As regards **sector financing**, in 2020, the allocation under the MTBP to *agriculture, rural development and fisheries* is about EUR 90 million, or 4% of total government expenditure.

5. COHERENCE OF SECTORAL STRATEGIES WITH REGIONAL AND GLOBAL STRATEGIES

Thematic Priority 1: Education, employment, social protection and inclusion policies, and health

The sectoral strategies under this Thematic Priority aim to contribute to the following Strategic Development Goals: SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; SDG 3 Ensure healthy lives and promoting well-being for all at all ages; SDG 1 End poverty in all its forms everywhere; SDG 5 Achieve gender equality and empower all women and girls; SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; and SDG 10 Reduce inequality within and among countries. The National Youth Action Plan 2015-2020 and the National Action Plan for Integration of Roma and Egyptians in the Republic of Albania 2016-2020 also include health objectives, although they do not include a gender focus in particular.

The National Employment and Skills Strategy 2019-2022 and Action Plan is in line with the **European Union Strategy for the Adriatic and Ionian Region (EUSAIR)**. The EUSAIR Flagships 2021-2027, adopted in the 12th extraordinary EUSAIR Governing Board meeting on 10 June 2020, include actions to improve the levels of skills and expertise for the working manpower in the maritime sector and blue economy.

The national policies in the sector mainstream gender equality during their preparation, implementation and monitoring. The national strategies are consistent with the EU Roadmap on the “Action Plan of Gender equality and women’s empowerment in external relations for 2021-2025” with regards to universal access to healthcare, sexual and reproductive health and rights, and gender equality in education. The Gender Equality Index 2020 shows the highest score of 81.8 (although still below the EU-28 score of 88.1) in the domain of health and the subdomains of health status and access to health care present lower gender gaps than health behaviours affecting risk factors and healthy lifestyles. As regards education, in the domain of knowledge, the scores of 55.6 reveals a still large gender gap in both sub-domains: attainment and participation, and segregation. Although there are more highly-educated women than men in Albania, their share is still relatively low compared to EU levels and national targets. The segregation according to fields of education is still prominent, with female tertiary students concentrating in the areas of education, health and welfare, humanities and arts, and male students studying in these fields in small proportion. Regarding employment, the score for the domain of work is 67.6, with a better situation in the sub-domain of participation than in segregation and quality of work. Similar to the situation across the EU, gender segregation in the labour market is still prominent and reflected in the higher concentration of women in sectors such as social services.

Thematic Priority 2: Private sector development, trade, research and innovation

The Strategy for Scientific Research and Innovation 2017-2022 takes into account the **EU Strategy for the Adriatic and Ionian Region (EUSAIR)** identifying research and innovation as a cross-cutting aspect to boost high-skilled employment, growth, and competitiveness. It is line with the EUSAIR Flagships 2021-2027 aimed at strengthening quadruple helix ties in the field of blue technologies in the

region.

Innovation is included within SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation aiming to invest in scientific research and innovation to facilitate sustainable development; scientific research and innovation also impact the majority of the other SDGs, including Goal 5: Achieve gender equality and empower all women and girls, Goal 11: Make cities inclusive, safe, resilient and sustainable, Goal 12: Ensure sustainable consumption and production patterns and Goal 13: Climate Action: Take urgent action to combat climate change and its impacts.

The National Strategy for Sustainable Tourism Development 2019–2023 and Action Plan is coherent with the **EUSAIR**¹⁵⁸ Strategy pillar 4 Sustainable Tourism specific objectives: 1. Diversification of the macro-region's tourism products and services along with tackling seasonality of inland, coastal and maritime tourism demand. 2. Improving the quality and innovation of tourism offer and enhancing the sustainable and responsible tourism capacities of the tourism actors across the macro-region as well as the EUSAIR Flagships 2021-2027 envisaging support to the development and promotion of quality-assessed Micro & SME tourism operations and destinations in the EUSAIR. Finally, sustainable tourism has the potential to contribute, directly or indirectly to several **Sustainable Development Goals** identified in the UN 2030 Agenda for Sustainable Development, with a particular focus on SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

The UN Women's Global SDG Database¹⁵⁹ gives Albania a scoring of 70 percent for overall legislative frameworks on Employment and Economic empowerment.

All national policies in the sector mainstream gender equality during their preparation, implementation and monitoring. The national strategies are consistent with the EU Roadmap on the "Action Plan of Gender equality and women's empowerment in external relations for 2021-2025" with regards to economic and social rights and the empowerment of girls and women and including women and girls in the green transition and digital transformation. According to the Gender Equality Index 2020, in the domain of money, the score of 59.6 results from a particularly unfavourable situation in the subdomain of financial resources, which measures earnings and income disparities between women and men.

Thematic Priority 3: Agriculture and rural development and Thematic Priority 4: Fisheries

The inter-Sectoral Strategy for Agriculture and Rural Development (ISARD) 2014-2020 and the upcoming SARDF 2021-2027, are aligned with the **UN 2030 Agenda for Sustainable Development**. The latter defines as related goals: SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture; SDG 12 Ensure sustainable consumption and production patterns; SDG 13 Take urgent action to combat climate change and its impacts; SDG 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss and SDG 17 Revitalise the global partnership for sustainable development as well as SDG 5 on Gender Equality.

The national policies are coherent with the **European Union Strategy for the Adriatic and Ionian Region (EUSAIR)**. The EUSAIR Ministerial meeting was held in June 2020 for the definition of future flagship priorities. The conclusions recognised¹⁶⁰ the serious threats that climate change and environmental degradation pose to the Adriatic and Ionian region and its seas. The proposed flagship priorities for the post 2020 strategy, as defined by the member countries, include relevant objectives on Transnational terrestrial habitats and biodiversity and Diversified tourism offer (products and services) as part of the rural development policy intention.

The national fisheries strategy 2016-2021 is consistent with the post 2020 **EUSAIR's flagship** promoting sustainability, diversification and competitiveness in the fisheries and aquaculture sectors through education, research & development, administrative, technological and marketing actions, including the promotion of initiatives on marketing standards and healthy nutritional habits. Furthermore, the EUSAIR objective to strengthening fisheries has the same policy direction with Albanian Government to: Improve management and sustainable exploitation of fish stocks;

¹⁵⁸ https://ec.europa.eu/growth/sectors/tourism/policy-overview_en

¹⁵⁹ <https://data.unwomen.org/data-portal/sdg>

¹⁶⁰ Belgrade Declaration, 18 June 2020

Improvement of data collection and assessment; Harmonisation with EU regulations & international organisations; Compliance and implementation of measures to combat illegal, unreported, unregulated fisheries and elimination of destructive fishing practices; Utilisation of Unwanted and Unavoidable catches and discards; Plans to improve professional skills of fishermen. The Fisheries Strategy goals aim to contribute to SDG 15 Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

PART 2 – PRIORITIES, OBJECTIVES AND ACTIONS UNDER IPA III ASSISTANCE

1. CONSULTATION PROCESS

The Draft Strategic Response has been discussed with the European Commission and public consultation carried out as detailed in the Introduction, including with the donor community. Furthermore, sector stakeholders relevant to this Window including civil society organisations promoting social inclusion, gender equality and non-discrimination, taking into account the principles of the European Code of Conduct on Partnership, have been invited to comment.

2. KEY THEMATIC PRIORITIES

The thematic priorities selected from the IPA III Programming Framework proposed to be addressed by the actions described below for the period 2021-2024 are Thematic Priority 1: Education, employment, social protection and inclusion policies, and health; Thematic Priority 2: Private sector development, trade, research and innovation; Thematic Priority 3, Agriculture and rural development. The objectives pursued in accordance with the IPA III Programming Framework and the areas of support are presented below for each Thematic Priority.

Thematic priority 1, Education, employment, social protection and inclusion policies, and health

- To strengthen access to and quality of education, including vocational education and training, participation in Early Childhood Education and Care and lifelong learning opportunities at all levels.
- To support the quality, effectiveness and labour market relevance of education, including vocational education, and training systems also through active labour measures and the youth guarantee in order to provide people with skills adjusted to digitalisation, technological change, innovation and economic change.
- To solidify community-based social services and to contribute to health systems reforms with regard to raising the coverage and standards of care provided to the population as a whole.

Thematic priority 2, Private sector development, trade, research and innovation

- To improve the business environment, innovation ecosystem and investment climate by fostering private sector investment, boosting trade and increasing the innovativeness and productivity of micro, small and medium-sized enterprises (MSMEs).
- To support business creation and domestic and inward foreign investment, promoting SMEs, entrepreneurship, encouraging innovation and address MSMEs' lack of access to markets.
- To support the quadruple helix model of innovation with interactions between academia, industry and governments and civil society. The aim is to foster economic and social development including the development of new technologies, research, training and education and improved access to research infrastructure.
- To support innovation, especially through the establishment of mechanisms to create, support and promote start-ups oriented towards a circular and sustainable economy.
- To encourage tourism and promote cultural and natural heritage.
- To support the strengthening of the protection of intellectual property rights.

Thematic priority 3, Agriculture and rural development

- To support in building an agricultural sector capable of competing with market forces. To improve market orientation and competitiveness of the agri-food sector, the sector's response to social demands for safe, healthy, nutritious food and animal welfare and enhance farmers' position in the food chain.
- To increase the competitiveness of the agri-food sector, progressively aligning it with the EU standards and improving the efficiency and sustainability of on-farm production, which will provide a better response to societal demands for safe, nutritious and sustainable food.
- To facilitate business development, growth and employment in rural areas, improve farmers' position in the value chain and attract young farmers.
- To contribute to climate change mitigation and foster sustainable management of natural resources.
- To improve community development and social capital in rural areas and build-up modern public administration for agriculture and rural development, respecting good governance principles.
- To continue the support for the alignment with and the implementation of the EU legal framework in the field of agriculture and rural development and the relevant veterinary, food safety and phytosanitary standards (SPS standards), including overall well-functioning control systems and accredited laboratories.
- To provide support to establish and/or further develop structures and systems for the management, implementation and control of the Common Agricultural Policy (CAP).

Thematic Priority 4: Fisheries

- To support the processing and marketing of fishery products for the provision of high-quality, safe, nutritious and sustainable food.
- To support small-scale fisheries and the rational exploitation of renewable resources. and their long-term sustainability.
- To support oversight, control, enforcement, information sharing and cooperation activities in the area of Fisheries in the Adriatic Sea.
- Support for the alignment with the EU acquis in Fisheries and the Common Fisheries Policy.

3. LIST OF ACTIONS PROPOSED FOR IPA III SUPPORT 2021 – 2024

Albania is interested in the possibility of participating in Team Europe initiatives and will discuss this further with the European Commission.

PROGRAMMING YEAR 2021

- **EU for Innovation II (TP2, EUR 10 million)**
Building on the first phase of EU for Innovation, the Action provides a policy-driven response to a market failure of the Albanian economy to build a sound start-up and innovation ecosystem. It shall support the Government to accelerate the transformation to a more innovation-driven and knowledge-based economy, unlocking its human capital and entrepreneurial potential and thereby increasing its competitiveness. Through four intervention areas: 1) Capacity development for the start-up and innovation ecosystem, 2) Improved access to finance for start-ups and Innovation Support Organisations through grant finance, 3) The promotion and implementation of the Quadruple Helix approach, and 4) The promotion of Albania as a start-up and innovation ecosystem, the Action shall maximise sustainability and ownership by the innovation ecosystem stakeholders. The EU shall add value by transferring knowledge and experience on the implementation of the Quadruple Helix model.

PROGRAMMING YEAR 2022

- **Development of community-based rehabilitation and socio-health long-term care services for independent living for adults with disabilities, elderly and persons with mental health disorders (TP1, EUR 26 million)**

The Action will contribute to enhance long-term and rehabilitative socio-health community-based care, helping the elderly, adults with disabilities and persons with mental health disorders to live as independently and safely as possible, through developing long-term socio-health care communities. The target groups will be adults with disabilities and persons with mental health disorders who will be supported through developing community-based rehabilitation and the improvement of long-term socio-health care services. The proposed Action will achieve its objectives by introducing new typologies of socio-health care services, accompanied with new standards in line with EU standards, upgrading or establishing new social and health care centres, and increasing the capacities of professionals in rights-based approaches and related models. Furthermore, the Action includes support to Institute of Public Health to effectively respond to community health emergency situations.
- **Improving the quality of the health system (TP1, EUR 30 million)**

The Action will support the health system by strengthening diagnostic and treatment capacities in regional hospital centres, supporting primary care delivery and increasing e-health services. Access to innovative and advanced healthcare shall be increased through the decentralisation of hospital services for diseases with high incidence of mortality and the standardisation and strengthening the diagnostic and treatment capacities of non-communicable diseases in the hospitals of Tirana, Korca, Vlora, Shkodra, Fieri and Elbasani, increase early detection capacities and access to integrated, multidisciplinary care and effective treatment. The action shall improve the ability of healthcare users and vulnerable groups to access primary care services through an e-health platform to facilitate communication, reduce health service delivery times and improve the ability of health-care providers to access health information at the point of care and exchange information with other providers.
- **EU for Youth (TP1, EUR 5 million)**

The Action will promote active youth citizenship and youth participation in culture, sports, innovation, creativity, green ideas, support to human rights and local community development. The Action shall support the development and implementation of civic education, legal education and media literacy education programmes in secondary schools throughout Albania. The involvement of youth in local communities shall be supported through a small grant scheme for Youth Centres and Hubs for Youth Empowerment. Furthermore, local governments shall be supported to implement activities and events to foster the active engagement of youth in civic decision-making. Additionally, the Action will establish a dedicated portal to facilitate communication between youth and youth organisations and potential employers, thereby assisting youth to find their first employment.

PROGRAMMING YEARS 2023 AND 2024

- Creating Opportunities for quality jobs and decent employment, including support for the youth guarantee (TP1, EUR 10 million)
- Establishment of the Recognition of Prior Learning Mechanisms (RPL) in Albania (TP1, EUR 0.9 million)
- Digitalisation of pre-education (TP1, EUR 11.8 million)
- Modernisation of Seismological, Hydrological and Meteorological Research Infrastructure and Public Services in Albania (TP1, EUR 4.4 million)
- DigitAL – digitalisation of Albanian Higher Education (HE) system and services (TP1, EUR 4 million)
- Establishing an International Research Centre for Marine Sciences (CISM) in Albania (TP1, 15.5 million)

- Establishment of a new Centre for Clinical Simulation for medical students' training and a system for continuing education of health professionals - part of the Pact for the University (TP1, EUR 10 million)
- Supporting quality access to healthcare through e-health services (TP1, EUR 20 million)
- Establishment of the National Special Medical Institution for forensic psychiatric patients (TP1, EUR 15 million)
- Integrated Support for maritime tourism sector and boosting of Blue Economy (TP2, EUR 40 million)
- Support to the diversification of Albania's tourism (TP2, EUR 5.25 million)
- Support to the government of Albania in achieving Industrial competitiveness and market access, increase productive employment and entrepreneurship development through the implementation of the UNIDO Country Programme (TP2, EUR 12 million)
- EU for Support to the private Sector (TP2, EUR 16 million)
- EU for Innovation Phase III (TP2, EUR 10 million)
- Electronic Copyright Management and Digital System (TP2, EUR 1.4 million)
- Development of an e-submission system for applications under IPARD (TP3, EUR 3.5 million)
- Food Safety, Veterinary and Phytosanitary: Increasing awareness and consolidating the administrative capacities for the protection of human health from food-related hazards (TP3, EUR 7 million)
- Support to Ministry of Agriculture and Rural Development - MARD (EU Integration, CAP, CMO, quality schemes) (TP3, EUR 3 million)
- Development of the Farm Advisory System (TP3, 1.5 million)

IPARD III: 2021-2027

9 measures are proposed for implementation over the whole period with an indicative budget of EUR 128 Million, as follows:

- Measure 1: Investments in physical assets of agricultural holdings
- Measure 3: Investments in physical assets concerning processing and marketing of agricultural and fishery products
- Measure 4: Agri-environment-climate and organic farming measure
- Measure 5: Implementation of local development strategies - LEADER approach
- Measure 6: Investments in rural public infrastructure
- Measure 7: Farm diversification and business development
- Measure 9: Technical assistance
- Measure 10: Advisory services
- Measure 11: Establishment and protection of forests

The programme will support the meat sector, dairy sector, fruits and vegetables sector, wine sector, olive oil production sector; medicinal and aromatic plants sector, forestry sector, and fishery sector in compliance with the regulatory frameworks set by the *acquis* and the Common Agriculture Policy (CAP) and Common Fisheries Policy (CFP) and sector analysis for Measure Diversification. Eligible activities include: (a) the construction or improvement of immovable property; (b) the purchase of new machinery and equipment, including computer software, and (c) general costs linked to expenditure such as architects', engineers' and other consultation fees and feasibility studies.

4. INDICATIVE BUDGET AND IMPLEMENTATION PLAN 2021-2024

	Estimated budget (million EUR)	Implementation plan¹⁶¹ Planned date for the submission of the Action Document
2021		
Thematic Priority 2 – Private sector development, trade, research and innovation		
EU for Innovation II	10	March 2021
Total Thematic Priority 2 (2021)	10	
2022		
Thematic Priority 1 – Education, employment, social protection and inclusion policies, and health		
Development of community-based rehabilitation socio-health long-term care services for independent living for adults with disabilities, elderly and persons with mental health disorder	26	September 2021
Improving the quality of the health system	30	September 2021
EU for Youth	5	September 2021
Total Thematic Priority 1 (2022)	61	
2023-2024		
Establishment of a new Centre for Clinical Simulation for medical students' training and a system for continuing education of health professionals - part of the Pact for the University	10	March 2022
Supporting quality access to healthcare through e-health services	20	March 2022
Creating Opportunities for quality jobs and decent employment including support for the youth guarantee	10	March 2022
Establishment of the Recognition of Prior Learning Mechanisms (RPL) in Albania	0.9	March 2022
Digitalisation of pre-education	11.8	March 2022
Modernisation of Seismological, Hydrological and Meteorological Research Infrastructure and Public Services in Albania	4.4	March 2022
DigitAL – digitalisation of Albanian Higher Education (HE) system and services	4	March 2022
Establishing an International Research Centre for Marine Sciences (CISM) in Albania	15.5	March 2022
Establishment of the National Special Medical Institution for forensic psychiatric patients	15	March 2022
Support to the diversification of Albania's tourism	5.25	March 2022
EU for Support to the private sector	16	March 2022
Electronic Copyright Management and Digital System	1.4	March 2022
Integrated Support for maritime tourism sector and boosting of Blue Economy	40	March 2022
Support to the government of Albania in achieving Industrial competitiveness and market access, increase productive employment and entrepreneurship	12	March 2022

¹⁶¹ [indicate planned date (month and year) for the submission of the action document]. Indicate the tentative implementation modalities (including, if possible, the split between direct and indirect management and the number and types of contracts).

	Estimated budget (million EUR)	Implementation plan¹⁶¹ Planned date for the submission of the Action Document
development through the implementation of the UNIDO Country Programme		
EU for Innovation Phase III	10	March 2022
Support to MARD (EU Integration, CAP, CMO, quality schemes)	3	March 2022
Development of an e-submission system for applications under IPARD	3.5	March 2022
Food Safety, Veterinary and Phytosanitary: Increasing awareness and consolidating the administrative capacities for the protection of human health from food-related hazards	7	March 2022
Development of the Farm Advisory System	1.5	March 2022
Total Thematic Priority x (2023-2024)	191.25	
Total (2021-2024) – IPA contribution	262.25	

This table does not include the IPARD III financial allocation.

WINDOW 5 - TERRITORIAL AND CROSS-BORDER COOPERATION

Albania participates in seven Territorial Cooperation Programmes for the period 2021-2027:

Two Transnational Programmes:

- Interreg ADRION (Adriatic – Ionian)
- Interreg Euro MED

Two cross-border cooperation Programmes with Member States:

- Interreg IPA CBC Greece-Albania
- Interreg IPA CBC Italy – Albania – Montenegro

Three IPA-IPA CBC Programmes

- IPA CBC North Macedonia – Albania
- IPA CBC Montenegro – Albania
- IPA CBC Albania – Kosovo

The following relevant IPA-IPA CBC Clusters/thematic priorities listed in the IPA III Programming Framework have been provisionally selected:

IPA-IPA CBC North Macedonia – Albania

Thematic Cluster no. 2. Improving and increasing the efficiency of green resources. TP 2: Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management.

Thematic Cluster no. 4. Improving the business environment and competition.

TP 5: Encouraging tourism and promote cultural and natural heritage.

Thematic Cluster no. 5. Improve the capacity of local and regional authorities to address local challenges.

TP 7: Promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities.

IPA-IPA CBC Montenegro – Albania

Thematic Cluster no. 2. Improving and increasing the efficiency of green resources.

TP 2: Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management.

Thematic Cluster no. 4. Improving the business environment and competition.

TP 5: Encouraging tourism and cultural and natural heritage.

Thematic Cluster no. 5. Improve the capacity of local and regional authorities to address local challenges.

TP 7: Promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities.

IPA-IPA CBC Albania – Kosovo

Thematic Cluster no. 2. Improving and increasing the efficiency of green resources.

TP 2: Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management.

Thematic Cluster no. 4. Improving the business environment and competition.

TP 5: Encouraging tourism and cultural and natural heritage.

TP 8: Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment.

Thematic Cluster no. 5. Improve the capacity of local and regional authorities to address local challenges.

TP 7: Promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities.

As of March 2021, the IPA III financial allocations to these Programmes have not been decided.

ANNEX 1. ACRONYMS

ACAA	Albanian Civil Aviation Authority
ADISA	Agency for the Delivery of Integrated Services Albania
AIDA	Albanian Investment Development Agency
AKBN	National Agency for Natural Resources
AKPT	National Territorial Planning Agency
AKSHI	National Agency for Information Society
AKUM	National Water Supply, Sewerage and Waste Infrastructure Agency
ALSAI	Albanian Supreme Audit Institution
AMBU	Agency for Water Resource Management
AMFIS	Albanian Financial Management Information System
AML	Anti-Money Laundering
AN	Anticorruption Network
ANHS	Albanian National Health Strategy
ANTP3	Albanian National Transport Plan
AQA	Agency for Quality Assurance
AQF	Albanian Qualifications Framework
ARDA	Agricultural and Rural Development Agency
ASLG	Agency for Support to Local Governments
ASP	Albanian State Police
ASPA	Albanian School of Public Administration
ATP	Property Treatment Agency
AZA	Allocated zones for aquaculture
AZHT	Territorial Development Agency
BIDS	Business and Investment Development Strategy
BMP	Border and Migration Police
BSS	Border Security System
CAH	Census of Agriculture and Holdings
CEPEJ	Council of Europe European Commission for the efficiency of justice
CFT	Combating the Financing of Terrorism
CHU	Central Harmonisation Unit
CSO	Civil Society Organisation
DCM	Decision of Council of Ministers
DDGG	Development and Good Governance
DoPA	Department of Public Administration
DRR	Disaster Risk Reduction
ECAA	European Common Aviation Area
ECOHR	European Court of Human Rights
EEA	Energy Efficiency Agency
EI	European Integration
EIP	Economic and Investment Plan for the Western Balkans

ELVs	End of Life Vehicles
EPR	Extender Producers Responsibility
ERP	Economic Reform Programme
ERRE	Energy Regulatory Authority
ESA	European System of Accounts
ESCO	Energy Service Companies
EUD	European Union Delegation
EUROPOL	European Union's Law Enforcement Agency
EUROJUST	European Union Agency for Criminal Justice Cooperation
EUSAIR	European Union Strategy for the Adriatic and Ionian Region
FADN	Farm Accountancy Data Network
FATF	Financial Action Task Force
FRONTEX	European Border and Coast Guard Agency
FSVI	Food Safety and Veterinary Institute
GDPML	General Directorate for the Prevention of Money Laundering
GFCM	General Fisheries Commission for the Mediterranean
GHG	Greenhouse gas
GoA	Government of Albania
GPO	General Prosecution Office
GRB	Gender Responsive Budgeting
GRECO	Group of States against corruption
HIDAACI	High Inspectorate for the Declaration and Audit of Assets and Conflicts of Interest
HJC	High Judicial Council
HJI	High Justice Inspector
HPC	High Prosecutorial Council
HRMIS	Human Resources Management Information System
KESH	Albanian Electricity Corporation
IACS	Inter-sectoral Anti-Corruption Strategy
IBMS	Integrated Border Management Strategy
ICMS	Integrated Case Management System
ICT	Information and Communication Technology
IDPC	Information and Data Protection Commissioner
IKMT	National Territorial Protection Inspectorate
ILMS	Central Integrated Land Management System
IMO	International Monitoring Operation
INSTAT	Albanian Institute of Statistics
INTERPOL	International Law Enforcement Agency
INTOSAI	International Organisation of Supreme Audit Institutions
IPA	Instrument for Pre-Assistance
IPC	Integrated Pollution Control
IPMG	Integrated Policy Management Group
IPS	Integrated Plan

IPSI	Integrated Planning System Information System
IUU	Illegal, Unreported and Unregulated
ILMR	Integrated Land Management Reform Strategy
IWRM	Integrated Water Resources Management
JAC	Justice Appointment Council
JIT	Joint Investigation Teams
KfW	Kreditanstalt für Wiederaufbau KfW Bankengruppe
LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
LGU's	Local Government Units
LNG	Liquefied Natural Gas
MAP-REA	Multi-annual Action Plan-Regional Economic Area
MEFA	Ministry for Europe and Foreign Affairs
MESY	Ministry of Education Sports and Youth
MoFE	Ministry of Finance and Economy
MoHSP	Ministry of Health and Social Protection
MoI	Ministry of Interior
MoJ	Ministry of Justice
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism of the Council of Europe
MSFD	Marine Strategy Framework Directive
MSMEs	Micro, Small and Medium-sized Enterprises
MTBP	Mid-Term Budget Programme
MTE	Ministry of Tourism and Environment
MTR	Mid-Term Review
NAES	Agency for Employment and Skills
NAIS	National Agency for Information Society
NAPA	National Agency for Protected Areas
NAVETQ	National Agency of Vocational Education Training and Qualifications
NBI	National Investigation Bureau
NCSDLG	National Cross Cutting Strategy for Decentralisation and Local Government
NEA	National Environmental Agency
NECP	National Energy and Climate Plan
NESS	National Strategy on Employment and Skills
NFA	National Food Authority
NIP	National Implementation Plan for phasing out and elimination of Persistent Organic Pollutants
NIPAC	National IPA Coordinator
NPAQM	The National Plan for Air Quality Management
NPCE	National Plan of Civil Emergencies
NPEI	National Plan for European Integration
NSDI	National Strategy for Development and Integration
NSGE	National Strategy for Gender Equality
NSM	National Strategy of Migration
NSPS	National Social Protection Strategy

NTA	National Tourism Agency
OGP	Open Government Partnership
OSCE/ ODIHR	Organisation for Security and Co-operation in Europe/Office for Democratic Institutions and Human Rights
OSSHEE	Electricity Power Distribution System Operator
OST	Transmission System Operator
PAR	Public Administration Reform
PCBs	Polychlorinated biphenyls
PCTs	Polychlorinated terphenyls
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PHC	Population and Houses Censuses
PIFC	Public Internal Financial Control
PMO	Prime Minister's Office
PoMs	Programme of Measures
POPs	Persistent Organic Pollutants
PPA	Public Procurement Agency
PPP	Public-Private-Partnerships
R&D	Research and Development
RB	River Basins
RBMP	River Basin Management Plan
RCC	Regional Cooperation Council
RES	Renewable Energy Source
RIA	Regulatory Impact Assessments
RoP	Rules of Procedures
SA	Security Academy
SAA	Stabilisation and Association Agreement
SARDF	Strategy for Agriculture, Rural Development and Fishery
SCA	State Cadastre Agency
SCCs	Sector Steering Committees
SDG	Sustainable Development Goal
SIENA	Europol's Secure Information Exchange Network Application
SIGMA	Support for Improvement in Governance and Management
SILC	Income and Living Conditions
SME	Small and Medium Enterprises
SOCTA	Serious and Organised Crime Threat Assessment
SPAK	Special Anti-Corruption and Organised Crime Structure
SSS	State Social Service
TEN-E	Trans-European Energy Networks
TEN-T	Trans-European Transport Networks
TFEU	Treaty on the Functioning of the European Union
ThG	Thematic Groups
TP	Thematic Priority

UWWTD	Urban Wastewater Treatment Directive
VET	Vocational and Education Training
WEEE	Waste Electrical and Electronic Equipment
WFD	Water Framework Directive
WPIP	Water sector Performance and Infrastructure Programme

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